ANNUAL REPORT 2025/2026

Technology | Manufacturing | Brand

PROPELLING WHAT'S POSSIBLE

ctgl

COMPUTIME GROUP LIMITED
金寶通集團有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 320)
*For identification purposes only

Computime was founded by Mr. AUYANG Ho in 1974 as a modest engineering firm with a focus on pioneering new products, and it began its journey designing and manufacturing digital clocks, a humble start that laid the foundation for decades of innovation.

After 50+ years of growth, Computime has evolved and rebranded as CTGL, a diversified technology enterprise focused on connectivity and energy efficiency.

CTGL operates as a global enterprise, unified with its worldwide subsidiaries by a single mission: to pioneer the future of smart and sustainable living. With nearly 4,000 dedicated professionals across 25+ locations worldwide, we build and cultivate market-leading businesses at the intersection of technology, manufacturing, and brand excellence.

CTGL continues to drive forward-thinking solutions that advance human potential while safeguarding our planet for generations to come.

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CORPORATE INFORMATION

Chairman Emeritus

Mr. AUYANG Ho

Directors

Executive Directors

Mr. AUYANG Pak Hong Bernard
(Chairman and Chief Executive Officer)
Mr. WONG Wah Shun
Ms. AU King Lun Paulina (appointed on 1 April 2026)

Non-executive Directors

Mr. KAM Chi Chiu, Anthony
Mr. WONG Chun Kong

Independent Non-executive Directors

Mr. HO Pak Chuen Patrick
Ms. LEE Shang Yuee Christabel
Ms. MAY Man Yee Mariana
Ms. Gioia MESSINGER (appointed on 1 April 2026)

Authorized Representatives under the Listing Rules

Mr. AUYANG Pak Hong Bernard
Mr. WONG Samuel Wan Kay (appointed on 1 April 2026)
Ms. AU King Lun Paulina (resigned on 1 April 2026)

Company Secretary

Mr. WONG Samuel Wan Kay (appointed on 1 April 2026)
Ms. AU King Lun Paulina (resigned on 1 April 2026)

Executive Committee

Mr. AUYANG Pak Hong Bernard *(Chairperson)*
Mr. WONG Wah Shun
Ms. AU King Lun Paulina (appointed on 1 April 2026)

Audit Committee

Ms. MAY Man Yee Mariana *(Chairperson)*
Mr. HO Pak Chuen Patrick
Mr. KAM Chi Chiu, Anthony
Ms. LEE Shang Yuee Christabel
Ms. Gioia MESSINGER (appointed on 1 April 2026)

Nomination Committee

Mr. AUYANG Pak Hong Bernard *(Chairperson)*
Mr. HO Pak Chuen Patrick
Ms. LEE Shang Yuee Christabel
Ms. MAY Man Yee Mariana
Mr. WONG Chun Kong

Remuneration Committee

Mr. HO Pak Chuen Patrick *(Chairperson)*
Mr. AUYANG Pak Hong Bernard
Ms. LEE Shang Yuee Christabel
Ms. MAY Man Yee Mariana

Registered Office

Walkers Corporate Limited
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Grand Cayman, KY1-9008,
Cayman Islands

Head Office and Principal Place of Business

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Shatin, New Territories,
Hong Kong
Tel: (852) 2260 0300
Fax: (852) 2790 3996

Principal Share Registrar and Transfer Office

Walkers Corporate Limited
190 Elgin Avenue,
George Town,
Grand Cayman, KY1-9008,
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Website

www.ctgl.com

Stock Code

320

Investor Relations

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Fax: (852) 2790 3996
Email: ir@computime.com

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisors

As to Cayman Islands laws:
Walkers (Hong Kong)

As to Hong Kong laws:
Stephenson Harwood

As to PRC laws:
Guangdong Zhuojian Law Firm

As to United States laws:
Barnes & Thornburg LLP

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Citibank (Hong Kong) Limited
United Overseas Bank Limited
DBS Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China
Industrial and Commercial Bank of China (Asia) Limited
China Construction Bank Corporation

CHAIRMAN'S STATEMENT

For the Year Ended 31 March 2026

Dear Shareholders,

On behalf of the board of directors (the "Board") of Computime Group Limited (the "Company" , "Computime" or "CTGL"), I am pleased to present the annual results of the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2026 ("FY2026" or the "Year").

Market Environment and Year Review

It has been a year marked by significant global uncertainty and challenging market conditions. Geopolitical tensions, supply chain disruptions, tariff volatility, rising commodity and energy prices, and a slower-than-expected recovery in retrofit and construction activities continued to affect many of the markets in which we operate.

Against this backdrop, I am pleased to report that the Group delivered a resilient performance. Revenue increased 2.7% year-on-year ("YoY") to HK$4,104.9 million, reflecting the strength of our diversified business, the trust of our customers and the dedication of our people. During the Year, we were also honored to receive industry recognition from the long-standing partners and one of China's largest professional medical device manufacturers, reaffirming the quality of our capabilities and customer relationships.

While profitability was impacted by the effect of the Mexico facility ramp-up and non-recurrence of the prior year's substantial net foreign exchange gain, we continued to execute strategic investments essential to the Group's future. Notably, the Mexico facility is already yielding measurable improvements in production output, productivity, and cost structure. In addition, we accelerated business and technology development and expanded our global footprint to mitigate evolving geopolitical risks. In alignment with our glocalization strategy, the Group implemented strategic staff rationalization by streamlining headcount in traditional markets and reallocating resources to strengthen talent for the global market. This positions the Group to create lasting value and sustainable growth.

We remained disciplined in managing our financial resources, reducing inventory to HK$734.7 million and maintaining a healthy net cash position of HK$100.1 million. This strong financial foundation gives us confidence in our ability to navigate uncertainties while continuing to invest in opportunities that will support the Group's long-term development.

Strategic Foundation & Glocalization

To drive sustainable long-term value, we have prioritized strategic investments, including expanding our overseas manufacturing footprint and strengthening organizational capabilities. Central to this is our "Glocalization" strategy; with the framework now established, we are refining talent deployment and standardizing global operating systems to enhance efficiency and cross-regional collaboration.

Evolution into a Technology and Portfolio Company

FY2026 marked a milestone with the introduction of CTGL as our new corporate identity. This reflects our evolution over five decades from traditional manufacturing into a diversified technology enterprise focused on connectivity and energy efficiency. CTGL reflects our expanded global technology capabilities beyond traditional manufacturing, encompassing multiple operating brands within a unified, sustainable business portfolio. While our legal and operating structures remain unchanged, this shift highlights our focus on unlocking value through our innovation capabilities. Supporting this transformation is the newly launched CTGL Lab, which integrates our expertise in hardware, software, and artificial intelligence ("AI") to strengthen our core technical capabilities.

Sustainability & Future Development

We continue to integrate environmental, social, and governance ("ESG") considerations into our operations, earning recognition from Carbon Disclosure Project ("CDP"), Strategic Sustainability Benchmark Scheme ("SSBS") and Hong Kong Awards for Environmental Excellence ("HKAEE"). Looking ahead, while market visibility remains limited, we are cautiously optimistic. Backed by our complete glocalization framework and agile manufacturing capacities, we will continue to pursue growth in China, MedTech, and climate control sector in North America, leveraging our diversified portfolio to navigate uncertainties and capture opportunities.

Finally, on behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers, business partners, and stakeholders for their continued trust and support. I would also like to thank our management team and employees around the world for their dedication, professionalism, and unwavering commitment throughout the Year. Together, we look forward to advancing the next phase of our journey and continuing to propel what's possible.

MANAGEMENT DISCUSSION AND ANALYSIS

Established in 1974, the Group has evolved into a global technology, engineering and manufacturing company focused on smart and sustainable living. With operations spanning across Greater China, Southeast Asia, Europe and North America, the Group serves customers worldwide through its two business segments: Control Solutions and Branded Business.

The Control Solutions segment provides engineering, design and manufacturing solutions across a range of industries, while the Branded Business segment develops and markets innovative products and solutions for smart home, climate control, energy management and related applications. Leveraging its global footprint, technological capabilities and diversified business portfolio, the Group continues to invest in innovation, talent and operational excellence to capture growth opportunities and create long-term value for stakeholders.

Market Overview

The global macroeconomic environment in FY2026 remained highly complex and volatile, shaped by geopolitical tensions, supply chain disruptions, commodity inflation, and continued uncertainty in global trade and monetary policy. Businesses across industries also faced mounting challenges as shifting industrial policies and evolving technology investment trends continued to reshape global markets and operating conditions.

According to the International Monetary Fund (the "IMF"), the global economy faced renewed pressure during the Year as conflict in the Middle East, geopolitical fragmentation, and slowing trade activity weighed on growth prospects. Global growth is projected to slow to 3.1% in 2026 and 3.2% in 2027, with emerging markets expected to bear the worst impact of stagnating growth and rising inflation. The IMF also highlighted elevated downside risks from prolonged conflicts, rising sovereign debt levels.[1]

At the same time, supply chain conditions became increasingly fragile amid ongoing tariff volatility. According to the 2026 Thomson Reuters Global Trade Report, tariff volatility has reshaped the global trade landscape, with supply chain challenges evolving into a form of "structural turmoil."[2] Companies are adapting to unprecedented regulatory complexity, cost pressures, and geopolitical conflicts, leading to the reconfiguration of production networks.

Commodity markets also experienced renewed pressure in 2026, particularly in strategic industrial materials critical to electrification and digital infrastructure. A January 2026 S&P Global study highlighted a widening structural shortfall in global copper supply, driven by rising demand from AI data centers, defense spending, and electrification. Global copper demand is projected to rise by 50% by 2040, resulting in a potential 10 million metric ton deficit in the absence of new mining capacity, as structural constraints such as declining ore grades, high production costs, and prolonged permitting timelines continue to constrain supply growth.[3]

The housing and construction sectors in the United States of America (the "US" or the "USA") and Europe—key end markets for many of the Group's products—continued to recover at a slower pace than initially anticipated.

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1 *IMF: The global economy faces renewed tests as the war in the Middle East threatens to disrupt growth and disinflation. https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026*

2 *Thomson Reuters: 2026's supply chain challenge: Confronting complexity and disruption in global trade. https://tax.thomsonreuters.com/blog/2026s-supply-chain-challenge-confronting-complexity-and-disruption-in-global-trade-tri/#navigating-supply-chain-challenges-in-a-world-shaped-by-tariffs*

3 *S&P Global: 'Substantial Shortfall' in Copper Supply Widens as the Race for AI and Growing Defense Spending Add to Accelerating Demand, New S&P Global Study Find. https://press.spglobal.com/2026-01-08-Substantial-Shortfall-in-Copper-Supply-Widens-as-the-Race-for-AI-and-Growing-Defense-Spending-Add-to-Accelerating-Demand,-New-S-P-Global-Study-Finds*

Financial Performance

Revenue

In FY2026, the Group delivered resilient revenue growth despite a challenging global operating environment characterized by geopolitical uncertainty, supply chain disruptions, currency volatility, and continued softness in the housing and construction sectors across key markets.

Revenue for FY2026 increased by 2.7% to HK$4,104.9 million, compared with HK$3,996.6 million for the financial year ended 31 March 2025 ("FY2025"). The increase was primarily driven by steady performance in the Control Solutions segment and continued strong momentum in the Branded Business segment.

Sales from the Control Solutions business amounted to HK$3,610.2 million, representing YoY growth of 1.2%. The increase was mainly attributable to recovery in the Heating, Ventilation, and Air Conditioning ("HVAC") sector and improved sales performance in the Water & Air sector, partially offset by softer demand in the Appliances sector amid cautious consumer spending and slower housing market recovery in key regions.

The Branded Business segment recorded sales revenue of HK$494.6 million, representing strong YoY growth of 14.8%. The performance was led by Salus, which achieved revenue growth of approximately 15%, supported by continued market expansion initiatives and positive contributions from new product launches introduced since the second half of FY2025. This growth was achieved despite slower-than-expected recovery in the US and European housing markets.

Gross profit, gross profit margin

Gross profit for FY2026 increased 0.6% to HK$657.4 million, compared with HK$653.3 million in FY2025. Gross profit margin decreased slightly to 16.0% from 16.3% in FY2025. The margin decline was primarily attributable to operational costs associated with the ramp-up of the Group's Mexico manufacturing operations, expenses related to organizational optimization, and the broader impact of market volatility on operating conditions.

Selling, distribution and administrative expenses

Selling, distribution, and administrative expenses ("SD&A expenses") increased by HK$77.1 million, from HK$510.8 million in FY2025 to HK$587.9 million in FY2026, representing a 15.1% YoY increase.

The increase was primarily driven by higher resource allocation to support accelerated business expansion and technology development initiatives, as well as continued investment in expanding the Group's overseas manufacturing footprint.

In addition, the SD&A expenses further increased due to a strategic investment in human capital. This initiative, referred to as "Staff Rationalization", reflects the Group's response to evolving geopolitical trade dynamics. In particular, key customers have been diversifying their manufacturing bases to mitigate the impact of tariff-related policies, necessitating corresponding adjustments in the Group's production and operational planning. To adapt to this shifting landscape, the Group proactively streamlined its legacy organizational structure, right-sizing headcount in traditional regions to unlock operational efficiencies.

To support these evolving supply chain configurations, the Group has been ramping up its overseas operations, with a particular focus on its facility in Mexico. During this ramp-up phase, workforce resources were strategically reallocated, allowing the Group to recruit specialized professionals with capabilities aligned to the advanced manufacturing and logistical requirements of these new operational hubs.

Accordingly, the investment in the Staff Rationalization serves a dual purpose: it achieves a leaner, more agile cost structure in existing markets while building a long-term talent pipeline under the Group's Glocalization strategy, ensuring the right capabilities are in place to support sustainable future growth.

Profit after tax and adjusted EBITDA

Profit after tax for the Year amounted to HK$20.3 million, compared with HK$90.3 million in FY2025. The decline of HK$70.0 million is primarily attributable to the substantial decrease in net foreign exchange gain, and strategic, forward-looking investments aligned with the Group's long-term expansion and risk-mitigation plans.

Profitability was impacted by the substantial decrease in net foreign exchange gain of approximately HK$10.1 million, which had positively influenced the net profit in the corresponding period last year.

In addition, the decline in profit after tax was also driven by the Group's ongoing strategic investment phase, including the Mexico facility ramp-up, and other continued global expansion initiatives and upgrades to its management structure. These investments, while supportive of long-term growth, increased near-term cost pressures. The overall impact was further compounded by the aggregate effect of volatile external financial conditions during the Year.

Adjusted EBITDA[4] decreased by HK$91.1 million, or 27.4%, from HK$332.2 million in FY2025 to HK$241.1 million in FY2026.

Cash and bank balances

Cash and bank balances increased from HK$214.2 million as at 31 March 2025 to HK$244.7 million as at 31 March 2026, reflecting a stable overall liquidity position during the Year.

Net cash improved from HK$95.9 million as at 31 March 2025 to HK$100.1 million as at 31 March 2026. Overall, the Group's cash position remained steady, supported by consistent operating performance and disciplined working capital management.

Inventories

Inventory levels decreased to HK$734.7 million as at 31 March 2026, compared with HK$756.0 million as at 31 March 2025. The reduction reflected enhanced supply chain management, improved inventory turnover, and better alignment of stock levels with anticipated peak-season shipment schedules during the second half of the Year.

[4] *Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") excluded loss on valuation of HK$2.3 million in current year (FY2025: HK$1.6 million).*

Trade receivables, trade and bills payable

Trade receivables decreased to HK$693.5 million as at 31 March 2026 from HK$770.9 million as at 31 March 2025, primarily in line with the seasonal characteristics of the Group's regular business cycle and higher shipment levels during the latter part of the Year. Trade and bills payable amounted to HK$905.3 million, compared with HK$950.8 million as at 31 March 2025, remaining broadly consistent with normal procurement and payment cycle patterns.

Gearing ratio

The Group's gearing ratio increased moderately to 10.0% in FY2026 from 8.4% in FY2025, reflecting funding requirements associated with ongoing business scaling initiatives, overseas manufacturing expansion, and strategic investments supporting the Group's long-term growth plans.

Overall, despite a challenging external environment and short-term cost pressures associated with strategic transformation initiatives, the Group continued to demonstrate operational resilience while advancing its long-term investment priorities, strengthening its global manufacturing footprint, and positioning the Group for sustainable future growth.

Segment Performance

Control Solutions

Revenue from the Control Solutions segment increased to HK$3,610.2 million in FY2026, representing YoY growth of 1.2% compared with HK$3,565.8 million in FY2025.

The improvement was primarily driven by recovery in the HVAC sector and improved sales performance in the Water & Air category. The positive performance was partially offset by softer demand in the Appliances sector.

Branded Business

Revenue from the Branded Business segment increased to HK$494.6 million in FY2026, representing a YoY increase of HK$63.8 million, or 14.8%, compared with HK$430.8 million in FY2025.

Growth was primarily driven by proactive market expansion and the successful launch of products under the Salus brand that addressed market needs. These offerings were well received by customers and contributed significantly to segment growth. Braeburn also delivered a modest uplift, despite ongoing challenges in the US housing and renovation sectors, adding to the overall performance of the segment.

This performance was further supported by the Group's ongoing focus on strengthening market positioning amid evolving competitive dynamics and varying regional market conditions.

Business Overview

Corporate Rebranding

As the Group has significantly expanded its global footprint and capabilities, the launch of CTGL marks a key milestone in aligning our corporate identity with our long-term strategic direction and future ambitions. This rebranding reflects the Group's continued evolution over the past five decades from a pioneering electronics manufacturer into a global technology-driven enterprise, underpinned by enduring values of integrity, resilience, collaboration, and forward-thinking innovation.

CTGL will serve as the Group's strategic holding company identity, providing a unified corporate architecture that enhances clarity and consistency in how we engage with investors, customers, employees, and other stakeholders globally. It reflects the increasingly interconnected nature of our businesses and the value created through the integration of engineering excellence, advanced manufacturing, software-enabled technologies, and innovation capabilities across the Group.

Looking ahead, CTGL better represents who we are today and our ambition for the future. It provides a stronger and more coherent expression of the Group's evolution, strategic direction, and long-term value creation agenda, as we continue to advance our capabilities and deliver on our commitment of "Propelling what's possible".

Our Approach

CTGL's strategic approach is anchored on its Glocalization model, which integrates global management expertise with strong local execution capabilities. Under this framework, the Group maintains centralized strategic leadership in Hong Kong while empowering regional teams to operate close to customers and markets. This structure enables CTGL to remain agile, customer-focused, and resilient in a rapidly evolving global trade environment, while supporting long-term value creation through disciplined execution and operational scalability.

A key pillar of this model is the Region-to-Region operating structure, which establishes specialized local business development teams across key markets. These teams are responsible for front-end customer engagement, coordination of production requirements, and execution of sales initiatives. By embedding commercial and operational capabilities within each region, the Group is better positioned to understand local customer needs, respond quickly to market dynamics, and capture new project opportunities in a targeted and efficient manner.

Complementing this is a hub-and-spoke structure, with Hong Kong serving as the central hub for strategic direction, governance, and resource allocation. Regional operations function as coordinated spokes, ensuring that execution remains both locally responsive and globally aligned. This balance allows the Group to optimize resource utilization while maintaining consistency in strategic objectives and operational standards.

CTGL also operates a specialized and flexible hybrid model, whereby each site is developed according to its core strengths in areas such as manufacturing, engineering, product development, and customer support. Resources, capabilities, and knowledge are shared across the network to enhance efficiency, foster innovation, and strengthen overall operational resilience.

These operating principles are closely aligned with the Group's broader growth framework, including targeted market expansion, scaling of core technologies across multiple applications ("1-to-N Technologies"), and continuous operational enhancement through digitalization and process optimization ("Operation Remastered"). Together, these initiatives support the disciplined execution of the Group's long-term growth strategy.

Technological Accomplishments

From a technology perspective, CTGL continues to strengthen its position as a technology-driven organization, supported by a global engineering base of more than 500 designers and engineers across hardware, firmware, software, and systems integration. This capability enables the Group to develop end-to-end intelligent solutions across its core markets.

CTGL's technology foundation is built on decades of research and development ("R&D") investment and a proprietary intellectual property portfolio of over 250 patents developed across its global centers of excellence. This foundation supports the Group's ability to continuously innovate and commercialize advanced technologies across its operating businesses.

At the core of this capability is an integrated technology architecture spanning sensing, connectivity, cloud platforms, human–machine interfaces, and AI. Increasingly, AI is embedded across the Group's systems, enabling predictive insights, adaptive control, and enhanced efficiency across applications.

The Group's engineering investments are focused on key growth platforms that define the next generation of smart and sustainable solutions. These include net zero energy systems such as electric vehicle charging, home energy management, and grid-responsive platforms; intelligent water management solutions for conservation, monitoring, and distribution; and AI-enabled capabilities that support edge intelligence, predictive maintenance, and autonomous optimization.

In parallel, CTGL has developed strong capabilities in enabling interoperable ecosystems through standards such as Matter, as well as in advanced application domains such as connected induction cooking systems, where electronics, control systems, and user interfaces are fully integrated into smart, connected products.

Together, these capabilities reinforce CTGL's position as a long-term technology innovator, enabling intelligent, connected, and energy-efficient solutions across homes, buildings, and infrastructure globally.

ESG

CTGL continues to advance its ESG priorities toward its 2030 sustainability targets. In FY2026, the Group enhanced its climate strategy by expanding Scope 3 GHG reporting to cover Categories 1, 2 and 4, alongside conducting climate scenario analysis for long-term resilience.

Socially, the Group maintained zero work-related fatalities for the tenth consecutive year and achieved a 100% employee training rate for the fourth consecutive year. In governance, board diversity improved through the appointment of two female directors, bringing female representation to four out of nine Board members.

Externally, CTGL's disclosures earned Management Level from the CDP. The Group also attained the Performer Level in the SSBS assessment, outperforming industry averages, and received the Certificate of Merit at the 2024 HKAEE. These accolades validate the Group's strategic direction.

Outlook

Macro Environment and Sustainability Outlook

The challenging macroeconomic environment is expected to persist in the near term. Simultaneously, global warming and broader sustainability considerations remain critical long-term structural factors shaping our industry. In this context, the Group's unwavering commitment to sustainability and ESG excellence is expected to yield clear strategic advantages, mitigating external risks while contributing positively to our long-term development.

Strategic Transformation and Business Growth

In line with our strategic transformation, the Group will further leverage its CTGL rebranding to unlock its full business potential. The Group is transitioning from a traditional manufacturing entity into a technology portfolio company, moving beyond a cost-driven OEM/ODM model toward innovation-led, solution-oriented businesses. By establishing a clear strategic distinction between the CTGL corporate identity and our individual business brands, we are crafting a high-performance brand architecture that lays a solid foundation for the future introduction and expansion of own-brand and proprietary products. Under the unified CTGL identity, our established brands, Salus and Braeburn are well-positioned to capture future growth opportunities and realize their full potential as vital drivers of long-term value creation.

CTGL Lab: Driving Technological Excellence

The launch of CTGL Lab, supporting this enterprise-wide transformation, demonstrates the Group's strong foundation in technology and its continued commitment to technological excellence. CTGL Lab serves as a centralized, technology-driven platform designed to elevate the Group's core technical capabilities, generate intellectual properties and catalyze cross-business collaboration. This framework fast-tracks the development of advanced solutions to meet evolving market needs, fully powered by our unified expertise across hardware, software, connectivity, intelligent controls, sensing, and emerging AI applications.

Continuous Investment in Climate Control and Energy Management

The Group will persistently direct its strategic investments toward the climate control and energy management sectors, capitalizing on the secular global transition to sustainable technologies. Our corporate rebranding under CTGL serves as a critical catalyst to accelerate the commercialization of proprietary products purpose-built for the evolving HVAC market. This strategic repositioning directly aligns with tightening international environmental standards, which heavily favor smarter, energy-efficient solutions.

Consequently, our product portfolio is strategically positioned to monetize this shift. The Group will leverage its advanced climate control and energy management products to capture expanding market opportunities in next-generation green HVAC, smart appliances, and eco-friendly technologies, utilizing the strong market presence of Salus and Braeburn to anchor upcoming sustainable innovations.

Medical Technology ("MedTech") and Health Technology ("HealthTech") Expansion

The Group views MedTech and HealthTech as pivotal strategic growth areas that complement its broader technology and innovation capabilities. Supported by ComtecNova, our Singapore-based innovation and regional hub, we are enhancing our ability to access new business opportunities, develop strategic partnerships, and attract specialized talent within the healthcare technology ecosystem. Leveraging more than five decades of engineering and manufacturing expertise, we are uniquely positioned to support the evolving needs of MedTech and HealthTech customers with high-quality, reliable, and scalable solutions, further diversifying our growth drivers.

Gaopudi ("GPD"): Bridging the East and the West

The Group positions GPD as a strategic brand leveraging our robust global infrastructure to empower ambitious Chinese enterprises in both their domestic and international expansion. GPD bridges Chinese enterprises with global markets by providing comprehensive engineering and manufacturing solutions across high-value sectors, including energy management, smart home and buildings, and medical devices. GPD enables Chinese domestic customers to seamlessly comply with international standards and achieve global supply chain scaling, thereby establishing a reliable growth engine for the Group— driven by our 7 global R&D centers and 8 advanced manufacturing facilities, particularly our expanded footprints in Southeast Asia and Mexico.

Operational Discipline and Glocalization Strategy

From an operational perspective, we will continue to adopt an agile management approach with strict emphasis on cash flow discipline and rigorous operating expense control to ensure financial resilience amid external volatility. We will scale up the capabilities of our Mexican facility in strict accordance with customer production schedules and demand requirements. Concurrently, investments will be directed towards research and development and mitigating geopolitical and tariff risks.

The Group will aggressively advance its Glocalization strategy as a core pillar of our long-term growth, combining global scale with local responsiveness to enhance market competitiveness. Despite ongoing economic uncertainties, we remain cautiously optimistic about our long-term prospects, committed to expanding our global presence through disciplined execution, operational excellence, and sustained strategic transformation.

Liquidity, Financial Resources, and Capital Structure

The Group maintained a sound financial and liquidity position in the Year. As at 31 March 2026, the Group maintained cash and bank balances of HK$244,731,000 (FY2025: HK$214,188,000), which included cash and cash equivalents of HK$233,147,000 (FY2025: HK$195,820,000) and restricted deposits of HK$11,584,000 (FY2025: HK$18,368,000) for issuance of bank acceptance notes. The Group held a cash and bank balance of HK$68,435,000 (FY2025: HK$50,844,000) denominated in Renminbi (“RMB”). The remaining balance was mainly denominated in US dollars, Hong Kong dollars (“HK dollars” or “HK$”), and Euros (“EUR”). Overall, the Group maintained a robust current ratio of 1.4 times as at 31 March 2026 (FY2025: 1.4 times).

As at 31 March 2026, total interest-bearing bank borrowings were HK$144,638,000 (FY2025: HK$118,249,000), comprising mainly bank loans repayable within one year. Most of these borrowings were denominated in US dollars, HK dollars and RMB (FY2025: US dollars and HK dollars), and the interest rates applied were primarily subject to floating rate terms.

As at 31 March 2026, total equity attributable to owners of the Company amounted to HK$1,445,548,000 (FY2025: HK$1,401,268,000). The Group had a net balance of total cash and bank balances less total interest-bearing bank borrowings of HK$100,093,000 (FY2025: HK$95,939,000).

Treasury Policies

The Group is exposed to foreign exchange risk through sales and purchases denominated in currencies other than the functional currency of the operations to which they relate. The currencies are primarily US dollars, RMB and EUR. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimize the relevant exposures.

Capital Expenditure and Commitments

During the Year, the Group incurred total capital expenditures of approximately HK$141,608,000 (FY2025: HK$124,680,000) mainly for additions to property, plant, and equipment and deferred expenditure associated with developing new products.

As at 31 March 2026, the Group had capital commitments contracted but not provided for HK$11,520,000 (FY2025: HK$12,211,000), mainly for the leasehold improvements.

Contingent Liabilities

As at 31 March 2026, the Group had no significant contingent liabilities (FY2025: Nil).

Charges on Assets

The Group undertakes to the bank that short-term bank deposits of HK$11,584,000 (FY2025: HK$18,368,000) must be maintained with the respective bank during the life of certain bill payables.

Employee Information

As at 31 March 2026, the Group had a total of 3,964 employees (FY2025: 4,007 employees). Total staff costs for the Year amounted to HK$730,601,000 (FY2025: HK$661,386,000). Salaries and wages are generally reviewed annually by individual qualifications, performance, the Group's results, and market conditions. The Group provides its employees, discretionary bonus, medical insurance, provident fund, educational subsidy, and training.

Share Schemes

A share award plan and a share option scheme (collectively the "Share Schemes") have been adopted by the Company in the annual general meeting on 7 September 2023. Details of the Share Option Schemes were set out in the circular of the Company dated 25 July 2023 (the "Circular"). The purposes of the Share Schemes are to recognize and reward the contributions of certain eligible participants to the growth and development of the Group and to give incentives in order to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group. Details of the Share Schemes during the Year are disclosed in P.33 to P.35 under the "Report of Directors" in this report.

PROFILE OF CHAIRMAN EMERITUS, DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Chairman Emeritus

AUYANG Ho, aged 94

Mr. AUYANG Ho ("Mr. AUYANG") was an executive director ("Executive Director"), the chairman of the Board (the "Chairman"), the chairman of both the executive committee (the "Executive Committee") and the nomination committee (the "Nomination Committee"), and a member of the remuneration committee (the "Remuneration Committee") of the Company until 13 April 2022. He is now a director of Computime International Limited, a subsidiary of the Company. Besides, Mr. AUYANG is a director of Solar Power Group Limited, the controlling shareholder of the Company. He is the father of Mr. AUYANG Pak Hong Bernard ("Mr. Bernard AUYANG"), an Executive Director, Chairman and the chief executive officer (the "CEO") of the Group.

Mr. AUYANG co-founded the Group in 1974. He graduated from the South China Institute of Technology (now known as the South China University of Technology), where he studied structural engineering. Mr. AUYANG has more than 50 years of experience in manufacturing operations, product management and development in the electronics industry. Prior to founding the Group, Mr. AUYANG was an engineer in the Ministry of Railways of the People's Republic of China. During the period from April 1965 to January 1973, he worked in the group of The Hong Kong Chiap Hua Manufactory Company, (1947) Limited (now known as "Chiaphua Limited") (this group is hereinafter referred to as "Chiaphua Group"). He had served as an assistant plant manager of the extrusion plant for The Hong Kong Chiap Hua Manufactory Company (1947) Limited from April 1965 to December 1970. From January to September 1970, he acted as a project manager for International Containers Limited (a company formed by Chiaphua Group and another party and has now been dissolved) and was responsible for supervising and coordinating the setting-up of a new manufacturing plant and all its facilities. In September 1970, he was formally promoted as the plant manager of International Containers Limited and held the position until he left Chiaphua Group in January 1973. Mr. AUYANG then formed the Group and under his leadership, the Group received The Chinese Manufacturers' Association of Hong Kong New Product Award in 1976. Mr. AUYANG has been instrumental in spearheading the Group's expansion and has secured many key customers since 1980.

Directors

Executive Directors

AUYANG Pak Hong Bernard, aged 58

Mr. Bernard AUYANG is an Executive Director, the Chairman and the CEO of the Group. He is the son of Mr. AUYANG Ho, the Chairman Emeritus of the Company. Bringing with him over 30 years of experience in the electronic industry and general management, Mr. Bernard AUYANG also serves as the chairperson of both the Executive Committee, the Nomination Committee and a member of the Remuneration Committee. Mr. Bernard AUYANG is a director and the sole shareholder of Solar Power Group Limited, the controlling shareholder of the Company. Mr. Bernard AUYANG first joined the Group in 2006 and rejoined the Group in January 2020.

Mr. Bernard AUYANG has been the chairman of a Hong Kong-based investment firm; and was a chief executive officer of a brand and technology company focusing on innovative communication and outdoor products. Mr. Bernard AUYANG is the vice chairman of the board of directors of CUHK Medical Centre Limited.

Mr. Bernard AUYANG received the Young Industrialist Awards of Hong Kong in 1999 and was named the Hong Kong Young Industrial Ambassador in 2002. He was also the past international chairman of the Young Presidents' Organization (YPO), a global network of chief executives, from 2014 to 2015. Mr. Bernard AUYANG is the Vice-Chairman, IT Committee Chair, and a Board member of CUHK Medical Center. He is a Trustee of St. Paul's Co-educational College Charitable Trust and was a Council Member of St. Paul's Co-educational College from 2012 to 2023. He is a Member of the Committee of Overseers of Wu Yee Sun College of CUHK, an Honorary Awards Committee Member, an Honorary Court Member of the Council of the Hong Kong University of Science and Technology, and a former Council member and current Honorary Court Member of Lingnan University. Mr. Bernard AUYANG obtained a Bachelor of Arts magna cum laude in East Asian Studies and Economics from Harvard University in the USA in 1991.

WONG Wah Shun, aged 63

Mr. WONG Wah Shun ("Mr. Kent WONG") is an Executive Director and serves as a member of the Executive Committee. Having over 35 years of experience in the electronic industry focusing on product development, manufacturing, distribution and brand development, he was the chief executive officer of the Branded Business in VTech Telecommunication before leaving the company in 2008, after 19 years working with them. Afterwards, he worked in companies with renowned brands on product and technology sides at a senior executive level, notably including being the president of Salus Solutions of the Group in the year of 2009. Mr. Kent WONG is a Chartered Engineer and a member of the Institution of Engineering and Technology (IET). He earned a Master's degree in Engineering Management from City University of Hong Kong, a Master's degree in Engineering from the University of Warwick, a Master's degree in Business Administration from the University of Strathclyde and an Executive Master's degree in Business Administration from Kellogg-HKUST. He also holds 3 invention patents in the United States Patent and Trademark Office. Mr. Kent WONG joined the Group in April 2020 and was appointed as the Executive Director in September 2020.

AU King Lun Paulina, aged 56

Ms. AU King Lun Paulina, was appointed as an Executive Director and a member of the Executive Committee on 1 April 2026. She joined the Group as Chief Financial Officer and the company secretary of the Company (the "Company Secretary") on 3 July 2024. She has more than 30 years of experience in finance and accounting. Prior to joining the Group, she worked in companies covering a wide range of industries including companies listed in Hong Kong and the USA. In addition, she gained professional accounting and auditing experience with PricewaterhouseCoopers Hong Kong. Ms. AU holds a Bachelor's Degree in Accountancy from the City University of Hong Kong and a Master's Degree in Applied Finance from Macquarie University, Australia. She is a member of the Hong Kong Institute of Certified Public Accountants. Ms. AU resigned as the Company Secretary on 1 April 2026.

Non-executive Directors

KAM Chi Chiu, Anthony, aged 64

Mr. KAM Chi Chiu, Anthony is a non-executive director ("Non-executive Director") and a member of the audit committee of the Company (the "Audit Committee"). Mr. KAM is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. He holds a Master's degree in Mathematics from the University of Oxford in the United Kingdom. He is qualified as a chartered accountant in London and currently practices as a certified public accountant in Hong Kong. Mr. KAM was appointed as a Non-executive Director in September 2006.

WONG Chun Kong, aged 65

Mr. WONG Chun Kong ("Mr. CK WONG") is a Non-executive Director and a member of the Nomination Committee. He is a solicitor of the High Court of Hong Kong. Mr. CK WONG was educated in both Hong Kong and England. He has substantial experience in civil litigation and deals mainly in commercial, personal injuries, banking and administrative law litigation, corporate acquisition, cross-border joint ventures etc. Mr. CK WONG is now the senior consultant of Y. T. CHAN & CO. Solicitors. Mr. CK WONG was a Chief Adjudicator of the Registration of Persons Tribunal of Hong Kong Special Administrative Region (the "HKSAR"). He had served as a Deputy Adjudicator of the Small Claims Tribunal of the HKSAR in 1998 and as an Adjudicator of the Registration of Persons Tribunal of HKSAR during the period from March 2005 to February 2011. Mr. CK WONG was also a panel member of the Municipal Services Appeals Board of HKSAR during period from January 2009 to December 2014. He was an in-house legal counsel in one of the leading life insurers in Hong Kong and Macau, dealing with legal and regulatory matters pertaining to long-term insurers. Mr. CK WONG was appointed as a Non-executive Director in February 2008.

Independent Non-executive Directors

HO Pak Chuen Patrick, aged 71

Mr. HO Pak Chuen Patrick is an independent non-executive director of the Company ("Independent Non-executive Director"), chairperson of the Remuneration committee and a member of both the Audit Committee and the Nomination Committee. Mr. HO is currently the chief operating officer of Fung Investment Management Limited. He also holds directorships in a number of private companies within the Fung Group, a Hong Kong-based multinational corporation which comprises major subsidiaries in trading, logistics, distribution and retailing. Mr. HO is also an independent non-executive director, the chairman of the remuneration committee, and a member of the audit committee, the nomination committee and the health, safety and environment committee of Yip's Chemical Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 408). Mr. HO was a director of Global Brands Group Holding Limited from 10 August 2021 to 30 June 2022, a company delisted from the Stock Exchange on 25 July 2022. Mr. HO was previously with The Dow Chemical Company ("Dow Chemical") and retired in 2018 after 40 years of service. He was Global Business Director for Ethylene Oxide, Propylene Oxide and Derivatives in Chemicals and Metals in Dow Chemical's headquarters in Midland, Michigan. Mr. HO returned to Hong Kong in 1998 as President for Dow Chemical, Asia Pacific region, Global Vice President for Epoxy and Specialty Chemicals and subsequent served as the Asia Pacific Vice President for manufacturing, public and government affairs. Mr. HO was the Chairman of Association of International Chemical Manufacturers (AICM) in Hong Kong/China from 2001 to 2003. Mr. HO holds a Bachelor's degree in Chemical Engineering from Queen's University at Kingston, Canada. Mr. HO was appointed as an Independent Non-executive Director in July 2020.

LEE Shang Yuee Christabel, aged 53

Ms. LEE Shang Yuee Christabel is an Independent Non-executive Director, and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. Ms. LEE is an experienced business leader with a career focused in the finance industry in Hong Kong. She has over 25 years of experience in general management and corporate finance. Ms. LEE is currently the President of Toppan Nexus in Asia Pacific, which she joined in 2000. She participated in and assisted the growth of Toppan Nexus and Toppan Merrill into a recognized industry leader and the expansion of Toppan Nexus from Hong Kong to Singapore, China, the USA, and Europe over the past two decades. Prior to joining Toppan Nexus, Ms. LEE worked in the corporate finance team of Schroders Asia Limited, where she worked on a variety of high-profile corporate restructuring, group reorganization, merger and acquisition and equity capital market transactions for blue-chip listed companies and multinational corporations in Hong Kong. Ms. LEE obtained a Bachelor of Science in Economics from the University College London in 1993. She attended The General Management Program at Harvard Business School in 2005 and completed the Wharton Executive Education Certificate of Corporate Governance in 2024. Ms. LEE was appointed as an Independent Non-executive Director in September 2023.

MAY Man Yee Mariana, aged 64

Ms. MAY Man Yee Mariana is an Independent Non-executive Director, a chairperson of the Audit Committee, and a member of the Nomination Committee and the Remuneration Committee. Ms. MAY is currently working in a boutique search firm specializing in the recruitment of information technology, financial and banking executives. Ms. MAY has over 20 years of experience as a senior banker with international corporate and investment banks covering conglomerates in the Greater China region. She was a director and Head of Conglomerates with Westpac in Hong Kong, a director of Global Corporates in Standard Chartered Bank, and worked in both the corporate finance and the debt capital markets divisions of Schroders Asia Limited. Ms. MAY is a qualified Canadian Chartered Professional Accountant and graduated from the University of British Columbia with a Bachelor of Commerce from the Sauder School of Business. She worked for KPMG in Vancouver and Hong Kong before pursuing her career in banking. Ms. MAY is also the Honorary Secretary of the Friends of Caritas in Hong Kong. Ms. MAY was appointed as an Independent Non-executive Director in December 2023.

Ms. Gioia MESSINGER, aged 64

Ms. Gioia MESSINGER was appointed as an Independent Non-executive Director and a member of the Audit Committee on 1 April 2026. She is a senior technology executive and experienced public and private corporate board director. Ms. MESSINGER's expertise encompasses technology development, consumer marketing, strategic planning, merger and acquisition, and operational excellence, with a proven ability to drive innovation, strategic growth, and digital transformation through artificial intelligence and data-driven analysis. Ms. MESSINGER is the founder and principal of LinkedObjects, a strategic advisory services business that focuses on digital transformation brought about by AI and the Internet of Things ("IoT"). She has served as an independent director of Hunter Industries since July 2023. Ms. MESSINGER was the founder, chief executive officer and chairlady of Avaak Inc. (currently known as Arlo Technologies, Inc., a company listed on the New York Stock Exchange (NYSE: ARLO)). Ms. MESSINGER was an independent director of Guild Mortgage Company from July 2022 to November 2025, a company listed on the New York Stock Exchange (NYSE: GHLD) and an independent director of One Stop Systems Inc. from June 2020 to June 2025, a company listed on the Nasdaq Stock Market (NASDAQ: OSS). Ms. MESSINGER holds a Bachelor of Science in Computer Engineering from the University of California, San Diego and a Master of Business Administration from the University of California, Irvine.

Senior Management

CHOI Lap Hung, aged 63

Mr. CHOI Lap Hung joined the Group in 2020 and currently serves as the President of Control Solutions of the Group. He is a veteran of the electronic manufacturing services ("EMS") industry, and brings with him over 30 years of experience in a variety of capacities including industrial product R&D, supply chain strategy, operations as well as business development. Mr. CHOI oversees the sales function of the Group and is responsible for customer relationships across Europe, the US and the Asia-Pacific region. Prior to joining the Group, Mr. CHOI was a vice president of Kaifa Technology Limited where he oversaw the corporate supply chain strategy and expanded the business in Asia, Europe and the Middle East. Before that, he was a general manager of VTech Communications Limited where he oversaw international business development. Mr. CHOI holds a Master of Science degree in Manufacturing Systems Engineering from the University of Warwick in the United Kingdom.

Jeroen STEENBLIK, aged 52

Mr. Jeroen STEENBLIK joined the Group in 2021 and currently serves as the Chief Technology Officer of the Group and the Vice President of Computime Brands. He has over 20 years of extensive experience in the consumer electronics industry having worked in engineering, consumer marketing and business management. For over 18 years, he worked for Philips in the Netherlands, Singapore and Hong Kong, where he developed and successfully launched many highly innovative products to market amongst the first connected home entertainment and IoT products. In recent years, he was involved in helping to diversify the consumer electronics portfolio in TCL Electronics by setting up and successfully starting the new soundbar business group, which with its innovative product range ranked in many awards at IFA 2019 and CES 2020. Mr. STEENBLIK holds a Bachelor's degree in Electrical and Electronic Engineering from Fontys University in the Netherlands.

FU Mei Yuk, aged 55

Ms. FU Mei Yuk first joined the Group in 2006 and rejoined the Group in 2020 and currently serves as the Chief Commercial Officer of the Group. She has over 30 years of experience in sales and marketing, and business development in the EMS industry. She held various senior management positions previously, including working as the General Manager of Business Development for 10 years in the Group. Prior to rejoining the Group in 2020, Ms. FU was the vice president of business development in Wise Ally International Holdings Limited. She obtained a Bachelor's degree in Organisation Studies and Sociology from the Lancaster University the United Kingdom.

AU Man Kit, aged 59

Mr. AU Man Kit joined the Group in 2020 and currently serves as the Executive Vice President of Control Solutions of the Group. He is a seasoned business leader with over 30 years of experience in the electronics manufacturing industry, specializing in wireless communication devices and consumer electronics. Mr. AU oversees business development and customer account management across United States, Europe, China and the Asia Pacific region. Prior to joining the Group, he had been working in similar positions at several listed companies in Hong Kong and Singapore. Mr. AU holds a Bachelor of Arts in the Hong Kong Baptist University and a Diploma of Marketing and International Business in The Chinese University of Hong Kong.

HA Wai Leung, aged 67

Dr. HA Wai Leung joined the Group in 1998 and currently serves as the Executive Vice President of R&D. He is a Chartered Engineer and a member of The Institute of Measurement and Control and IET, as well as a senior member of The Institution of Electrical and Electronics Engineers, with over 30 years of working experience in engineering and research and development. Prior to joining the Group, he worked as senior management in R&D in various electronics companies in Hong Kong and Singapore. He obtained an Engineering Doctorate's degree in Engineering Management from City University of Hong Kong, a Master's degree in Electronic Systems Design from City University of Hong Kong, a Master's degree in Engineering from The University of Hong Kong, and an Associateship and Higher Diploma in Electrical Engineering from The Hong Kong Polytechnic University.

WONG Samuel Wan Kay, aged 45

Mr. WONG Samuel Wan Kay ("Mr. Samuel WONG") first joined the Group in 2016, and was appointed as the Company Secretary on 1 April 2026 and re-joined the Group on even date as the Group's General Counsel. He has over 20 years of multidisciplinary experience in law, regulatory compliance, corporate finance, investor relations, corporate governance and company secretarial affairs, underpinned by prior experience in healthcare and computer technology industries. Prior to joining the Group, Mr. Samuel WONG worked for a private healthcare company, and a US-listed technology company in Canada. Mr. Samuel WONG is a solicitor admitted in Hong Kong, a Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding dual designations as Chartered Secretary and Chartered Governance Professional, and a Certified Environmental Social Governance Analyst (CESGA)®. Mr. Samuel WONG holds a Juris Doctor — Master of Business Administration (JD/MBA) dual degree from The Chinese University of Hong Kong, a Postgraduate Certificate in Laws from The University of Hong Kong, a Master of Science degree in Corporate Governance and Compliance from Hong Kong Baptist University, and a Bachelor of Applied Science degree in Computer Engineering from The University of Waterloo in Canada, where he was a Nortel Networks Institute Scholar. He is also a lifetime member of Beta Gamma Sigma.

YAU Chi Hing, aged 46

Mr. YAU Chi Hing joined the Group in 2019 and currently serves as Vice President of Customer Solutions. He has over 20 years of experience in sales and marketing, business development, and key account management across the electronics manufacturing and consumer electronics industries. In his current role, Mr. YAU is responsible for overseeing the Group's customer solutions strategy and driving business growth, with particular focus on key account management and new business development. Since joining the Group, he has held progressive leadership roles before being appointed Vice President of Customer Solutions in January 2026. Prior to joining the Group, Mr. YAU gained extensive experience at sizable international multinational companies spanning telecom manufacturing, consumer electronics and electrical retail industries. Mr. YAU holds a Master of Business Administration degree and a Bachelor of Engineering degree in Mechatronics Engineering from the City University of Hong Kong.

Mark Richard WHITNELL, aged 44

Mr. Mark Richard WHITNELL joined the Group in 2026 as Vice President of Global Manufacturing. He is an experienced manufacturing and operations leader with over 25 years of experience in the electronics manufacturing industry, with his expertise spanning the manufacturing test and automation, operations management, and global supply chain sectors. Mr. WHITNELL is responsible for leading the Group's global manufacturing strategy and operations, driving operational excellence across multiple regions, and strengthening standardized manufacturing processes, systems, and automation platforms to support scalable growth, enhance operational efficiency, and advance lean manufacturing practices. Prior to joining the Group, Mr. WHITNELL spent more than two decades with Vantiva (formerly Technicolor SA), where he progressed through a series of engineering and operational leadership roles to executive management. Most recently, he served as Vice President of Global Manufacturing Operations, where he was responsible for overseeing multi-billion-dollar manufacturing operations across multiple regions. Mr. WHITNELL holds a Higher National Certificate in Electrical and Electronic Engineering from the University of Glamorgan.

CHAN Chi Wing, aged 51

Mr. CHAN Chi Wing joined the Group in 2018 and currently serves as the Vice President of Operations, overseeing global manufacturing operations and supply chain management across Asia, Europe and the Americas. He has over 28 years of experience in the design and manufacturing industry within the EMS sector, with extensive expertise in operations management, production planning, procurement, and supply chain optimization. He has led manufacturing operations across multiple countries including Vietnam, China, Malaysia, Romania and Mexico. Mr. CHAN holds a Bachelor of Engineering degree in Computer Engineering from the Hong Kong University of Science and Technology and a Master of Science degree in Communication Engineering from The University of Hong Kong.

Company Secretary

WONG Samuel Wan Kay, aged 45

Mr. Samuel WONG was appointed as the Company Secretary on 1 April 2026. Details of the biography of Mr. Samuel WONG are disclosed under "Profiles of Chairman Emeritus, Directors, Senior Management and Company Secretary" in this report.

REPORT OF THE DIRECTORS

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the Year.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the research and development, manufacture, sales, and brand management of electronic control products, focusing on smart and sustainable living. There was no significant change in the Group's principal activities during the Year.

An analysis of the Group's performance for the Year by business and geographical segments is set out in note 4 to the financial statements.

Results and Appropriations

The results of the Group for the Year and financial position of the Group as at that date are set out in the sections headed "Consolidated Statement of Profit or Loss" and "Consolidated Statement of Financial Position" respectively in this annual report.

The Board has resolved to recommend to the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting of the Company to be held on Thursday, 3 September 2026 (the "2026 AGM") a final dividend of HK$0.0121 per share for the Year (the "Proposed Final Dividend") to be paid on Friday, 23 October 2026 to those Shareholders whose names appear on the register of members of the Company on Monday, 5 October 2026.

Closure of Register of Members

(a) Entitlement to attend and vote at the 2026 AGM

The 2026 AGM is scheduled to be held on Thursday, 3 September 2026. For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 31 August 2026 to Thursday, 3 September 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2026 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 28 August 2026.

(b) Entitlement to the Proposed Final Dividend

The Proposed Final Dividend is subject to the approval of the Shareholders at the 2026 AGM and compliance with the provisions of the Companies Act (as revised) of the Cayman Islands. For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will be closed from Wednesday, 30 September 2026 to Monday, 5 October 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 29 September 2026.

Business Review

A review of the Group's business during the Year, which includes a discussion of the principal risks and uncertainties facing by the Group, particulars of important events affecting the Group, an analysis of the Group's performance using financial key performance indicators, an indication of likely future developments in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis contained in this annual report. The aforesaid sections form part of this Report of the Directors.

Environmental, Social and Governance Performance

The Group emphasizes the importance of business ethics, environmental protection and innovation as part of its corporate culture. We recognize that sustainable development of our business requires our continuous progress in terms of the economy, environment, social, and governance responsibility. To further enhance our commitment in adherence to the environmental and social responsibilities, we have set up an ESG management committee to support the Board in overseeing the implementation of our policies in this regard. We set quantitative environmental reduction targets using environmental key performance indicators on electricity consumption, greenhouse gas emissions, water consumption and general waste, to cover the period up to Year 2050. We also disclose the significant climate related issues which have impacted and may impact the Group's businesses. The ESG report for the Year which contains further details of the Company's environmental policies and performance is published on the Company's website, as well as the website of the Stock Exchange.

The Group has complied with the relevant laws and regulations that have a significant impact on the Group.

Relationship with Employees, Customers and Other Stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals. During the Year, there were no material and significant disputes between the Group and its suppliers, customers and/or other stakeholders.

Donations

Charitable and other donations made by the Group during the Year amounted to approximately HK$344,000.

Relief of Taxation

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Company's shares.

Share Capital

Details of the share capital of the Company are set out in note 31 to the financial statements.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. Subject to the articles of association of the Company (the "Articles of Association") and the applicable laws, the Board has absolute discretion to determine whether to declare and distribute dividends, provided that the amount shall not exceed the amount recommended by the Board. Dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. All dividends can only be paid out of profits and reserves of the Company legally available for distribution, and no dividend shall be paid if it would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. The Company may declare and pay dividends in cash or shares. Any unclaimed dividends will be forfeited and revert to the Company in accordance with the Articles of Association and applicable laws.

Whilst the Company does not have any predetermined dividend payout ratio, it intends to propose dividends comparable to including but not limited to the historical dividend payment ratio and the industry average while maintaining sufficient reserves for business operations, cash flow, expansion and future growth. In determining the specific dividend amount and frequency, the Board will take into account various factors including the financial conditions of the Company and the Group, and the conditions and factors as set out in the Dividend Policy (including but not limited to the Group's financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans). The Board will review the Dividend Policy from time to time.

The Board confirmed that all dividend decisions were made in accordance with the Company's Dividend Policy.

Equity-Linked Agreements

For the Year, the Company has not entered into any equity-linked agreements, save for share options granted under the paragraph headed "Share Schemes" in this Report of the Directors and in note 32 to the financial statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2026, calculated in accordance with statutory provisions applicable in the Cayman Islands, amounted to HK$1,108,939,000 (before deduction of the proposed final dividend of HK$10,195,000).

Bank Borrowings

Particulars of the bank borrowings of the Group as at 31 March 2026 are set out in note 29 to the financial statements.

Pension Scheme

The pension scheme contributions are set out in note 7 to the financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the previous financial years is set out in the section headed "Financial Summary" in this annual report.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, nor were there any sales of treasury shares of the Company during the Year. As at 31 March 2026, the Company did not hold any treasury shares.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the financial statements.

Directors

The directors of the Company ("Directors") during the Year and up to the date of this report are as follows:

Executive Directors:

Mr. AUYANG Pak Hong Bernard *(Chairman and Chief Executive Officer)*
Mr. WONG Wah Shun
Ms. AU King Lun Paulina *(Note 1)* *(Chief Financial Officer)*

Non-executive Directors:

Mr. KAM Chi Chiu, Anthony
Mr. WONG Chun Kong

Independent Non-executive Directors:

Mr. HO Pak Chuen Patrick
Ms. LEE Shang Yuee Christabel
Ms. MAY Man Yee Mariana
Ms. Gioia MESSINGER *(Note 2)*

Notes:

(1) Appointed as Executive Director with effect from 1 April 2026

(2) Appointed as Independent Non-executive Director with effect from 1 April 2026

Pursuant to Articles 86(3) and 87 of the Articles of Association, Ms. AU King Lun Paulina, Mr. KAM Chi Chiu Anthony, Mr. WONG Chun Kong, Ms. LEE Shang Yuee Christabel and Ms. Gioia MESSINGER will retire from their offices by rotation at the 2026 AGM. Ms. AU King Lun Paulina, Mr. KAM Chi Chiu Anthony, Mr. WONG Chun Kong, Ms. LEE Shang Yuee Christabel and Ms. Gioia MESSINGER, being eligible, will offer themselves for re-election at the 2026 AGM.

Independence Confirmation

The Company has received annual confirmations of independence from Mr. HO Pak Chuen Patrick, Ms. LEE Shang Yuee Christabel, Ms. MAY Man Yee Mariana and Ms. Gioia MESSINGER pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The Company considers all the existing Independent Non-executive Directors remain independent as at the date of this report.

Directors' Service Contracts

None of the Directors being proposed for re-election at the 2026 AGM has a service agreement with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' and Controlling Shareholders' Interests in Transaction, Arrangement or Contract

Save as disclosed in note 35 to the financial statements, no transaction, arrangement or contract of significance in relation to the Group's businesses to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Save as disclosed in note 35 to the financial statements in relation to the related party transactions of the Group during the year, no contract of significance, or contract of significance for the provision of services, between the Company or any of its subsidiaries and the controlling shareholder of the Company or any of their subsidiaries had been entered into during the Year or subsisted as at the end of the Year.

Biographical Details of Directors and Senior Management

Biographical details of directors and senior management are set out under the section headed "Profile of Chairman Emeritus, Directors, Senior Management and Company Secretary" in this report. The Directors' biographies are also available on the Company's website.

Directors' and Senior Management's Emoluments

A summary of the Directors' and senior management's remuneration is set out in note 8 to the financial statements and in the section headed "Corporate Governance Report" in this report respectively.

Permitted Indemnity Provision

The Articles of Association provide that the directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any director. The Company has taken out and maintained appropriate insurance to protect the Directors against potential costs and liabilities arising from claims brought against the Directors. Such permitted indemnity provision for the benefit of the Directors is currently in force and was in force during the Year.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at 31 March 2026, the interests of the directors of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the "SFO"); or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Listing Rules were as follows:

Long position in the shares of the Company

Name of director	Capacity	Number of ordinary shares interested *(Note 4)*	Approximate percentage of the Company's issued share capital *(Note 4)*
Mr. AUYANG Pak Hong Bernard	Beneficial owner	10,491,500(L) *(Notes 1 and 2)*	43.08%
	Interest in a controlled corporation	352,500,000(L) *(Notes 1 and 2)*	
Mr. WONG Wah Shun	Beneficial owner	4,084,000(L) *(Note 3)*	0.48%

Notes:

1. *Comprising 5,100,000 Awards conditionally granted to Mr. AUYANG Pak Hong Bernard under the 2023 Share Award Plan adopted on 7 September 2023 which was approved by the independent shareholders of the Company at the annual general meeting on even date pursuant to the rules of the 2023 Share Award Plan and the Listing Rules. The vesting of such Awards is subject to the vesting terms and conditions as disclosed in the announcement of the Company dated 26 April 2024. 1,700,000 Awards were vested on 26 April 2025 and 1,700,000 Awards were vested on 26 April 2026. On 30 June 2025, for the purpose of succession planning and family wealth management, Mr. AUYANG Ho transferred all the shares of the Company held by him to his son, namely Mr. AUYANG Pak Hong Bernard. The transfer was completed on 2 July 2025. Mr. AUYANG Ho thereafter ceased to hold any shares of the Company. For further details, please refer to the announcement of the Company dated 17 July 2025.*

2. *Mr. AUYANG Pak Hong Bernard was deemed to be interested in 362,991,500 Shares, among which 352,500,000 Shares were held by Solar Power Group Limited, and 10,491,500 Shares were held in his own capacity.*

3. *Comprising 3,200,000 Awards conditionally granted to Mr. WONG Wah Shun under the 2023 Share Award Plan adopted on 7 September 2023 which was approved by the independent shareholders of the Company at the annual general meeting on even date pursuant to the rules of the 2023 Share Award Plan and the Listing Rules. The vesting of such Awards is subject to the vesting terms and conditions as disclosed in the announcement of the Company dated 26 April 2024. 1,100,000 Awards were vested on 26 April 2025 and 1,100,000 Awards were vested on 26 April 2026.*

4. *The letter "L" denotes the person's long position in the Shares. The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2026.*

Save as disclosed above, as at 31 March 2026, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares

Save as disclosed in note 32 to the financial statements about the Company's share option schemes and share award plan, at no time during the Year was the Company, or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouses, or children under 18 years of age to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Substantial Shareholders' Interests and Other Person's Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 March 2026, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long position in the shares of the Company

Name of substantial shareholder	Capacity	Number of ordinary shares interested		Approximate percentage of the Company's issued share capital (Note 5)
Solar Power Group Limited ("SPGL")	Beneficial owner	352,500,000(L)	(Note 1)	41.84%
Mr. HEUNG Lap Chi, Eugene	Beneficial owner	143,188,000(L)		16.99%
Ms. LEUNG Yee Li, Lana	Interest of spouse	143,188,000(L)	(Note 2)	16.99%
YEOMAN 3-RIGHTS VALUE ASIA FUND VCC	Beneficial Owner	55,750,000(L)		6.62%
YEOMAN CAPITAL MANAGEMENT PTE LTD	Beneficial Owner	2,000,000(L)		7.03%
	Interest of a controlled corporation	57,250,000(L)	(Note 3)	
Ms. LIM Mee Hwa	Beneficial owner	11,500,000(L)		8.40%
	Interest of controlled corporation	59,250,000(L)	(Note 3)	
Mr. YEO Seng Chong	Interest of spouse	11,500,000(L)	(Note 4)	8.40%
	Interest of controlled corporation	59,250,000(L)	(Note 3)	

Notes:

1. *The 352,500,000 Shares were held by SPGL, SPGL was wholly-owned by Mr. AUYANG Pak Hong Bernard, the Executive Director, Chairman and the Chief Executive Officer of the Company.*

2. *Ms. LEUNG Yee Li, Lana was deemed to be interested in 143,188,000 Shares of the Company through the interest of her spouse, Mr. HEUNG Lap Chi, Eugene.*

3. *The 55,750,000 Shares were held by YEOMAN 3-RIGHTS VALUE ASIA FUND VCC. YEOMAN CAPITAL MANAGEMENT PTE LTD. is the Investment Manager of the YEOMAN 3-RIGHTS VALUE ASIA FUND VCC and Yeoman Client 1. YEOMAN CAPITAL MANAGEMENT PTE LTD. is jointly controlled by Ms. LIM Mee Hwa and Mr. YEO Seng Chong.*

4. *Mr. YEO Seng Chong was deemed to be interested in 11,500,000 shares of the Company through the interest of his spouse, Ms. LIM Mee Hwa.*

5. *The letter "L" denotes the person's long position in the Shares. The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 March 2026.*

Save as disclosed above, as at 31 March 2026, no person, other than the directors of the Company whose interests are set out in the section headed "Directors and Chief Executives Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations" above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Share Schemes

2023 Share Award Plan

The 2023 share award plan ("2023 Share Award Plan") has been adopted by the Company in the annual general meeting on 7 September 2023 ("2023 AGM"). Details of the 2023 Share Award Plan are set out in the circular dated 25 July 2023 (the "Circular"). The purposes of the 2023 Share Award Plan are to recognize and reward the contributions of certain eligible participants to the growth and development of the Group, to give incentives in order to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The eligible participants include the directors, executives, senior management and employees of the Company or the Group and the directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

The 2023 Share Award Plan shall be valid and effective for a term of 10 years from 7 September 2023 unless terminated earlier by the Board and is administered by the Board or its delegates and the Tricor Trust (Hong Kong) Limited (the "Trustee"). The remaining life of the 2023 Share Award Plan is approximately 7 years and 2 months. The total number of shares to be awarded under the 2023 Share Award Plan shall not exceed 10% of the total number of issued shares of the Company (the "Shares"), being 84,254,000 Shares, as at the adoption date of the 2023 Share Award Plan from time to time.

The maximum number of Shares which may be awarded to a selected participant under the 2023 Share Award Plan shall not exceed 1% of the total number of Shares from time to time. As all awarded shares (the "Awards") granted under the 2023 Share Award Plan will be satisfied by existing Shares, no new Shares may be issued in respect of all awards granted during the respective periods to eligible participants pursuant to the 2023 Share Award Plan and the 2023 Share Option Scheme (as defined below). The selected participants are not required to pay any amount for the acceptance of the Awards. The awarded shares were bought by the Trustee through the market under the terms of the 2023 Share Award Plan by utilizing the funds of the Company.

The vesting of the Awards (including the vesting period) is subject to the fulfillment of certain performance targets and other requirements as set out in the grant notice entered into between the Company and each grantee. The performance targets shall include: financial targets such as net profit after tax for the year of the Group and management targets (such as stakeholder engagement, productivity, client satisfaction etc.) which shall be determined based on the (i) individual performance; (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the selected Grantees. The basis of determining the purchase price of Awards is not applicable as there is no purchase price under the rules of the 2023 Share Award Plan. There is no service provider sublimit being defined under the 2023 Share Award Plan.

During the Year, the Company has not granted any Awards under the 2023 Share Award Plan, and in total 4,400,000 Awards were vested and 1,300,000 Awards were lapsed and the Company did not cancel any Awards. 15,100,000 Awards were unvested as at 31 March 2026. As no Awards was granted under the 2023 Share Award Plan during the Year, the number of shares that might be issued in respect of Awards granted under the 2023 Share Award Plan during the Year divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Year was 0%. The number of Awards available for grant under the 2023 Share Award Plan and other schemes of the Company under the scheme mandate limit at (i) the beginning of the Year was 61,854,000, and (ii) the end of the Year was 63,154,000, representing approximately 7.50% of the issued share capital of the Company. No other Awards were granted after the reporting period. The total number of shares available for issue under the 2023 Share Award Plan is 63,154,000 (excluding treasury shares), representing approximately 7.50% of the issued share capital of the Company as at the date of the annual report.

Details of the movement of the Awards under the 2023 Share Award Plan during the Year were as follows:

Number of the Awards			Movement during the Year							
Name of Director/ Director of subsidiary/ Category of participant	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 April 2025	Granted during the Year	Vested during the Year	Lapsed/ cancelled during the Year	Unvested as at 31 March 2026	Purchase Price (in HK$)	Weighted average closing price of the Share immediately before the date of vesting during the Year (in HK$)
– Director										
Mr. AUYANG Pak Hong Bernard	26 April 2024	26 April 2024 to 25 April 2025	1,700,000	1,700,000	–	1,700,000	–	–	N/A	0.40
	26 April 2024	26 April 2024 to 25 April 2026	1,700,000	1,700,000	–	–	–	1,700,000	N/A	N/A
	26 April 2024	26 April 2024 to 25 April 2027	1,700,000	1,700,000	–	–	–	1,700,000	N/A	N/A
Mr. WONG Wah Shun	26 April 2024	26 April 2024 to 25 April 2025	1,100,000	1,100,000	–	1,100,000	–	–	N/A	0.40
	26 April 2024	26 April 2024 to 25 April 2026	1,100,000	1,100,000	–	–	–	1,100,000	N/A	N/A
	26 April 2024	26 April 2024 to 25 April 2027	1,000,000	1,000,000	–	–	–	1,000,000	N/A	N/A
– Director of Subsidiary										
Mr. AU Man Kit (note 1)	20 March 2025	20 March 2025 to 19 March 2027	450,000	450,000	–	–	–	450,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2028	450,000	450,000	–	–	–	450,000	N/A	N/A
Mr. STEENBLIK Jeroen (note 1)	20 March 2025	20 March 2025 to 19 March 2027	450,000	450,000	–	–	–	450,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2028	450,000	450,000	–	–	–	450,000	N/A	N/A
Mr. CHAN Chi Wing (note 1)	20 March 2025	20 March 2025 to 19 March 2027	375,000	375,000	–	–	–	375,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2028	375,000	375,000	–	–	–	375,000	N/A	N/A
Mr. KHOR Kock Siang (note 1)	20 March 2025	20 March 2025 to 19 March 2027	375,000	375,000	–	–	–	375,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2028	375,000	375,000	–	–	–	375,000	N/A	N/A
Ms. GAO Ling (note 1)	20 March 2025	20 March 2025 to 19 March 2027	375,000	375,000	–	–	–	375,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2028	375,000	375,000	–	–	–	375,000	N/A	N/A
Subtotal			**12,350,000**	**12,350,000**	**–**	**2,800,000**	**–**	**9,550,000**		
Other grantees:										
– Employee participants:	26 September 2023	26 September 2023 to 25 September 2025	2,000,000	1,600,000 (note 2)	–	1,600,000	–	–	N/A	0.53
	26 September 2023	26 September 2023 to 25 September 2026	2,000,000	1,600,000 (note 3)	–	–	400,000 (note 4)	1,200,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2027	2,625,000	2,625,000	–	–	450,000 (note 4)	2,175,000	N/A	N/A
	20 March 2025	20 March 2025 to 19 March 2028	2,625,000	2,625,000	–	–	450,000 (note 4)	2,175,000	N/A	N/A
– Related entity participants	–	–	–	–	–	–	–	–	–	–
Subtotal			**9,250,000**	**8,450,000**	**–**	**1,600,000**	**1,300,000**	**5,550,000**		
Total			**21,600,000**	**20,800,000**	**–**	**4,400,000**	**1,300,000**	**15,100,000**		

Notes:

1. *The Employee participants were appointed as the director of the subsidiary of the Company after 30 September 2025*
2. *400,000 Awards were lapsed on 2 July 2024*
3. *400,000 Awards were lapsed on 2 July 2024*
4. *The lapsed Awards were not cancelled*

2023 Share Option Scheme

The Company had a share option scheme which was adopted on 14 September 2016 ("2016 Share Option Scheme"). The Shareholders resolved to terminate the 2016 Share Option Scheme in the 2023 AGM. A share option scheme of the Company was adopted in the 2023 AGM ("2023 Share Option Scheme") under which the Company can grant options to, *inter alia*, employees of the Group to subscribe for shares of the Company with a view to rewarding those who have contributed to the Group and encouraging employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and Shareholders as a whole. Details of the 2023 Share Option Scheme were set out in the Circular. The remaining life of the 2023 Share Option Scheme is approximately 7 years and 2 months.

During the Year, there is no outstanding share options and no share options were granted, exercised or cancelled under the 2023 Share Option Scheme. As no share option was granted under the 2023 Share Option Scheme, the number of shares that might be issued in respect of options granted under the 2023 Share Option Scheme divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Year was 0%. The number of share options available for grant under the 2023 Share Option Scheme and other schemes of the Company under the share scheme mandate limit at (i) the beginning of the Year was 61,854,000, and (ii) the end of the Year was 63,154,000, representing approximately 7.50% of issued share capital of the Company. The total number of shares available for issue under the 2023 Share Option Scheme is 63,154,000 (excluding treasury shares), representing approximately 7.50% of the issued share capital of the Company as at the date of this report.

For more details of the 2023 Share Award Plan and the 2023 Share Option Scheme, please refer to the note 32 to the financial statements.

Management Contracts

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

Major Customers and Suppliers

The percentages of sales for the Year attributable to the Group's major customers are as follows:

Sales

—	the largest customer:	23%
—	five largest customers combined:	57%

None of the Directors, their close associates or any Shareholder (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) had an interest in the major customers noted above.

The aggregate percentage of purchases attributable to the Group's five largest suppliers for the Year was less than 30% of the Group's purchases.

Directors' Interest in Competing Business

As at 31 March 2026, to the best knowledge of the Directors, none of the Directors was considered to have any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as Directors to represent the interests of the Company and/or the Group.

Corporate Governance

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" in this annual report.

Compliance with the Relevant Laws and Regulations

As far as the Board is aware, the Company has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

Audit Committee

The Audit Committee comprising four Independent Non-executive Directors, namely, Ms. MAY Man Yee Mariana, Mr. HO Pak Chuen Patrick, Ms. LEE Shang Yuee Christabel and Ms. Gioia MESSINGER (appointed as a member on 1 April 2026) and a Non-executive Director, namely, Mr. KAM Chi Chiu, Anthony, has reviewed the consolidated financial statements of the Group for the Year and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

Discloseable Transaction

During the Year, the Group had the below discloseable transaction, details of which were disclosed in compliance with the requirement of Chapter 14 of the Listing Rules.

The 2025 Lease Agreement

On 30 December 2025, Computime Electronics (Shenzhen) Co., Ltd. (金寶通電子(深圳)有限公司), an indirect wholly-owned subsidiary of the Company, as Tenant entered into the 2025 Lease Agreement with the Landlord for the lease of the Premises for a term of three years commencing from 1 January 2026 to 31 December 2028 for use as factory, office and dormitory of the Group. Details of the 2025 Lease Agreement were disclosed in the Company's announcement dated 30 December 2025.

In respect of the discloseable transaction disclosed above, the Directors confirm that the Company has complied with the disclosure requirement in accordance with Chapter 14 of the Listing Rules during the Year.

Save as disclosed above, the Group had no other discloseable transaction to be disclosed under the requirement of Chapter 14 of the Listing Rules during the Year.

Litigation

On 13 April 2021, the Company received a writ of summons (the "Writ") indorsed with a statement of claim (the "Statement of Claim") filed with the Registry of the High Court of the HKSAR issued by Altis Technology (Hong Kong) Limited, Altis Technology Limited, and Altis Global Limited as the plaintiffs (collectively the "Plaintiffs"). The defendants listed in the Writ are, among others, the Company and three direct or indirect wholly-owned subsidiaries of the Company (CT Nova Limited, Computime China Distribution (Hong Kong) Limited and Computime International Limited); Mr. AUYANG Pak Hong Bernard, the Chairman and Chief Executive Officer; and Solar Power Group Limited, a substantial shareholder of the Company. Details of the litigation were disclosed in the Company's announcement dated 13 April 2021.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float.

Auditor

Ernst & Young will retire at the forthcoming 2026 AGM and, being eligible, will offer themselves for re-appointment. A resolution for their re-appointment as auditor of the Company will be proposed at the 2026 AGM.

Appreciation

On behalf of the Board, I would like to express my gratitude to our management and staff for their dedication and contribution to the Group throughout the Year.

By Order of the Board

AUYANG Pak Hong Bernard
Chairman and Chief Executive Officer

Hong Kong, 25 June 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the Year.

Corporate Governance Principles and Practices of the Company

The Board believes that good corporate governance practices are important for enhancing corporate value and investors' confidence and interests. The Company has taken a proactive approach in strengthening corporate governance practices in accordance with the needs of the business of the Group, the cornerstone of which is to have an experienced and committed Board and an effective internal control and to enhance its transparency and accountability to Shareholders.

The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Board is of the view that the Company has complied with the code provisions (the "Code Provision") set out in the CG Code throughout the Year, except for the deviation from Code Provision C.2.1 of the CG Code as described below:

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. With effect from 13 April 2022, Mr. AUYANG Pak Hong Bernard, the chief executive officer of the Company, has also assumed the role of the Chairman. The Board believes that this can provide the Group with consistent leadership and allow more effective implementation of the overall strategy of the Group. The Board is of the view that this structure does not compromise the balance of power and authority, as major decisions are made in consultation with the Board, which currently comprises a high percentage of independent non-executive directors who can scrutinize important decisions and monitor the power of the chairman and chief executive. The current senior management team of the Group also possesses rich knowledge and experience in different professional fields to assist Mr. AUYANG Pak Hong Bernard in making decisions about the businesses and operations of the Group. The Board believes that the interests of the Group and the Shareholders as a whole have been safeguarded. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Group's circumstances.

The Board will continue to enhance the corporate governance practices and standards of the Company appropriate to the conduct and growth of its business and to review such practices and standards regularly to ensure that they comply with the statutory and professional standards and align with the latest developments. The key corporate governance principles and practices of the Company are summarized as follows:

Our Vision, Mission and Values

Computime envisions becoming a leading innovator and promoter of smart and sustainable living with a mission to universalize smart and sustainable living through technologies, products, and manufacturing solutions. Computime advocates for the five core values of "Uncompromising Integrity, Purposeful Collaboration, Solution-Driven Mindset, Adaptive Resilience, and Bold Foresight" to drive the Group's sustainable development.

The Board of Directors

Responsibilities and Delegation

The overall management and control of the Company's business are vested in the Board. The Board is responsible for establishing policies, strategies and plans, providing leadership in the attainment of the objective of creating value to Shareholders, and, on behalf of the Shareholders, overseeing the Company's financial performance. All directors carry out their duties in good faith and in compliance with the standards of applicable laws and regulations, take decisions objectively and act in the interests of the Company and its Shareholders at all times.

The Board reserves for its decisions all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

The Company has maintained various measures and mechanisms to ensure that independent views and input are available to the Board. All Directors have full, timely and independent access to all relevant information as well as the advice and services of the senior management, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

The implementation and effectiveness of the relevant measures and mechanisms are reviewed by the Board on an annual basis.

The day-to-day management, administration and operation of the Company are led by the Executive Committee and the Chief Executive Officer of the Company. The Board has also delegated a schedule of responsibilities to the senior management of the Company, which includes the implementation of decisions of the Board, the coordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems. The Board has the full support of the senior management to discharge its responsibilities.

The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the foregoing officers and senior management.

The senior management provides the directors with financial reports of the Group's performance, position and business information on a monthly basis. The monthly reports given by the senior management to the Directors enable the Board to discharge its duties under the Listing Rules. All Directors are kept informed of and duly briefed on major changes and information that may affect the Group's businesses on a timely basis.

Board Composition

As at 31 March 2026, the Board comprised seven members in total, with two Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. For the list of Directors, please refer to the "Report of the Directors" in this report. The latest list of Directors and their roles and functions is also available on the websites of the Company and the Stock Exchange. During the Year, the Board has complied with the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications and accounting and related financial management expertise. The Company has also complied with Rule 3.10(A) of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

The list of all Directors (by category) is set out under the section headed "Corporate Information" in this annual report and is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The Independent Non-executive Directors are expressly identified in all corporate communications of the Company. The Company also has maintained on its website an updated list of its directors identifying their roles and functions.

The relationships among the members of the Board are disclosed under the section headed "Profile of Chairman Emeritus, Directors, Senior Management and Company Secretary" in this annual report. Save as disclosed in the relevant section, there is no relationship (including financial, business, family or other material/relevant relationship) among the Directors.

The composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business of the Group and for the exercise of independent judgment. Each Executive Director supervises specific areas of the Group's business in accordance with his/her expertise. The Non-executive Directors are of sufficient caliber and number for their views to carry weight and they bring a wide range of business and financial expertise, experience and independent judgment to the Board. Through active participation in Board meetings, by taking the lead in managing issues involving potential conflicts of interests and serving on Board committees, the Non-executive Directors have made various contributions to the effective direction of the Company.

The Company has received a written annual confirmation from each Independent Non-executive Director of his/her independence pursuant to the requirements under the Listing Rules. The Company considers all of its Independent Non-executive Directors independent in accordance with the independence guidelines set out in the Listing Rules.

The Company firmly believes that the increasing diversity at the board level is one of the essential elements in supporting the attainment of its strategic objectives and its sustainable development, therefore, the Company has formulated Board Diversity Policy. While determining the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including but not limited to gender, age, cultural and educational background, professional experiences, skills, knowledge and service tenure, and finally make decisions based on the value of candidates and contributions they can bring to the Board.

On 1 April 2026, the Board has appointed Ms. AU King Lun Paulina as an Executive Director and a member of the Executive Committee, and Ms. Gioia MESSINGER as an Independent Non-executive Director and a member of the Audit Committee. As at the date of this report, the Board comprised nine members in total, with three Executive Directors, two Non-executive Directors and four Independent Non-executive Directors. For more details and their biographical details, please refer to the announcement of the Company dated 1 April 2026 and the section headed "Profile of Chairman Emeritus, Directors, Senior Management and Company Secretary" in this report.

Chairman and Chief Executive Officer

There are two key aspects of the management of the Company – the management of the Board and the day-to-day management of the Group's business. The Company fully supports the idea that there should be a clear division of these responsibilities at the Board level to ensure a balance of power and authority, so that power is not concentrated in any one individual.

For the Year, Mr. AUYANG Pak Hong Bernard, who was the Chairman and the Chief Executive Officer, took up the responsibility of the management of the Board and was responsible for the day-to-day management of the Group's business. The respective responsibilities between the Chairman and the Chief Executive Officer had been clearly established and set out in writing.

Deviation from Code Provision C.2.1 of the CG Code is disclosed under the section of "Corporate Governance Principles and Practices of the Company" in the Corporate Governance Report.

Appointment and Re-Election of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Articles of Association. The Company has established a Nomination Committee, which is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of Independent Non-executive Directors. Additional information on the Nomination Committee is set out in the "Board Committees and Corporate Governance Functions" section below.

Each of the Executive Directors is engaged on a service contract with the Company for a term of three years. The Company has also issued respective letters of appointment to its Non-executive Directors and Independent Non-executive Directors specifying their terms of appointment. The current term of appointment of all the Non-executive Directors and Independent Non-executive Directors does not exceed three years.

In addition, in accordance with the Articles of Association, all the Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a casual vacancy or as an addition to the Board shall submit himself/herself for re-election by Shareholders at the first general meeting after his/her appointment.

Continuous Professional Development of Directors

Each newly appointed Director receives an induction on the first occasion upon his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Such induction is normally supplemented with visits to the Group's key plant sites and/or meetings with the senior management of the Company.

Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities.

Besides, continuing briefings and professional development for Directors will be arranged whenever necessary.

Under Code Provision of the CG Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

According to the records of training maintained by the Company, during the Year, all the Directors pursued continuous professional development, and relevant details are set out below:

Name of Director/retired Director	Type of Training *(Notes)*
Mr. AUYANG Pak Hong Bernard	A, B
Mr. WONG Wah Shun	A, B
Mr. KAM Chi Chiu, Anthony	A, B
Mr. WONG Chun Kong	A, B
Mr. HO Pak Chuen Patrick	A, B
Ms. LEE Shang Yuee Christabel	A, B
Ms. MAY Man Yee Mariana	A, B

Notes:

A: reading journals, updates, articles and/or materials, etc.

B: attending seminars, conference and/or forums

Board Practices and Conduct of Meetings

Schedules for regular Board meetings are normally agreed with the Directors in advance in order to facilitate them to attend. In addition to the above, a notice of at least 14 days is given of a regular Board meeting. For other Board meetings, reasonable notice is generally given.

Draft agenda of each Board meeting is usually sent to all Directors together with the notice in order to give them an opportunity to include any other matters in the agenda for discussion in the meeting.

Board papers together with appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Group, when necessary, and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The Chief Executive Officer and other relevant senior management normally attend regular Board meetings and, where necessary, other Board meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group.

Independent View of the Board

The Board has an established mechanism to ensure independent views are available to the Board. The implementation and the effectiveness of such mechanism are subject to regular review by the Board on an annual basis. The details of the mechanism include an assessment by the Nomination Committee on the independence of the existing and newly appointed Independent Non-executive Directors. All Independent Non-executive Directors are required to confirm in writing annually whether they meet the independence requirements. Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon the making of a request to the Board. A Director who has a material interest in a contract, transaction or arrangement shall not vote on or be counted towards the quorum in relation to any Board resolution approving the same. All Directors are encouraged to express freely their independent views during the Board/Committee meetings.

The Company Secretary is responsible for keeping minutes of all Board meetings. Draft minutes are normally circulated to Directors for comments within a reasonable time after each meeting and the final version is open for Directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interest for a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting or by way of signing a written resolution of the Directors. The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their close associates have a material interest.

Model Code for Securities Transactions

The Company has adopted its own code of conduct (the "Own Code") regarding dealings in the securities of the Company by the Directors, senior management and certain employees of the Group (who are likely to be in possession of inside information in relation to the Company or its securities) on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules. Each Director has been given a copy of the Own Code. The Company will notify Directors and relevant employees in advance in respect of the restricted period on dealings in the Company's securities, if the period is known to the Company.

Specific enquiries have been made of the Directors and all of them have confirmed that they have complied with the required standards set out in the Model Code and the Own Code throughout the period from 1 April 2025 to the date of this report.

In addition, no incident of non-compliance of the Own Code by the employees of the Group was noted for the period from 1 April 2025 to the date of this report.

Board Committees and Corporate Governance Functions

The Board has established four Board committees, namely, the Executive Committee, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Company's website "www.ctgl.com" (the terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee are also posted on the website of the Stock Exchange), and are available to Shareholders upon request. All the Board committees should report to the Board on their decisions or recommendations made.

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

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

Executive Committee

For the Year, the Executive Committee comprises all the Executive Directors with the Chairman, Mr. AUYANG Pak Hong Bernard, acting as the chairperson of this committee. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency of business decisions. It monitors the execution of the Company's strategic plans and operations of all business units of the Group, and discusses and makes decisions on matters relating to the management and day-to-day operations of the Group.

On 1 April 2026, Ms. AU King Lun Paulina was appointed as the Executive Director and a member of the Executive Committee.

Audit Committee

For the Year, the Audit Committee comprises a total of four members, three of which are Independent Non-executive Directors, namely, Ms. MAY Man Yee Mariana, Mr. HO Pak Chuen Patrick and Ms. LEE Shang Yuee Christabel, and a Non-executive Director, Mr. KAM Chi Chiu, Anthony. The chairperson of the Audit Committee is Ms. MAY Man Yee Mariana, who is an Independent Non-executive Director. None of the members of the Audit Committee is a former partner of the Company's existing external auditor. On 1 April 2026, Ms. Gioia MESSINGER was appointed as the Independent Non-executive Directors and a member of the Audit Committee.

The principal duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, internal control system and risk management system.

During the Year, the Audit Committee met four times with the presence of the Company's senior management and/or the external auditor, and performed the following major works:

- Review of the financial statements, results announcements and reports for the year ended 31 March 2025 and for the six months ended 30 September 2025, the accounting principles and practices adopted by the Group and the relevant audit findings;
- Review and approved the terms of engagement and fees proposed by the external auditor and recommended to the Board on the re-appointment of the external auditor;
- Review the effectiveness of the Company's risk management and internal control system and recommend action to the Board where appropriate;
- Review of the cybersecurity update of the Group; and
- Consider the internal audit plan and report, and review the effectiveness of the internal audit function.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditor.

Nomination Committee

For the Year, the Nomination Committee comprised a total of five members, being one Executive Director, namely Mr. AUYANG Pak Hong Bernard and three Independent Non-executive Directors, namely, Mr. HO Pak Chuen Patrick, Ms. LEE Shang Yuee Christabel, Ms. MAY Man Yee Mariana and one Non-executive Director, namely Mr. WONG Chun Kong. Accordingly, a majority of the members are Independent Non-executive Directors. The chairperson of the Nomination Committee is Mr. AUYANG Pak Hong Bernard, who is an Executive Director and the Chairman.

The principal duties of the Nomination Committee are reviewing and giving recommendations on the composition of the Board, formulating relevant procedures for nominations and appointments of Directors, identifying qualified individuals to become members of the Board, monitoring the appointment and succession planning of Directors, assisting the Board in maintaining the Board skill matrix to explain the key competencies required of the Board and how current directors will collectively satisfy them, assessing the time commitment of our directors, and assessing the independence of the Independent Non-executive Directors and to support the Company's regular evaluation of the Board's performance.

The Company has adopted the Director Nomination Policy. Such policy, devising the criteria and procedures of selection of candidates for directorship and performance evaluation, provides guidance to the Board on nominations and appointments of Directors. The Board believes that the defined selection process is good for corporate governance in ensuring the Board's continuity and appropriate leadership at the Board level, and enhancing better Board effectiveness and diversity as well as compliance with the applicable rules and regulations.

The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents. In selecting and evaluating candidates for directorship, the Nomination Committee may make reference to certain criteria, such as the needs of the Company, the integrity, experience, skills and professional knowledge of the candidate, other relevant statutory requirements and regulations and time commitment and effort that the candidate will devote to discharge his/her duties and responsibilities. Each candidate shall be ranked by order of preference based on the needs of the Company, the skill matrix devised by the Nomination Committee and the candidate's reference check. The Nomination Committee shall report its findings and make recommendations to the Board on the appointment of an appropriate candidate for directorship for decision. The Human Resources department will also assist, and an external recruitment agency may be engaged in carrying out the recruitment and selection process where necessary.

During the Year, the Nomination Committee met once and performed the following major works:

— Review and discussion of the existing structure, size, composition and the diversity of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;

— Review and make recommendation of the renewal of the terms of appointment of the Non-executive Director;

— Assess the independence of the Independent Non-executive Directors; and

— Recommendation on the re-appointment of retiring Directors at the 2025 AGM.

Board Diversity Policy

The Company also recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company believes that greater diversity of directors is good for corporate governance and is committed to attract and retain candidate(s) for the Board with a combination of competencies from the widest possible pool of available talents; and to assess regularly the diversity profile of the Board and, where applicable, senior management prepared for Board positions under the succession planning of the Company and the progress on achieving diversity objectives, if any. The Nomination Committee has performed the above duties in terms of selection of candidates and review of the implementation and effectiveness of the Company's diversity policy during the Year. The Board and the Nomination Committee are responsible for reviewing and assessing the composition of the Board under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience) and for ensuring that changes to the composition of the Board be managed without undue disruption. The Nomination Committee shall report its findings and make recommendations to the Board, if any. The board diversity policy and its objectives, if any, will be reviewed from time to time, and in any event, on an annual basis to ensure their appropriateness in determining the optimal composition of the Board that are aligning with the Company's strategies and objectives.

In addition, with a view to achieve a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. A Board Diversity Policy was adopted by the Company and review the implementation and effectiveness of Company's policy on board diversity on an annual basis. In designing the Board's composition, Board diversity has been taken into account for a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board promoted and enhanced gender diversity and continuously increased the proportion of female Directors and the number of the female directors in the Board. On 1 April 2026, two females Directors were appointed as Executive Director and Independent Non-executive Director respectively. Currently there are four female directors among the nine Board Members. The Board will continue to emphasize gender as a factor to be taken into consideration for achieving the Board diversity.

The Board currently possesses a balanced mix of knowledge, skills and experience, with members' expertise spanning fields such as accounting, legal, branded business and technology. Considering the business models and the strategic priorities of the Company, and the evolving geopolitical risks, backgrounds of the Non-executive Directors and the Independent Non-executive Directors and the inclusion of females Directors serves the Company's purposes, values, strategy and desired culture.

Workforce Diversity

The Company is committed to enhancing the participation and leadership of women, firmly believing that gender diversity is a core driver for stimulating innovative thinking, optimizing decision-making perspectives and enhancing corporate global competitiveness. The Group provides equal employment opportunities and strictly implements the principle of equal pay for equal work for both men and women.

When recruiting employees, other than to achieve employee diversity for all employees (including the senior management) in terms of gender, age, cultural and educational background, expertise, skills, the Group implements policies to ensure gender diversity and to cultivate potential successors for senior management and the Board. The Group strives to increase the proportion of female representation to achieve an appropriate gender balance, with reference to stakeholder expectations as well as international and local recommended best practices. The Company is committed to promote gender diversity among the Group's workforce progressively. The Board is of the view that the Group has achieved gender diversity among employees.

As at 31 March 2026, the Group had a total of 3,964 employees, including 2,348 female employees and 1,616 male employees, with a female-to-male ratio of approximately 1.43:1. The Group has 9 senior management members, including 1 female and 8 males, with a female-to-male ratio of approximately 1:8.

Remuneration Committee

For the Year, the Remuneration Committee comprises a total of four members, being one Executive Director, namely, Mr. AUYANG Pak Hong Bernard and three Independent Non-executive Directors, namely, Mr. HO Pak Chuen Patrick, Ms. LEE Shang Yuee Christabel and Ms. MAY Man Yee Mariana. Accordingly, a majority of the members are Independent Non-executive Directors. The chairperson of the Remuneration Committee is Mr. HO Pak Chuen Patrick, who is an Independent Non-executive Director.

The principal duties of the Remuneration Committee are to make recommendations to the Board on the Company's remuneration policy and structure for directors and senior management and the establishment of a formal and transparent procedure for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration; make recommendations on the remuneration packages of Executive Directors and senior management (i.e. the model described in the Code Provision E.1.2(c) of the CG Code is adopted); approve the terms of Executive Director's service contracts, assess performance of the Executive Directors, and review and/or approve matters relating to share schemes under Chapter 17.

The Human Resources department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee consults with the Chairman and the Chief Executive Officer about these recommendations on remuneration policy and structure and remuneration packages.

During the Year, the Remuneration Committee has met once and performed the following works:

- Review and make recommendation on the remuneration packages of Directors and senior management of the Group; and
- Review and make recommendation on the remuneration packages of newly appointed Executive Directors; and
- Review and make recommendation on the director's fee of newly appointed Independent Non-Executive Director.

Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of senior management by band for the Year is set out below:

	Number of Senior Management
Nil to HK$2,000,000	5
HK$2,000,001 to HK$2,500,000	3
HK$2,500,001 to HK$3,000,000	1
	9

Details of the remuneration of each Director for the Year are set out in note 8 to the financial statements.

Corporate Governance Functions

The Board is responsible for performing the functions set out in Code Provision A.2.1 of the CG Code.

For the Year, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Attendance Records of Directors and Committee Members

For the Year, the Board held four Board meetings. The attendance records of each Director at the Board and Board Committee meetings (except the Executive Committee) and the annual general meeting of the Company held during the Year are set out in the table below:

	Attendance/Number of Meetings				
Name of Director	Board	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Mr. AUYANG Pak Hong Bernard	4/4	–	3/3	1/1	1/1
Mr. WONG Wah Shun	4/4	–	–	–	1/1
Mr. KAM Chi Chiu, Anthony	4/4	4/4	–	–	1/1
Mr. WONG Chun Kong	4/4	–	3/3	–	1/1
Mr. HO Pak Chuen Patrick	4/4	4/4	3/3	1/1	1/1
Ms. LEE Shang Yuee Christabel	4/4	4/4	3/3	1/1	1/1
Ms. MAY Man Yee Mariana	4/4	4/4	3/3	1/1	1/1

Directors' Responsibilities for Financial Reporting in respect of the Financial Statements

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the Year.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

Risk Management and Internal Controls

The Board is responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes, maintains and reviews appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the Group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Company's financial reports and achieving compliance with applicable laws and regulations. The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems, and the management provides a confirmation to the Board on the effectiveness of these systems. The Board reviews the effectiveness of the Company's and its subsidiaries' risk management and internal control systems at least annually, and ensures that it is adequately resourced for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

The Audit Committee is responsible for assisting the Board in fulfilling its oversight duties, including periodically reviewing the Company's risk management and internal control systems, reviewing internal control evaluation reports and related work results, assessing their adequacy and effectiveness and making recommendations for improvement to the Board. The management is responsible for coordinating the development, optimization and implementation of the Company's risk management and internal control systems, organizing comprehensive risk identification, assessment and response work and reporting the system's operation and major risk matters to the Audit Committee and the Board regularly to ensure that risk control matches business development; and organizing and leading the daily operation of the enterprise's internal controls and implementing risk management measures and internal control requirements.

The Company identifies, evaluates and manages significant risks faced by the Company and builds up its risk management and internal control systems aiming at risk control, taking into consideration (i) the findings of internal audits and issues revealed during operation and management; (ii) audit findings of external auditors to achieve the goal of risk control; (iii) the changes since the last review, in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment; (iv) the scope and quality of the management of the Group's ongoing monitoring of risks (including ESG risks) and of the internal control systems and the work of the internal audit function; (v) the extent and frequency of communication of monitoring results to the Board or the Audit Committee which enables it to assess the adequacy and the effectiveness of the Company's risk management and internal control systems; (vi) significant control failings or weaknesses that have been identified during the period as well as the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition and any remedial measures taken to address such control failings or weaknesses; (vii) the effectiveness of the Company's processes for financial reporting and Listing Rules compliance and (viii) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

The Group encourages employees to report misconduct, fraudulent activities and illegal behavior related to the Group under the confidential whistleblowing mechanism. Current means of reporting is generally in the form of mails sent to the designated mailbox of Internal Audit department for this whistleblowing purpose. No significant whistleblowing matter was confirmed in the Year.

Main Features of the Risk Management and Internal Control Systems

With the assistance of the Audit Committee, the Board continuously supervises the risk management and internal control systems of the Company and its subsidiaries. Each business/subsidiary unit of the Group integrates risk management and internal control systems into its daily operations. Various business risks are managed by identifying and assessing risks, as well as implementing management and control measures. The management of the Group reports on the implementation of the system to the Board at least once every three months. The management establishes a risk management framework for risk management and internal control, carries out risk identification and assessment, and responds to major risks. The Company carries out analysis in terms of strategy, operations, finance, technology, compliance and other aspects and responses accordingly and through proper management to keep the risks at an acceptable level.

The goal of the Company's internal controls is to provide reasonable assurance of legal and compliant operations and management, the safety of assets and the truthfulness and completeness of financial reports and relevant information, enhancing operation efficiency and results, and promoting the realization of the development strategies. Due to inherent limitations of internal controls, it is only possible to reasonably assure the achievement of the above targets. In addition, changes in circumstances may render internal control inappropriate, or reduce the levels of conformity to policy control and procedures. There are certain risks in predicting the effectiveness of internal controls in the future based on the results of internal control evaluations. The Board acknowledges such systems design to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. During the Year, there were no significant changes in the Company's assessment of risks (including ESG risks) and the risk management and internal control systems.

Whistleblowing Policy

The Group's Whistleblowing Policy offers a safe and confidential channel for employees to report suspected misconduct, malpractice, or unethical behavior without fear of retaliation. Employees are encouraged to raise concerns with their line managers, the HR department, or designated reporting channels, with the assurance that they are protected under this policy.

All whistleblowing reports are taken seriously and are subject to impartial, thorough investigation. Appropriate corrective or disciplinary actions are implemented where necessary, reinforcing the organization's zero-tolerance stance on unethical conduct. The policy is a key mechanism for upholding our Code of Conduct and ensuring that high ethical standards are applied consistently across the Group. No significant whistleblowing matter was confirmed in the Year.

Internal Audit Function

The Company has an internal audit function, and the Audit Committee is responsible for monitoring the internal audit system. The purpose is to ensure that all key internal controls, including controls over financial matters, operations and compliance, as well as risk management, function effectively, thereby safeguarding the interests of the Company's shareholders. The Company's Internal Audit department is independent of the Company's day-to-day operations and accounting functions, and report directly to the Audit Committee. The internal audit plan is prepared based on risk assessments and is approved annually by the Audit Committee. To develop the relevant audit plan, the Company's Internal Audit department assesses and tests the Company's key internal controls each year and provides recommendations for improvement. After reviewing the assessment and testing results, the Audit Committee reports to and confirms with the Board that the risk management and internal control systems are effective and adequate. The Board considers that the Company's risks management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the CG Code as at the end of the Year. The Internal Audit department also receives whistleblowing matters and investigates such matters. Investigation results are to be reported to the Audit Committee. No significant whistleblowing matter was confirmed in the Year.

Handling and Dissemination of Inside Information

The Company proactively monitors and assesses information that will trigger any inside information disclosure obligation and any other information to prevent a false market in the Company's securities. The Company committed to ensuring the timeliness, fairness, accuracy, truthfulness and integrity of inside information disclosure and performing well in the confidentiality of inside information to ensure that shareholders and investors have fair access to the Company's important information.

The Group discloses inside information to the public as soon as reasonably practicable in accordance with the SFO and the Listing Rules. Before information is publicly disclosed, the Group implements strict confidentiality mechanisms to limit those in the know to a minimum scope. When the Board becomes aware that undisclosed information is difficult to keep confidential, or has been leaked, or the Company's stock price has fluctuated significantly and abnormally, the Company will immediately disclose the relevant information in accordance with the Listing Rules. In addition, the Group regularly issues securities transaction restriction notices to Directors and relevant staff to ensure that relevant insiders strictly comply with the blackout period regulations.

Anti-Bribery and Anti-Corruption Policy

The Company consistently upholds high ethical standards and is committed to conducting business in a compliant, professional and honest manner, believing that integrity is the cornerstone of corporate development. The Company maintains a "zero tolerance" stance against any form of bribery and corruption. To this end, the Company has formulated a comprehensive anti bribery and corruption policy to further regulate integrity in professional conduct, enhance awareness of self-discipline, strengthen the Company's anti-corruption and clean governance work, promote the healthy and sustainable development of the Company and safeguard the corporate image.

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the Year is set out in the section headed "Independent Auditor's Report" in this annual report.

A summary of audit and non-audit services provided by the external auditor for the Year and their corresponding remuneration is as follows:

Nature of services		**Amount** HK$'000
Audit services		3,003
Non-audit services		
(i)	Services rendered in connection with the Company's interim report	228
(ii)	Services rendered in connection with the Company's announcement of final results	25

Company Secretary

Ms. AU King Lun Paulina, the Chief Financial Officer of the Group, has been appointed by the Company as Company Secretary on 3 July 2024. Profile of Ms. AU can be referred to the section of Profile of Directors, Senior Management and Company Secretary. All Directors have access to the advice and services of Ms. AU.

For the Year, Ms. AU has taken no less than 15 hours of relevant professional trainings and has duly complied with the training requirement under Rule 3.29 of the Listing Rules.

On 1 April 2026, Ms. AU resigned as the Company Secretary and Mr. Samuel WONG was appointed as the Company Secretary, further details please refer to the announcement of the Company dated 1 April 2026.

Dividend Policy

Details of the Dividend Policy are set out in the section headed "Report of Directors" in this annual report.

Constitutional Documents

There was no change in the constitutional documents of the Company during the Year. The Articles of association are available on the website of the Company (www.ctgl.com) and the website of HKEXnews (www.hkexnews.hk).

Communications with Shareholders and Investors

The Board believes that a transparent and timely disclosure of the Group's information will enable Shareholders and investors to make the best investment decision and to have better understanding on the Group's business performance and strategies. It is also vital for developing and maintaining continuing investor relations with the Company's potential and existing investors.

The Company maintains a website at "www.ctgl.com" as a communication platform with Shareholders and investors, where information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access. Shareholders and investors may write directly to the Company's principal place of business in Hong Kong or via email to "ir@computime.com" for any inquiries. Inquiries are dealt with in an informative and timely manner.

The Board also considers that general meetings of the Company provide a useful forum for Shareholders to exchange views with the Board. The Chairman of the Board as well as the chairpersons and/or other members of the Audit Committee, the Nomination Committee and the Remuneration Committee normally attend the annual general meetings and other shareholders' meetings of the Company to answer questions raised. The general meeting of the Company provide a forum for communication between the Board and the Shareholders. During the Year, the Company held one annual general meeting and all shareholders of the Company can attend such meeting. All Directors attended such annual general meeting to engage with the attending shareholders of the Company.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Group's developments.

The Board reviews the shareholder communication policy on an annual basis, and makes any changes it considers necessary to ensure its effectiveness and that the legal interests of Shareholders and investors are substantially protected. The Board is satisfied with the implementation and effectiveness of the shareholders' communication policies. Below is the summary of the shareholder communication and investor relations policy:

Corporate communications such as annual reports, interim reports and circulars are available on both the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.ctgl.com);

1. Announcements are made regularly through the Stock Exchange and published on the websites of the Stock Exchange and the Company, respectively;

2. Corporate information is provided on the Company's website;

3. Annual general meetings and other general meetings are the primary platforms for communication between the Company and shareholders;

4. The Company's share registrar provides services to shareholders regarding enquiries about their shareholdings; and

5. Investors can contact the Company's investor relations personnel via the dedicated email account ir@computime.com.

Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. The Shareholders may convene an extraordinary general meeting or put forward proposals at Shareholders' meetings as follows:

(1) Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary. The objectives of the meeting must be stated in the written requisition.

(2) If a Shareholder wishes to propose a person other than a retiring director for election as a director of the Company at a general meeting, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's principal place of business in Hong Kong, or the office of the Company's branch share registrar. The period for lodgment of such notices shall commence on the day after the despatch of the notice of such general meeting and end 7 days prior to the date of such general meeting.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board of the Company. Contact details are as follows:

Address: 6/F, Building 20E, Phase 3, Hong Kong Science Park, 20 Science Park East Avenue, Shatin, New Territories, Hong Kong

Email: "ir@computime.com"

For the avoidance of doubt, Shareholder(s) must provide their full name, contact details and identification, in the originally signed written requisition, notice or statement, or enquiry (as the case may be), in order to give effect thereto. Shareholders' information may be disclosed as required by law.

All resolutions proposed at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ctgl.com) immediately after the relevant general meetings.

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of Computime Group Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Computime Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 159, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Trade receivables	
As at 31 March 2026, the Group had a gross trade receivables balance of HK$697,309,000 and impairment allowance of HK$3,788,000. Significant management judgement and estimates were involved in evaluating the impairment allowances for trade receivables, based on the lifetime expected credit losses to be incurred, by taking into account the ageing of the trade receivable balances, the credit quality and credit loss history of debtors, the history and status of disputes or legal proceedings with customers and current business conditions. Both current and future general economic conditions are also taken into consideration by management in the estimation. The accounting policies and disclosures for the impairment allowances for trade receivables are included in notes 2.4, 3 and 22 to the consolidated financial statements.	Our audit procedures included: (i) selecting samples for the circularisation of debtor confirmations, (ii) testing and evaluating the trade receivables' ageing report to identify any long overdue debts and their historical pattern of settlement, (iii) reviewing the status of disputes and legal proceedings with customers, and (iv) assessing the subsequent settlement of trade receivables on a sampling basis. In addition, we examined the information used by management to estimate the loss allowances for trade receivables, including testing the historical default data and forward-looking information by checking to the published macroeconomic factors, and examining the actual losses recorded during the current financial year.

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Provision for inventories	
As at 31 March 2026, the Group had a gross inventory balance of HK$786,982,000 and an inventory provision of HK$52,301,000. In determining the provision, management applied significant judgement and estimates, which included assumptions that are affected by current and future market conditions, and which took into account factors such as the historical usage, age, selling prices and saleability of inventories. The accounting policies and disclosures for provision for inventories are included in notes 2.4, 3 and 21 to the consolidated financial statements.	Our audit procedures included: (i) assessing the lower of cost and net realisable value by reviewing the gross profit margin analysis by products and discussing with management regarding the pricing policy, margin and provision basis, (ii) performing an obsolescence review by evaluating the subsequent usage of raw materials and work in progress and sales of finished goods to customers, and (iii) attending the physical inventory counts.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chung Yuk Man (practising certificate number: P05516).

Ernst & Young
Certified Public Accountants
Hong Kong

25 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
REVENUE	5	**4,104,872**	3,996,600
Cost of sales		**(3,447,469)**	(3,343,337)
Gross profit		**657,403**	653,263
Other income	5	**6,747**	8,825
Selling and distribution expenses		**(134,859)**	(110,525)
Administrative expenses		**(453,021)**	(400,303)
Other operating income, net		**395**	17,608
Finance costs	6	**(54,074)**	(58,533)
Share of (loss)/profit of an associate		**(201)**	201
Share of profit of a joint venture		**2,380**	2,345
PROFIT BEFORE TAX	7	**24,770**	112,881
Income tax expense	10	**(4,458)**	(22,576)
PROFIT FOR THE YEAR		**20,312**	90,305
ATTRIBUTABLE TO:			
Owners of the Company		**20,743**	92,602
Non-controlling interests		**(431)**	(2,297)
		20,312	90,305
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	12		
Basic		**2.49 HK cents**	11.12 HK cents
Diluted		**2.45 HK cents**	11.03 HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
PROFIT FOR THE YEAR	**20,312**	90,305
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**66,004**	(31,733)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	**66,004**	(31,733)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**86,316**	58,572
Attributable to:		
Owners of the Company	**86,772**	60,907
Non-controlling interests	**(456)**	(2,335)
	86,316	58,572

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**350,667**	318,056
Right-of-use assets	*14(a)*	**102,485**	74,164
Goodwill	*15*	**111,648**	111,089
Club debenture		**705**	705
Intangible assets	*16*	**325,231**	322,847
Interest in an associate	*17*	**–**	201
Interest in a joint venture	*18*	**23,739**	21,359
Financial asset at fair value through other comprehensive income	*19*	**–**	–
Financial assets at fair value through profit or loss	*20*	**10,185**	12,437
Prepayments and deposits		**29,283**	34,327
Deferred tax assets	*30*	**28,313**	30,948
Total non-current assets		**982,256**	926,133
CURRENT ASSETS			
Inventories	*21*	**734,681**	756,044
Trade receivables	*22*	**693,521**	770,881
Amount due from a joint venture	*18*	**–**	3,005
Prepayments, deposits and other receivables	*23*	**239,271**	138,333
Tax recoverable		**1,337**	–
Derivative financial instruments	*28*	**–**	203
Cash and bank balances	*24*	**244,731**	214,188
Total current assets		**1,913,541**	1,882,654
CURRENT LIABILITIES			
Trade and bills payables	*25*	**905,306**	950,807
Amount due to a joint venture	*18*	**57,198**	–
Other payables and accrued liabilities	*26*	**174,476**	185,430
Contract liabilities	*27*	**39,266**	31,099
Interest-bearing bank borrowings	*29*	**144,638**	118,249
Lease liabilities	*14(b)*	**35,447**	39,308
Tax payable		**–**	11,465
Total current liabilities		**1,356,331**	1,336,358
NET CURRENT ASSETS		**557,210**	546,296
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,539,466**	1,472,429

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities	*14(b)*	**52,293**	22,959
Deferred tax liabilities	*30*	**40,717**	46,838
Total non-current liabilities		**93,010**	69,797
Net assets		**1,446,456**	1,402,632
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*31*	**84,254**	84,254
Reserves	*33*	**1,361,294**	1,317,014
		1,445,548	1,401,268
Non-controlling interests		**908**	1,364
Total equity		**1,446,456**	1,402,632

AUYANG Pak Hong Bernard
Director

WONG Wah Shun
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2026

		Attributable to owners of the Company								
	Notes	Issued capital HK$'000	Share premium account* HK$'000	Contributed surplus* HK$'000 (note 33)	Shares held under share award scheme* HK$'000 (note 31)	Exchange fluctuation reserve* HK$'000	Retained profits* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024		84,254	396,142	1,879	(2,938)	(19,677)	921,078	1,380,738	3,699	1,384,437
Profit for the year		–	–	–	–	–	92,602	92,602	(2,297)	90,305
Other comprehensive expense for the year:										
Exchange differences on translation of foreign operations		–	–	–	–	(31,695)	–	(31,695)	(38)	(31,733)
Total comprehensive income/(expense) for the year		–	–	–	–	(31,695)	92,602	60,907	(2,335)	58,572
Equity-settled share award arrangement	31	–	–	–	2,651	–	–	2,651	–	2,651
Shares purchased under share award scheme	31	–	–	–	(1,332)	–	–	(1,332)	–	(1,332)
Share award vested under share award scheme	31	–	–	–	552	–	(552)	–	–	–
Final 2024 dividend paid	11	–	–	–	431	–	(42,127)	(41,696)	–	(41,696)
At 31 March 2025 and 1 April 2025		84,254	396,142	1,879	(636)	(51,372)	971,001	1,401,268	1,364	1,402,632
Profit for the year		–	–	–	–	–	20,743	20,743	(431)	20,312
Other comprehensive income/(expense) for the year:										
Exchange differences on translation of foreign operations		–	–	–	–	66,029	–	66,029	(25)	66,004
Total comprehensive income/(expense) for the year		–	–	–	–	66,029	20,743	86,772	(456)	86,316
Equity-settled share award arrangement	31	–	–	–	2,867	–	–	2,867	–	2,867
Shares purchased under share award scheme	31	–	–	–	(310)	–	–	(310)	–	(310)
Share award vested under share award scheme	31	–	–	–	(717)	–	717	–	–	–
Final 2025 dividend paid	11	–	–	–	448	–	(45,497)	(45,049)	–	(45,049)
At 31 March 2026		84,254	396,142	1,879	1,652	14,657	946,964	1,445,548	908	1,446,456

* *These reserve accounts comprise the consolidated reserves of HK$1,361,294,000 (2025: HK$1,317,014,000) in the consolidated statement of financial position as at 31 March 2026.*

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**24,770**	112,881
Adjustments for:			
Bank interest income	*5*	**(1,394)**	(2,021)
Interest on bank loans	*6*	**50,869**	54,252
Interest on lease liabilities	*6*	**3,205**	4,281
Depreciation of property, plant and equipment	*7*	**68,768**	67,770
Depreciation of right-of-use assets	*7*	**42,666**	47,425
Amortisation of intangible assets	*7*	**49,951**	45,997
Write-down of inventories to net realisable value, net	*7*	**1,197**	24,911
Loss on disposal of items of property, plant and equipment, net	*7*	**473**	180
Impairment of trade receivables, net	*7*	**2,355**	73
Share-based payment expense	*7*	**2,867**	2,651
Gain on modification of a lease contract	*7*	**(1,215)**	–
Gains from derivative instruments – transactions not qualifying as hedges, net	*7*	**(121)**	(546)
Fair value losses from financial assets at fair value through profit or loss	*7*	**2,252**	1,581
Share of loss/(profit) of an associate		**201**	(201)
Share of profit of a joint venture		**(2,380)**	(2,345)
		244,464	356,889
Decrease in inventories		**20,166**	43,021
Decrease/(increase) in trade receivables		**75,005**	(261,578)
Increase in prepayments, deposits and other receivables		**(95,894)**	(35,788)
(Decrease)/increase in trade and bills payables		**(45,501)**	205,461
(Decrease)/increase in other payables and accrued liabilities		**(10,954)**	18,698
Movements in balance with a joint venture		**60,203**	3,965
Increase/(decrease) in contract liabilities		**8,167**	(9,117)
Movements in derivative financial instruments		**324**	585
Withdrawal/(placement) of restricted bank deposits		**6,784**	(2,493)
Effect of foreign exchange rate changes, net		**45,288**	(17,626)
Cash generated from operations		**308,052**	302,017
Hong Kong profits tax paid		**(12,238)**	(13,593)
Overseas tax paid		**(7,055)**	(10,350)
Net cash flows from operating activities		**288,759**	278,074

	Notes	2026 HK$'000	2025 HK$'000
Net cash flows from operating activities		**288,759**	278,074
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**1,394**	2,021
Investment in a joint venture		**–**	(5,418)
Purchase of financial asset at fair value through profit or loss		**–**	(1,945)
Purchases of items of property, plant and equipment	*13*	**(93,731)**	(57,251)
Proceeds from disposal of items of property, plant and equipment		**466**	1,945
Additions of intangible assets	*16*	**(47,877)**	(67,429)
Net cash flows used in investing activities		**(139,748)**	(128,077)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of shares held under share award scheme		**(310)**	(1,332)
Principal portion of lease payments		**(44,581)**	(45,163)
New bank loans		**1,572,665**	778,324
Repayment of interest-bearing bank borrowings		**(1,549,192)**	(795,124)
Interest paid		**(54,074)**	(58,533)
Dividend paid		**(45,049)**	(41,696)
Net cash flows used in financing activities		**(120,541)**	(163,524)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**28,470**	(13,527)
Cash and cash equivalents at beginning of year		**195,820**	210,824
Effect of foreign exchange rate changes, net		**8,857**	(1,477)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**233,147**	195,820
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in consolidated statement of financial position	*24*	**244,731**	214,188
Less: restricted deposits		**(11,584)**	(18,368)
Cash and cash equivalents as stated in consolidated statement of cash flows		**233,147**	195,820

1. CORPORATE AND GROUP INFORMATION

Computime Group Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 23 June 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The registered address of the Company is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the principal place of business is located at 6/F, Building 20E, Phase 3, Hong Kong Science Park, 20 Science Park East Avenue, Shatin, New Territories, Hong Kong.

During the year, the Company and its subsidiaries (collectively, the "Group") are principally engaged in the research and development, manufacture, sale and brand management of electronic control products, focusing on smart and sustainable living.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary shares/ registered capital	Percentage of equity attributable to the Company	Principal activities
Computime International Limited ("CIL")	British Virgin Islands/ Hong Kong	US$400	100	Investment holding
Asia Electronics HK Technologies Limited	Hong Kong	HK$23,250,100	100	Trading of electronic control products
世雅電子科技 (東莞) 有限公司 Asia Electronics Technologies (Dongguan) Co. Ltd.#	People's Republic of China ("PRC")/ Chinese Mainland	US$3,300,000	100	Manufacture and trading of electronic control products
Braeburn Systems LLC ("Braeburn")	United States of America	1,232.88 units	90	Distribution and trading of electronic control products
Computime (Malaysia) Sdn. Bhd.	Malaysia	MYR2,500,000	100	Manufacture and trading of electronic control products
ComtecNova Holdings Pte. Ltd.	Singapore	SGD1	100	Investment holding

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation/ registration and business	Issued ordinary shares/ registered capital	Percentage of equity attributable to the Company	Principal activities
金寶通智能製造 (深圳) 有限公司 Computime Control Devices Manufacturing (Shenzhen) Co. Ltd.#	PRC/Chinese Mainland	RMB20,920,200	100	Manufacture and trading of electronic control products
金寶通電子 (深圳) 有限公司 Computime Electronics (Shenzhen) Co. Ltd.#	PRC/Chinese Mainland	US$14,000,000	100	Manufacture and trading of electronic control products, and provision of research and development support services
Computime Limited	Hong Kong	HK$2,000,000	100	Investment holding, research and development, manufacture and trading of electronic control products
Computime Mexicana Soluciones de Control, SA de CV	Mexico	MXN10,000	100	Manufacture and trading of electronic control products
Computime North America, Inc.	United States of America	US$1,000	100	Distribution and trading of electronic control products, and provision of research and development support services
Computime Technologies Italy S.r.l.	Italy	EUR10,000	100	Provision of technical and marketing services

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation/ registration and business	Issued ordinary shares/ registered capital	Percentage of equity attributable to the Company	Principal activities
Computime Technologies S.R.L.	Romania	RON100,000	100	Manufacture and trading of electronic control products
Computime (Vietnam) Company Limited	Vietnam	US$250,000	100	Manufacture of electronic control products
ComtecNova Pte. Ltd.	Singapore	SGD100,000	100	Trading of electronic control products
C Plus J Technologies Limited	Hong Kong	HK$1	100	Installation of audio visual projects, electric vehicle charger, and trading of related products
Salus Controls European Distribution sp. z.o.o.	Poland	PLN5,000	100	Distribution and trading of electronic control products
Salus Controls GmbH	Germany	EUR5,525,000	100	Distribution and trading of electronic control products
Salus Controls Plc	United Kingdom	GBP3,000,000	100	Distribution and trading of electronic control products
Salus Controls Romania s.r.l.	Romania	RON200	100	Distribution and trading of electronic control products
Salus Nordic A/S	Denmark	DKK9,000,000	100	Distribution and trading of electronic control products

Registered as wholly-owned foreign enterprises under PRC law

Except for CIL, all the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company ("Directors"), principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[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 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 Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

[1] *Effective for annual periods beginning on or after 1 January 2026*
[2] *Effective for annual/reporting periods beginning on or after 1 January 2027*
[3] *No mandatory effective date yet determined but available for adoption*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies*, *Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates or estimated useful lives used for this purpose are as follows:

Buildings	40 years
Leasehold improvements	Over the shorter of the lease term and 10% – 20%
Furniture, fixtures and equipment	10% – 33.3%
Tools and machinery	10% – 33.3%
Motor vehicles	10% – 33.3%
Moulds and tooling	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Deferred expenditure

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Deferred expenditure which does not meet these criteria is expensed when incurred.

Deferred expenditure is stated at cost less any impairment losses and is amortised using the straight-line basis over the commercial lives of the underlying products of three or five years, commencing from the date when the products are put into commercial production.

Brand name, patent, customer relationships and software

Separately acquired brand name, patent, customer relationships and software are stated at historical cost. Brand name, patent and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The following intangible assets are amortised from the date they are available for use and their estimated useful lives are as follows:

Brand name	Indefinite
Patent	10 years
Customer relationships	8 years
Software	5 to 10 years

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	34 to 51 years
Properties	1 to 10 years
Computer software	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Fair value measurement

The Group measures its derivative financial instruments, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accrued liabilities, and interest-bearing bank borrowings.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and bills payables, financial liabilities included in other payables and accrued liabilities and interest-bearing borrowings)

After initial recognition, trade and bills payables, financial liabilities included in other payables and accrued liabilities and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties for designated customers in relation to the sale of goods for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with interests in subsidiaries, joint ventures and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Sale of products

Revenue from the sale of electronic control products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the electronic control products.

Some contracts for the sale of electronic control products provide customers with rights of return and early settlement rebates, giving rise to variable consideration.

(*i*) *Rights of return*

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price.

(*ii*) *Early settlement rebates*

Retrospective early settlement rebates are provided to certain customers once the customers could early settle their receivable balances to the Group at a specific date. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used. The above method that best predicts the amount of variable consideration is primarily driven by the historical settlement pattern of the customers. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Shares held under share award scheme

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost.

No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Share-based payments

The Company operates a share option scheme and a share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Chinese Mainland and overseas are required to participate in a central pension scheme operated by the local government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries and the overseas associate and joint venture are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment testing.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

(a) Impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience and the credit quality of the debtors with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 22 to the financial statements.

(b) Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the ageing and estimated net realisable value of inventories. The assessment of the write-down amount requires management's estimates and judgements. These estimates are based on the current and future market conditions and the historical experience of selling products of similar nature. Where the actual outcome or expectation in the future is different from the original estimate, such differences will impact the carrying value of inventories and the write-down of inventories in the period in which such estimate has been changed. The carrying amount of inventories at 31 March 2026 was HK$734,681,000 (2025: HK$756,044,000).

(c) Impairment of intangible assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all intangible assets at the end of each reporting period. Intangible assets not yet available for use are tested for impairment annually irrespective of whether such an indicator exists. All intangible assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

(d) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2026 was HK$111,648,000 (2025: HK$111,089,000). Further details are given in note 15.

(e) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The IBR applied by the Group ranged from 1.0% to 8.0% (2025: 1.0% to 8.0%).

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The Control Solutions segment provides engineering, design and manufacturing solutions across a range of industries, while the Branded Business segment develops and markets innovative products and solutions for smart home, climate control, energy management and related applications.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income, finance costs, share of profit or loss of an associate, share of profit of a joint venture, as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets mainly exclude property, plant and equipment, goodwill, club debenture, interest in an associate, interest in a joint venture, a financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss, right-of-use assets, deferred tax assets, cash and bank balances, amount due from a joint venture, derivative financial instruments, certain balances of intangible assets, certain balances of prepayments, deposits and other receivables, and corporate and other unallocated assets as these assets are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (continued)

Segment liabilities mainly exclude interest-bearing bank borrowings, lease liabilities, amount due to a joint venture, certain balances of deferred tax liabilities, certain balances of trade and bills payables, certain balances of other payables and accrued liabilities, tax payable, and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Control Solutions		Branded Business		Total	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Segment revenue						
Sales to external customers	**3,610,239**	3,565,761	**494,633**	430,839	**4,104,872**	3,996,600
Segment results	**252,453**	295,143	**(21,103)**	783	**231,350**	295,926
Bank interest income					**1,394**	2,021
Government grants					**3,466**	5,351
Other (expense)/income (excluding bank interest income and government grants)					**(1,844)**	1,453
Foreign exchange differences, net					**4,126**	14,224
Corporate and other unallocated expenses					**(161,827)**	(150,107)
Finance costs					**(54,074)**	(58,533)
Share of (loss)/profit of an associate	**—**	–	**(201)**	201	**(201)**	201
Share of profit of a joint venture	**2,380**	2,345	**—**	–	**2,380**	2,345
Profit before tax					**24,770**	112,881
Income tax expense					**(4,458)**	(22,576)
Profit for the year					**20,312**	90,305

4. OPERATING SEGMENT INFORMATION (continued)

	Control Solutions		Branded Business		Total	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
Assets and liabilities						
Segment assets	1,206,984	1,296,575	506,112	480,413	1,713,096	1,776,988
Interest in an associate	–	–	–	201	–	201
Interest in a joint venture	23,739	21,359	–	–	23,739	21,359
Corporate and other unallocated assets					1,158,962	1,010,239
Total assets					2,895,797	2,808,787
Segment liabilities	54,480	45,522	36,422	30,685	90,902	76,207
Corporate and other unallocated liabilities					1,358,439	1,329,948
Total liabilities					1,449,341	1,406,155
Other segment information						
Capital expenditure*					141,608	124,680
Depreciation of property, plant and equipment					68,768	67,770
Depreciation of right-of-use assets					42,666	47,425
Amortisation of intangible assets	49,293	45,348	658	649	49,951	45,997
Fair value losses from financial assets at fair value through profit or loss	–	–	2,252	1,581	2,252	1,581
Impairment/(reversal of impairment) of trade receivables, net	1,218	79	1,137	(6)	2,355	73
Write-down of inventories to net realisable value, net	940	24,906	257	5	1,197	24,911

* *Capital expenditure consists of additions to property, plant and equipment and intangible assets.*

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2026 HK$'000	2025 HK$'000
The Americas	**887,674**	813,219
Europe	**1,562,335**	1,558,216
Asia	**1,617,822**	1,612,526
Oceania	**37,041**	12,639
	4,104,872	3,996,600

The revenue information above is based on the locations of customers.

(b) Non-current assets

	2026 HK$'000	2025 HK$'000
The Americas	**139,087**	115,335
Europe	**38,859**	32,823
Asia	**765,812**	734,590
	943,758	882,748

The non-current asset information above is based on the locations of the assets and excludes the financial asset at fair value through other comprehensive income, financial assets at fair value through profit or loss and deferred tax assets. The comparative amounts have been represented to conform with the current year's presentation.

Information about major customers

For the year ended 31 March 2026, revenue of approximately HK$942,423,000 (2025: HK$979,456,000) and HK$807,447,000 (2025: HK$817,637,000), which represented 23% (2025: 24.5%) and 19.7% (2025: 21.8%) of the Group's total revenue, respectively, was derived from sales by the Control Solutions segment to two separate customers. They included sales to a group of entities which are known to be under common control with these customers.

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2026 HK$'000	2025 HK$'000
Revenue from contracts with customers	**4,104,872**	3,996,600

Revenue from contracts with customers

(i) Disaggregated revenue information

	2026 HK$'000	2025 HK$'000
Geographical markets		
The Americas	**887,674**	813,219
Europe	**1,562,335**	1,558,216
Asia	**1,617,822**	1,612,526
Oceania	**37,041**	12,639
	4,104,872	3,996,600

The following table shows the amounts of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2026 HK$'000	2025 HK$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of electronic control products	**39,752**	32,754

(ii) Performance obligations

Sale of electronic control products

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 150 days (2025: 30 to 150 days) from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with early settlement rebates which give rise to variable consideration subject to constraint.

5. REVENUE AND OTHER INCOME (continued)

An analysis of other income is as follows:

	2026 **HK$'000**	2025 HK$'000
Bank interest income	**1,394**	2,021
Government grants*	**3,466**	5,351
Sundry income	**1,887**	1,453
	6,747	8,825

* *Government grants were granted by respective governmental authorities in Chinese Mainland. During the year ended 31 March 2026, RMB434,000 (2025: RMB718,000) (equivalent to approximately HK$475,000 (2025: HK$786,000)) was granted by respective governmental authorities to subsidise stable employment of enterprises in Chinese Mainland and RMB2,727,000 (2025: RMB4,210,000) (equivalent to approximately HK$2,991,000 (2025: HK$4,565,000)) was granted by governmental authorities in Chinese Mainland to subsidise the development of the industry in which the Group operates. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.*

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2026 **HK$'000**	2025 HK$'000
Interest on bank loans	**50,869**	54,252
Interest on lease liabilities	**3,205**	4,281
	54,074	58,533

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2026 HK$'000	2025 HK$'000
Cost of inventories sold*		**3,460,899**	3,318,426
Depreciation of property, plant and equipment	*13*	**68,768**	67,770
Depreciation of right-of-use assets	*14(a)*	**42,666**	47,425
Amortisation of intangible assets, excluding deferred expenditure^		**5,107**	4,895
Research and development ("R&D") costs:			
Amortisation of deferred expenditure^	*16*	**44,844**	41,102
Current year expenditure		**23,450**	16,528
		68,294	57,630
Lease payments not included in the measurement of lease liabilities	*14(c)*	**3,012**	2,495
Gain on modification of a lease contract	*14(c)*	**(1,215)**	–
Auditor's remuneration		**3,257**	2,919
Employee benefit expense* (including directors' and chief executive's remuneration – note 8):			
Wages, salaries and other benefits		**721,552**	653,410
Pension scheme contributions##		**6,182**	5,325
Share-based payment expense	*31*	**2,867**	2,651
		730,601	661,386
Foreign exchange differences, net#		**(4,126)**	(14,224)
Loss on disposal of items of property, plant and equipment, net#		**473**	180
Impairment of trade receivables, net#	*22*	**2,355**	73
Write-down of inventories to net realisable value, net**		**1,197**	24,911
Derivative instruments – transactions not qualifying as hedges#			
– Realised gains, net	*28*	**(121)**	(546)
Fair value losses from financial assets at fair value through profit or loss#		**2,252**	1,581

* *Employee benefit expense of HK$399,651,000 (2025: HK$352,348,000) is included in "Cost of inventories sold" above.*

** *Write-down of inventories to net realisable value, net is included in "Cost of sales" on the face of the consolidated statement of profit or loss.*

^ *The amortisation of intangible assets for the year is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.*

These items are included in "Other operating income, net" on the face of the consolidated statement of profit or loss.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2026 **HK$'000**	2025 HK$'000
Fees	**1,500**	1,629
Other emoluments:		
Salaries, allowances and benefits in kind	**8,841**	8,761
Discretionary bonus	**2,080**	2,341
Share-based payment expense	**1,237**	1,983
Pension scheme contributions	**36**	36
	13,694	14,750

As at 31 March 2026, no director (2025: Nil) had outstanding share options granted by the Company, in respect of his services to the Group, under the share option scheme of the Company, further details of which are set out in note 32 to the financial statements.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The remuneration of each of the directors and chief executive for the year ended 31 March 2026 is set out below:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonus HK$'000	Share-based payment expense (note (i)) HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Executive Directors						
Mr. AUYANG Pak Hong Bernard^ ("Mr. Bernard AUYANG")	–	6,841	1,355	761	18	8,975
Mr. WONG Wah Shun	–	2,000	725	476	18	3,219
	–	8,841	2,080	1,237	36	12,194
Non-executive Directors						
Mr. WONG Chun Kong	240	–	–	–	–	240
Mr. KAM Chi Chiu, Anthony	240	–	–	–	–	240
	480	–	–	–	–	480
Independent Non-executive Directors						
Mr. HO Pak Chuen Patrick	360	–	–	–	–	360
Ms. LEE Shang Yuee Christabel	300	–	–	–	–	300
Ms. MAY Man Yee Mariana	360	–	–	–	–	360
	1,020	–	–	–	–	1,020
	1,500	8,841	2,080	1,237	36	13,694

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The remuneration of each of the directors and chief executive for the year ended 31 March 2025 is set out below:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonus HK$'000	Share-based payment expense (note (i)) HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Executive Directors						
Mr. AUYANG Pak Hong Bernard^ ("Mr. Bernard AUYANG")	–	6,771	1,259	1,211	18	9,259
Mr. WONG Wah Shun	–	1,990	1,082	772	18	3,862
	–	8,761	2,341	1,983	36	13,121
Non-executive Directors						
Mr. WONG Chun Kong	240	–	–	–	–	240
Mr. KAM Chi Chiu, Anthony	240	–	–	–	–	240
	480	–	–	–	–	480
Independent Non-executive Directors						
Mr. HO Pak Chuen Patrick	360	–	–	–	–	360
Mr. Roy KUAN@	155	–	–	–	–	155
Ms. LEE Shang Yuee Christabel	300	–	–	–	–	300
Ms. MAY Man Yee Mariana	334	–	–	–	–	334
	1,149	–	–	–	–	1,149
	1,629	8,761	2,341	1,983	36	14,750

There was no arrangement under which a Director or the Chief Executive waived or agreed to waive any remuneration during the year (2025: Nil).

Note (i): Share-based payment expense represented the estimated value of share awards granted to the directors under the Company's share award scheme. The value of these share awards is measured according to the Group's accounting policies for share-based payments as set out in note 2.4.

^ *Mr. Bernard AUYANG is the Chairman and the Chief Executive Officer of the Group.*

@ *Mr. Roy KUAN retired as an independent non-executive director of the Company with effect from 5 September 2024.*

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2025: two) directors, details of whose emoluments are set out in note 8 above. Details of the remuneration of the remaining three (2025: three) non-director highest paid employees for the year are as follows:

	2026 HK$'000	2025 HK$'000
Salaries, allowances and benefits in kind	9,650	9,156
Pension scheme contributions	36	42
Share-based payment expense	544	364
	10,230	9,562

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2026	2025
Nil to HK$2,500,000	–	–
HK$2,500,001 to HK$3,000,000	2	2
HK$3,000,001 to HK$3,500,000	–	–
HK$3,500,001 to HK$4,000,000	1	1
	3	3

10. INCOME TAX EXPENSE

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

	2026 **HK$'000**	2025 HK$'000
Current – Hong Kong:		
Charge for the year	**211**	22,567
Overprovision in prior years	**(411)**	(3,408)
Current – Chinese Mainland and other countries:		
Charge for the year	**7,252**	10,617
(Overprovision)/underprovision in prior years	**(258)**	2,967
Deferred *(note 30)*	**(2,336)**	(10,167)
Total tax charge for the year	**4,458**	22,576

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the Group's effective tax rate is as follows:

	2026 **HK$'000**	2025 HK$'000
Profit before tax	**24,770**	112,881
Tax at the statutory tax rate of 16.5%	**4,087**	18,625
Higher tax rates for other countries	**4,907**	2,492
Adjustments in respect of current tax of previous periods	**(669)**	(441)
Recognition of tax losses	**(3,302)**	(3,112)
Profit attributable to an associate and a joint venture, net	**(359)**	(420)
Income not subject to tax	**(2,727)**	(2,206)
Expenses not deductible for tax	**1,012**	9,054
Tax losses not recognised	**2,520**	1,660
Previous periods unrecognised tax losses utilised	**(911)**	(4,058)
Other temporary differences	**(100)**	982
Tax charge at the Group's effective rate	**4,458**	22,576

11. DIVIDENDS

Dividend paid during the year

	2026 HK$'000	2025 HK$'000
Final dividend in respect of the financial year ended 31 March 2025 – HK$0.054 per ordinary share (2025: final dividend of HK$0.050 per ordinary share, in respect of the financial year ended 31 March 2024)	**45,497**	42,127
Less: dividend for ordinary shares held under share award scheme *(note 31)*	**(448)**	(431)
	45,049	41,696

Proposed final dividend

	2026 HK$'000	2025 HK$'000
Final – HK$0.0121 (2025: HK$0.054) per ordinary share	**10,195**	45,497

The proposed final dividend for the year ended 31 March 2026 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final dividend payable.

12. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to owners of the Company of HK$20,743,000 (2025: HK$92,602,000) and the weighted average number of ordinary shares of 833,296,000 (2025: 832,659,000) in issue during the year as adjusted to reflect the number of shares held under the share award scheme of the Company.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company of HK$20,743,000 (2025: HK$92,602,000). The weighted average number of ordinary shares used in the calculation of 845,451,000 (2025: 839,872,000) is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

A reconciliation between the weighted average number of ordinary shares used in calculating the basic earnings per share and that used in calculating the diluted earnings per share for the years ended 31 March 2026 and 2025 are as follows:

	2026	2025
Weighted average number of ordinary shares used in calculating the basic earnings per share	**833,296,000**	832,659,000
Effect of dilution – weighted average number of ordinary shares:		
Share awards	**12,155,000**	7,213,000
Weighted average number of ordinary shares used in calculating the diluted earnings per share	**845,451,000**	839,872,000

13. PROPERTY, PLANT AND EQUIPMENT

	Note	Buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Tools and machinery HK$'000	Motor vehicles HK$'000	Moulds and tooling HK$'000	Total HK$'000
At 31 March 2026								
1 April 2025:								
Cost		29,803	101,471	334,305	474,998	7,838	59,832	1,008,247
Accumulated depreciation		(3,139)	(75,078)	(249,450)	(302,675)	(6,119)	(53,730)	(690,191)
Net carrying amount		26,664	26,393	84,855	172,323	1,719	6,102	318,056
At 1 April 2025, net of accumulated depreciation		26,664	26,393	84,855	172,323	1,719	6,102	318,056
Additions		–	10,709	33,792	41,356	346	7,528	93,731
Disposals and write-offs		–	(147)	(637)	(155)	–	–	(939)
Depreciation provided during the year	7	(765)	(6,645)	(22,779)	(33,918)	(324)	(4,337)	(68,768)
Exchange realignment		97	758	4,435	3,618	(431)	110	8,587
At 31 March 2026, net of accumulated depreciation		25,996	31,068	99,666	183,224	1,310	9,403	350,667
At 31 March 2026:								
Cost		29,919	113,753	368,755	499,909	6,975	67,695	1,087,006
Accumulated depreciation		(3,923)	(82,685)	(269,089)	(316,685)	(5,665)	(58,292)	(736,339)
Net carrying amount		25,996	31,068	99,666	183,224	1,310	9,403	350,667

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Note	Buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Tools and machinery HK$'000	Motor vehicles HK$'000	Moulds and tooling HK$'000	Total HK$'000
At 31 March 2025								
1 April 2024:								
Cost		30,151	100,183	324,732	468,506	7,225	55,883	986,680
Accumulated depreciation		(2,389)	(66,537)	(237,351)	(282,385)	(5,799)	(50,153)	(644,614)
Net carrying amount		27,762	33,646	87,381	186,121	1,426	5,730	342,066
At 1 April 2024, net of accumulated depreciation		27,762	33,646	87,381	186,121	1,426	5,730	342,066
Additions		–	2,813	19,691	29,961	655	4,131	57,251
Disposals and write-offs		–	–	(1,899)	(220)	–	(6)	(2,125)
Depreciation provided during the year	7	(766)	(8,928)	(20,674)	(33,389)	(296)	(3,717)	(67,770)
Exchange realignment		(332)	(1,138)	356	(10,150)	(66)	(36)	(11,366)
At 31 March 2025, net of accumulated depreciation		26,664	26,393	84,855	172,323	1,719	6,102	318,056
At 31 March 2025:								
Cost		29,803	101,471	334,305	474,998	7,838	59,832	1,008,247
Accumulated depreciation		(3,139)	(75,078)	(249,450)	(302,675)	(6,119)	(53,730)	(690,191)
Net carrying amount		26,664	26,393	84,855	172,323	1,719	6,102	318,056

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties and computer software used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods between 34 and 51 years (2025: 34 and 51 years), and no ongoing payments are required under the terms of these land leases. Leases of properties generally have lease terms between 1 and 10 years (2025: 1 and 10 years), while computer software has lease terms of 5 years (2025: 5 years). Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	2026				2025			
	Leasehold land HK$'000	**Properties HK$'000**	**Computer software HK$'000**	**Total HK$'000**	Leasehold land HK$'000	Properties HK$'000	Computer software HK$'000	Total HK$'000
At beginning of year	**18,341**	**54,468**	**1,355**	**74,164**	18,695	90,267	2,980	111,942
Additions	**–**	**67,321**	**–**	**67,321**	–	15,045	–	15,045
Depreciation charge	**(422)**	**(40,889)**	**(1,355)**	**(42,666)**	(417)	(45,383)	(1,625)	(47,425)
Lease modification	**–**	**554**	**–**	**554**	–	(3,145)	–	(3,145)
Exchange realignment	**72**	**3,040**	**–**	**3,112**	63	(2,316)	–	(2,253)
At end of year	**17,991**	**84,494**	**–**	**102,485**	18,341	54,468	1,355	74,164

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2026 **HK$'000**	2025 HK$'000
Carrying amount at beginning of year	**62,267**	97,642
New leases	**67,321**	15,045
Accretion of interest recognised during the year	**3,205**	4,281
Payments	**(47,786)**	(49,444)
Lease modification	**(661)**	(3,145)
Exchange realignment	**3,394**	(2,112)
Carrying amount at end of year	**87,740**	62,267
Analysed into:		
Current portion	**35,447**	39,308
Non-current portion	**52,293**	22,959

The maturity analysis of lease liabilities is disclosed in note 38(iv) to the financial statements.

(c) The expense/(income) recognised in profit or loss in relation to leases are as follows:

	2026 **HK$'000**	2025 HK$'000
Interest on lease liabilities	**3,205**	4,281
Depreciation of right-of-use assets	**42,666**	47,425
Gain on modification of a lease contract	**(1,215)**	–
Expenses relating to short-term leases		
– included in administrative expenses	**3,012**	2,495
Total amount recognised in profit or loss	**47,668**	54,201

(d) The total cash outflow for leases is disclosed in note 40(c) to the financial statements.

15. GOODWILL

	2026 HK$'000	2025 HK$'000
Cost at beginning of year, net of accumulated impairment	**111,089**	111,549
Exchange realignment	**559**	(460)
Cost at end of year, net of accumulated impairment	**111,648**	111,089
At 31 March:		
Cost	**113,392**	112,833
Accumulated impairment	**(1,744)**	(1,744)
Net carrying amount	**111,648**	111,089

Impairment testing of goodwill

Included in the balance was mainly the goodwill acquired through business combinations of Asia Electronics HK Technologies Limited and Asia Electronics Technologies (Dongguan) Co. Ltd. (collectively, the "Asia Electronics Entity") and Braeburn, which have been regarded as two cash-generating units ("CGUs") for impairment testing.

Asia Electronics Entity CGU

At 31 March 2026, the recoverable amount of the Asia Electronics Entity CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management, with cash flows beyond the five-year period being extrapolated using a growth rate of 2% (2025: 3%). The discount rate applied to the cash flow projections is 16% (2025: 14%).

The carrying amount of goodwill allocated to the Asia Electronics Entity CGU was HK$34,136,000 (2025: HK$34,136,000) as at 31 March 2026.

Certain key assumptions were used in the value-in-use calculation of the Asia Electronics Entity CGU for 31 March 2026. Management determined the value assigned to the budgeted gross margins based on the revenue and average gross margins achieved in the year immediately before the budget year, adjusted for expected efficiency improvements, management experience, and expectations of future changes in the market. The discount rate used is a pre-tax rate and reflects specific risks relating to the relevant unit.

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

Braeburn CGU

Goodwill of US$9,599,000 arose from the acquisition of an additional 62.9998% equity interest in Braeburn. Braeburn is engaged in the distribution and trading of electronic control products.

At 31 March 2026, the recoverable amount of the Braeburn CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management, with cash flows beyond the five-year period being extrapolated using a growth rate of 3% (2025: 3%). The discount rate applied to the cash flow projections is 14% (2025: 14%).

The carrying amount of goodwill allocated to the Braeburn CGU was US$9,599,000 (equivalent to HK$75,228,000) (2025: US$9,599,000 equivalent to HK$74,669,000) as at 31 March 2026.

Certain key assumptions were used in the value-in-use calculation of the Braeburn CGU for 31 March 2026. Management determined the value assigned to the budgeted gross margins based on the revenue and average gross margins achieved in the year immediately before the budget year, adjusted for expected efficiency improvements, management experience and expectations of future changes in the market. The discount rate used is a pre-tax rate and reflects specific risks relating to the relevant unit.

16. INTANGIBLE ASSETS

	Note	Deferred expenditure HK$'000	Brand name HK$'000	Customer relationships HK$'000	Patent HK$'000	Software HK$'000	Total HK$'000
31 March 2026							
At beginning of year:							
Cost		865,928	22,231	1,283	3,514	41,305	934,261
Accumulated amortisation		(602,306)	–	(522)	(1,667)	(6,919)	(611,414)
Net carrying amount		263,622	22,231	761	1,847	34,386	322,847
At beginning of year, net of accumulated amortisation		263,622	22,231	761	1,847	34,386	322,847
Additions		47,515	–	–	–	362	47,877
Amortisation provided during the year	*7*	(44,844)	–	(161)	(495)	(4,451)	(49,951)
Exchange realignment		4,231	166	6	12	43	4,458
At end of year, net of accumulated amortisation		270,524	22,397	606	1,364	30,340	325,231
At 31 March 2026:							
Cost		917,978	22,397	1,293	3,540	41,830	987,038
Accumulated amortisation		(647,454)	–	(687)	(2,176)	(11,490)	(661,807)
Net carrying amount		270,524	22,397	606	1,364	30,340	325,231

16. INTANGIBLE ASSETS (continued)

	Note	Deferred expenditure HK$'000	Brand name HK$'000	Customer relationships HK$'000	Patent HK$'000	Software HK$'000	Total HK$'000
31 March 2025							
At beginning of year:							
Cost		803,624	22,367	1,291	3,536	37,244	868,062
Accumulated amortisation		(561,137)	–	(363)	(1,149)	(2,798)	(565,447)
Net carrying amount		242,487	22,367	928	2,387	34,446	302,615
At beginning of year, net of accumulated amortisation		242,487	22,367	928	2,387	34,446	302,615
Additions		63,270	–	–	–	4,159	67,429
Amortisation provided during the year	*7*	(41,102)	–	(160)	(527)	(4,208)	(45,997)
Exchange realignment		(1,033)	(136)	(7)	(13)	(11)	(1,200)
At end of year, net of accumulated amortisation		263,622	22,231	761	1,847	34,386	322,847
At 31 March 2025:							
Cost		865,928	22,231	1,283	3,514	41,305	934,261
Accumulated amortisation		(602,306)	–	(522)	(1,667)	(6,919)	(611,414)
Net carrying amount		263,622	22,231	761	1,847	34,386	322,847

16. INTANGIBLE ASSETS (continued)

Impairment testing of brand name

Included in the balance was mainly the intangible asset of brand name with indefinite useful life acquired through business combination of Braeburn, which has been regarded as a cash-generating unit ("CGU") for impairment testing.

Braeburn CGU

Brand name of US$2,858,000 arose from the acquisition of an additional 62.9998% equity interest in Braeburn. Braeburn is engaged in the distribution and trading of electronic control products.

At 31 March 2026, the recoverable amount of the Braeburn CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management, with cash flows beyond the five-year period being extrapolated using a growth rate of 3% (2025: 3%). The discount rate applied to the cash flow projections is 14% (2025: 14%).

The carrying amount of brand name for the Braeburn CGU was US$2,858,000 (equivalent to HK$22,397,000) (2025: US$2,858,000 equivalent to HK$22,231,000) as at 31 March 2026.

Certain key assumptions were used in the value-in-use calculation of the Braeburn CGU for 31 March 2026. Management determined the value assigned to the budgeted gross margins based on the revenue and average gross margins achieved in the year immediately before the budget year, adjusted for expected efficiency improvements, management experience and expectations of future changes in the market. The discount rate used is a pre-tax rate and reflects specific risks relating to the relevant unit.

17. INTEREST IN AN ASSOCIATE

	2026 HK$'000	2025 HK$'000
Share of net assets	**–**	201

Particulars of the associate as at 31 March 2026 are as follows:

Name	Particulars of issued shares held	Place of incorporation	Percentage of ownership interest attributable to the Group	Principal activities
UleEco Limited	Ordinary shares	Hong Kong	30	Provision of consulting service on sales, management information system and management

17. INTEREST IN AN ASSOCIATE (continued)

The following table illustrates the aggregate financial information of the associate:

	2026 HK$'000	2025 HK$'000
Share of the associate (loss)/profit for the year	**(201)**	201
Share of the associate total comprehensive (expense)/income	**(201)**	201
Aggregate carrying amount of the interest in an associate	**–**	201

18. INTEREST IN A JOINT VENTURE

	2026 HK$'000	2025 HK$'000
Share of net assets	**23,739**	21,359

Balance with the joint venture is unsecured, interest-free and repayable in 2 months.

Particulars of the joint venture as at 31 March 2026 are as follows:

Name	**Registered capital**	**Place of registration and business**	**Percentage of Ownership interest**	**Percentage of Voting power**	**Percentage of Principal activities**	**Profit sharing**
金寶通電子(東莞)有限公司 Computime Electronics (Dongguan) Co. Ltd	RMB30,000,000	PRC/Chinese Mainland	50	50	50	Manufacture and trading of electronic control products

18. INTEREST IN A JOINT VENTURE (continued)

Computime Electronics (Dongguan) Co. Ltd, which is considered a material joint venture of the Group, acts as the Group's manufacturer and trader of electronic control products in Chinese Mainland and is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Computime Electronics (Dongguan) Co. Ltd adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2026 **HK$'000**	2025 HK$'000
Cash and cash equivalents	**2,014**	27,134
Other current assets	**129,959**	87,210
Current assets	**131,973**	114,344
Non-current assets	**9,054**	8,544
Current liabilities	**(93,549)**	(80,170)
Net assets	**47,478**	42,718
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets of the joint venture, excluding goodwill	**23,739**	21,359
Carrying amount of the investment	**23,739**	21,359
Revenue	**313,002**	266,988
Interest income	**5**	8
Depreciation and amortisation	**(1,426)**	(1,416)
Tax	**(1,307)**	(438)
Profit and total comprehensive income for the year	**4,760**	4,690

19. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2026 HK$'000	2025 HK$'000
Equity investment, at fair value		
Glen Canyon Corporation	**–**	–

The above investment represents the investment in unlisted equity securities which was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature. The investee company was engaged in the development of energy saving products and solutions. In the opinion of the directors, the fair value of the investment was minimal with reference to the fair value of the underlying assets and liabilities held by the investee company.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK$'000	2025 HK$'000
Unlisted investments, at fair value	**10,185**	12,437

The above unlisted investments represent the equity securities of HK$10,185,000 (2025: HK$12,437,000) which were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income. The investee companies were engaged in engineering, design and manufacture of electronic products and household appliances, trading and rental of robots and provision of electric vehicle charging service.

21. INVENTORIES

	2026 HK$'000	2025 HK$'000
Raw materials	**368,235**	317,962
Work in progress	**56,434**	60,679
Finished goods	**310,012**	377,403
	734,681	756,044

22. TRADE RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables	**697,309**	773,822
Impairment	**(3,788)**	(2,941)
	693,521	770,881

As at 31 March 2026, gross trade receivables of certain customers of HK$85,344,000 (2025: HK$140,447,000), which were designated in trade receivable factoring arrangements entered into between the Group and banks, were measured at fair value through other comprehensive income as these trade receivables are managed within a business model with the objective of both holding to collect contractual cash flows and selling for working capital management and the contractual terms of these receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one to five months (2025: one to five months). The Group maintains strict credit control over its customers and outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, 18.4% (2025: 24.2%) and 52.7% (2025: 62.5%) of the total trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances except for credit insurance on certain debtors. Trade receivables are non-interest-bearing.

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

	2026 HK$'000	2025 HK$'000
Within 1 month	**435,634**	516,683
1 to 2 months	**100,520**	134,330
2 to 3 months	**76,819**	63,090
Over 3 months	**80,548**	56,778
	693,521	770,881

22. TRADE RECEIVABLES (continued)

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

	2026 HK$'000	2025 HK$'000
Current and past due within 1 month	**666,660**	741,089
Past due:		
1 to 2 months	**18,239**	5,452
2 to 3 months	**977**	2,907
Over 3 months	**7,645**	21,433
	693,521	770,881

As part of its normal business, the Group entered into trade receivable factoring arrangements (the "Arrangements"), pursuant to which the Group assigned the rights to certain trade receivables to certain banks. The Group is not exposed to default risks of the trade debtors after the assignment. The Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. Trade receivables as if without the Arrangements as at 31 March 2026 amounted to HK$1,228,555,000 (2025: HK$1,232,343,000).

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

	2026 HK$'000	2025 HK$'000
At beginning of year	**2,941**	6,095
Impairment of trade receivables, net *(note 7)*	**2,355**	73
Amount written off as uncollectible	**(1,819)**	(3,603)
Exchange realignment	**311**	376
At end of year	**3,788**	2,941

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

22. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2026

	Current	Past due Less than 1 month	Past due 1 to 3 months	Past due Over 3 months	Total
Expected credit loss rate	**0.03%**	**0.04%**	**0.57%**	**31.20%**	**0.54%**
Gross carrying amount (HK$'000)	**615,292**	**51,577**	**19,327**	**11,113**	**697,309**
Expected credit losses (HK$'000)	**190**	**19**	**111**	**3,468**	**3,788**

As at 31 March 2025

	Current	Past due Less than 1 month	Past due 1 to 3 months	Past due Over 3 months	Total
Expected credit loss rate	0.04%	0.06%	0.55%	10.67%	0.38%
Gross carrying amount (HK$'000)	706,540	34,883	8,405	23,994	773,822
Expected credit losses (HK$'000)	312	22	46	2,561	2,941

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The financial assets included in the balances related to receivables for which there was no recent history of default and past due amounts. As at 31 March 2026 and 2025, the loss allowance was assessed to be minimal.

24. CASH AND BANK BALANCES

	2026 HK$'000	2025 HK$'000
Cash and cash equivalents	**233,147**	195,820
Restricted bank deposits	**11,584**	18,368
Total cash and bank balances	**244,731**	214,188

At the end of the reporting period, the cash and bank balances denominated in RMB amounted to HK$68,435,000 (2025: HK$50,844,000). RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months (2025: one day and three months) depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 March 2026 and 2025, restricted bank deposits mainly included deposits for issuance of bank acceptance notes with a bank.

25. TRADE AND BILLS PAYABLES

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

	2026 HK$'000	2025 HK$'000
Within 1 month	**241,491**	291,727
1 to 2 months	**340,326**	339,840
2 to 3 months	**180,635**	199,612
Over 3 months	**142,854**	119,628
	905,306	950,807

The trade payables are non-interest-bearing and generally have payment terms ranging from one to six months (2025: one to six months).

26. OTHER PAYABLES AND ACCRUED LIABILITIES

Other payables and accrued liabilities are non-interest-bearing and have payment terms ranging from one to three months (2025: one to three months).

27. CONTRACT LIABILITIES

	31 March 2026 HK$'000	31 March 2025 HK$'000	1 April 2024 HK$'000
Receipts in advance from customers	**39,266**	31,099	40,216

Contract liabilities include short-term advances received to deliver products. The increase (2025: decrease) in contract liabilities in 2026 was mainly due to the increase (2025: decrease) in short-term advances received from customers in relation to the delivery of products at the end of the year.

28. DERIVATIVE FINANCIAL INSTRUMENTS

	2026		2025	
	Contract amount HK$'000	**Assets HK$'000**	Contract amount HK$'000	Assets HK$'000
Forward currency contracts	**–**	**–**	33,448	203

As at 31 March 2025, the forward currency contracts were not designated for hedge accounting and were measured at fair value through profit or loss. Changes in realised gains on non-hedging forward currency contracts totaling HK$121,000 (2025: HK$546,000) were credited to the statement of profit or loss during the year.

29. INTEREST-BEARING BANK BORROWINGS

	2026			2025		
	Effective interest rate p.a.	Maturity	HK$'000	Effective interest rate p.a.	Maturity	HK$'000
Current						
Bank import loans – unsecured	2.88%	2026 or on demand	118,689	4.96%	2025 or on demand	58,663
Bank revolving loans – unsecured	2.80%	2026 or on demand	13,591	–	–	–
Bank term loans – unsecured	5.12%	2026 - 2028 or on demand	12,358	5.80%	2025 - 2027 or on demand	59,586
			144,638			118,249

	2026 HK$'000	2025 HK$'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	144,638	118,249

Other interest rate information:

	Floating rate	
	2026 HK$'000	2025 HK$'000
Bank loans – unsecured	144,638	118,249

As at 31 March 2026, all other borrowings were denominated in HK dollars, RMB and US dollars (2025: all other borrowings were denominated in HK dollars and US dollars).

At 31 March 2026 and 2025, the interest-bearing bank borrowings were secured by corporate guarantees executed by the Company and certain of its wholly-owned subsidiaries.

30. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities/(assets)

	Provision	Unutilised tax losses	Depreciation in excess of related depreciation allowance	Depreciation allowance in excess of related depreciation	Fair value adjustments arising from acquisition of a subsidiary	Other temporary difference	Net deferred tax liabilities
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2024	(10,685)	(9,503)	(1,230)	41,654	5,743	(920)	25,059
Deferred tax charged/(credited) to the statement of profit or loss during the year *(note 10)*	(6,885)	(2,440)	53	(732)	(27)	(136)	(10,167)
Exchange realignment	45	661	–	200	–	92	998
At 31 March 2025 and 1 April 2025	(17,525)	(11,282)	(1,177)	41,122	5,716	(964)	15,890
Deferred tax charged/(credited) to the statement of profit or loss during the year *(note 10)*	6,183	(2,616)	490	(6,652)	(132)	391	(2,336)
Exchange realignment	(835)	(880)	–	663	–	(98)	(1,150)
At 31 March 2026	(12,177)	(14,778)	(687)	35,133	5,584	(671)	12,404

30. DEFERRED TAX (continued)

Deferred tax liabilities/(assets) (continued)

Represented as:

	2026 HK$'000	2025 HK$'000
Deferred tax assets	**(28,313)**	(30,948)
Deferred tax liabilities	**40,717**	46,838

At 31 March 2026, the Group had unutilised tax losses arising in Hong Kong and overseas of HK$7,198,000 (2025: HK$7,262,000) and HK$48,496,000 (2025: HK$36,446,000), respectively. Deferred tax assets have been recognised in respect of these losses.

At 31 March 2026, the Group had unrecognised tax losses arising in Hong Kong of HK$5,063,000 (2025: HK$6,488,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had unrecognised tax losses arising in Chinese Mainland and overseas countries of HK$8,367,000 (2025: HK$20,503,000) and HK$15,141,000 (2025: HK$3,078,000), respectively, that will expire in five to ten years (2025: five to ten years) for offsetting against future profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not certain that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

At 31 March 2026, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences on undistributed profit of the subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately HK$480,064,000 at 31 March 2026 (2025: HK$400,703,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. ISSUED CAPITAL

Shares

	2026 HK$'000	2025 HK$'000
Authorised:		
5,000,000,000 (2025: 5,000,000,000) ordinary shares of HK$0.10 each	**500,000**	500,000
Issued and fully paid:		
842,540,000 (2025: 842,540,000) ordinary shares of HK$0.10 each	**84,254**	84,254

Shares held under share award scheme

The movements of shares held under share award scheme under reserve accounts were as follows:

	Notes	2026 HK$'000	2025 HK$'000
At beginning of year		**(636)**	(2,938)
Equity-settled share award arrangement	*7*	**2,867**	2,651
Shares purchased under share award scheme		**(310)**	(1,332)
Share award vested under share award scheme		**(717)**	552
Final dividend paid in respect of ordinary shares held under share award scheme	*11*	**448**	431
At end of year		**1,652**	(636)

The movements of shares held under share award scheme were as follows:

	Number of ordinary shares held	
	2026	2025
At beginning of year	**11,930,000**	10,212,000
Shares purchased under share award scheme	**770,000**	3,318,000
Share award vested under share award scheme	**(4,400,000)**	(1,600,000)
At end of year	**8,300,000**	11,930,000

The amount of shares held under share award scheme was HK$3,777,000 (2025: HK$5,011,000).

31. ISSUED CAPITAL (continued)

Share options and share awards

Details of the Company's share option scheme and share award scheme and the share options and share awards issued under the schemes are included in note 32 to the financial statements.

32. SHARE OPTION SCHEME AND SHARE AWARD SCHEME

Share option scheme

The Company had a share option scheme which was adopted on 14 September 2016 ("2016 Share Option Scheme") following the expiry of the old share option scheme on 14 September 2016 ("2006 Share Option Scheme"). The 2016 Share Option Scheme was terminated in the annual general meeting on 7 September 2023 (the "2023 AGM"). A share option scheme of the Company was adopted in the 2023 AGM ("2023 Share Option Scheme") under which the Company can grant options to, *inter alia*, employees of the Group to subscribe for shares of the Company with a view to rewarding those who have contributed to the Group and encouraging employees to work towards enhancing the value of the Company and its shares for the benefit of the Company and Shareholders as a whole. The remaining life of the 2023 Share Option Scheme is approximately 7 years and 2 months.

The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2023 Share Option Scheme and any other share option schemes and share award schemes of the Company shall not exceed 10% of the total number of issued shares of the Company (the "Shares"), being 84,254,000 shares, as at the adoption date of the 2023 Share Option Scheme.

The maximum number of shares issued and to be issued under share options to each eligible participant under the 2023 Share Option Scheme (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) within any 12-month period is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, were subject to approval by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or any independent non-executive director of the Company, or to any of their associates in excess of 0.1% of the shares of the Company in issue on that date, within any 12-month period, were subject to shareholders' approval in a general meeting.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

32. SHARE OPTION SCHEME AND SHARE AWARD SCHEME (continued)

Share option scheme (continued)

The exercise period of the share options granted is determinable by the directors, which may commence from the date of offer of the share options, and ends on a date which is not later than 10 years from the date of offer of the share options.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the share option scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

During the years ended 31 March 2026 and 2025, there is no outstanding share options and no share options were granted, exercised or cancelled under the 2023 Share Option Scheme since the adoption of the 2023 Share option Scheme. As no share option was granted under the 2023 Share Option Scheme, the number of shares that might be issued in respect of option granted under the 2023 Share Option Scheme divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the financial years was 0%. The number of share options available for grant under the 2023 Share Option Scheme and other schemes of the Company under the share scheme mandate limit at (i) the beginning of the financial year was 61,854,000 (2025: 78,254,000), and (ii) the end of the financial year was 63,154,000 (2025: 61,854,000), representing approximately 7.50% (2025: 7.34%) of issued share capital of the Company. The total number of shares available for issue under the 2023 Share Option Scheme is 63,154,000 (2025: 61,854,000) (excluding treasury shares), representing approximately 7.50% (2025: 7.34%) of the issued share capital of the Company as at the date of the annual report.

Share award scheme

A share award scheme ("2023 Share Award Plan") has been adopted by the Company in the 2023 AGM. The purposes of the 2023 Share Award Plan are to recognise and reward the contributions of certain eligible participants to the growth and development of the Group, to give incentives in order to retain them for continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The eligible participants include the directors, executives, senior management and employees of the Company or the Group and the directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

The 2023 Share Award Plan shall be valid and effective for a term of 10 years from 7 September 2023 unless terminated earlier by the board of directors (the "Board") and is administered by the Board or its delegates and the Tricor Trust (Hong Kong) Limited (the "Trustee"). The remaining life of the 2023 Share Award Plan is approximately 7 years and 2 months. The total number of shares to be awarded under the 2023 Share Award Plan shall not exceed 10% of Shares, being 84,254,000 Shares, as at the adoption date of the 2023 Share Award Plan from time to time.

The maximum number of Shares which may be awarded to a selected participant under the 2023 Share Award Plan shall not exceed 1% of the total number of Shares from time to time. As all awarded shares (the "Awards") granted under the 2023 Share Award Plan will be satisfied by existing Shares, no new Shares may be issued in respect of all awards granted during the respective periods to eligible participants pursuant to the 2023 Share Award Plan and the 2023 Share Option Scheme. The selected participants are not required to pay any amount for the acceptance of the Awards. The awarded shares were bought by the Trustee through the market under the terms of the 2023 Share Award Plan by utilizing the funds of the Company.

32. SHARE OPTION SCHEME AND SHARE AWARD SCHEME (continued)

Share award scheme (continued)

The Trustee shall not exercise the voting rights in respect of any shares held under the trust.

The vesting of the Awards (including the vesting period) is subject to the fulfilment of certain performance targets and other requirements as set out in the grant notice entered into between the Company and each grantee. The performance targets shall include: financial targets such as net profit after tax for the year of the Group and management targets (such as stakeholder engagement, productivity, client satisfaction etc.) which shall be determined based on the (i) individual performance; (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the selected grantees. The basis of determining the purchase price of Awards is not applicable as there is no purchase price under the 2023 Share Award Plan. There is no service provider sublimit being defined under the 2023 Share Award Plan.

During the year ended 31 March 2026, the Company has not granted any Awards (2025: 17,600,000) under the 2023 Share Award Plan, and in total 4,400,000 (2025: 1,600,000) Awards were vested and 1,300,000 (2025: 1,200,000) Awards were lapsed and the Company did not cancel any Awards. 15,100,000 (2025: 20,800,000) Awards were unvested as at 31 March 2026. As no Awards was granted under the 2023 Share Award Plan during the year ended 31 March 2026 (2025: 17,600,000), the number of shares that might be issued in respect of Awards granted under the 2023 Share Award Plan during the year ended 31 March 2026 divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the financial year was 0% (2025: 0%). The number of Awards available for grant under the 2023 Share Award Plan and other schemes of the Company under the scheme mandate limit at (i) the beginning of the financial year was 61,854,000 (2025: 78,254,000), and (ii) the end of the financial year was 63,154,000 (2025: 61,854,000), representing approximately 7.50% (2025: 7.34%) of the issued share capital of the Company. No other Awards were granted after the reporting period.

At the date of approval of these financial statements, 12,300,000 (2025: 18,000,000) Awards were unvested and the total number of shares available for issue under the 2023 Share Award Plan is 63,154,000 (2025: 61,854,000) (excluding treasury shares), representing approximately 7.50% (2025: 7.34%) of the issued share capital of the Company as at the date of the annual report.

32. SHARE OPTION SCHEME AND SHARE AWARD SCHEME (continued)

Share award scheme (continued)

Details of the movements of the Awards under the 2023 Share Award Plan during the year ended 31 March 2026 were as follows:

Number of the Awards			Movement during the Year						
Name of Director/ Director of subsidiary/ Category of participant	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 April 2025	Granted during the year	Vested during the year	Lapsed/ cancelled during the year	Unvested as at 31 March 2026	Price of the Company's share at grant date of the Awards (in HK$)
– Director									
Mr. AUYANG Pak Hong Bernard	26 April 2024	26 April 2024 to 25 April 2025	1,700,000	1,700,000	–	1,700,000	–	–	0.445
	26 April 2024	26 April 2024 to 25 April 2026	1,700,000	1,700,000	–	–	–	1,700,000	0.445
	26 April 2024	26 April 2024 to 25 April 2027	1,700,000	1,700,000	–	–	–	1,700,000	0.445
Mr. WONG Wah Shun	26 April 2024	26 April 2024 to 25 April 2025	1,100,000	1,100,000	–	1,100,000	–	–	0.445
	26 April 2024	26 April 2024 to 25 April 2026	1,100,000	1,100,000	–	–	–	1,100,000	0.445
	26 April 2024	26 April 2024 to 25 April 2027	1,000,000	1,000,000	–	–	–	1,000,000	0.445
– Director of subsidiary									
Mr. AU Man Kit *(note 1)*	20 March 2025	20 March 2025 to 19 March 2027	450,000	450,000	–	–	–	450,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	450,000	450,000	–	–	–	450,000	0.410
Mr. STEENBLIK Jeroen *(note 1)*	20 March 2025	20 March 2025 to 19 March 2027	450,000	450,000	–	–	–	450,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	450,000	450,000	–	–	–	450,000	0.410
Mr. CHAN Chi Wing *(note 1)*	20 March 2025	20 March 2025 to 19 March 2027	375,000	375,000	–	–	–	375,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	375,000	375,000	–	–	–	375,000	0.410
Mr. KHOR Kock Siang *(note 1)*	20 March 2025	20 March 2025 to 19 March 2027	375,000	375,000	–	–	–	375,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	375,000	375,000	–	–	–	375,000	0.410
Ms. GAO Ling *(note 1)*	20 March 2025	20 March 2025 to 19 March 2027	375,000	375,000	–	–	–	375,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	375,000	375,000	–	–	–	375,000	0.410
Subtotal			**12,350,000**	**12,350,000**	**–**	**2,800,000**	**–**	**9,550,000**	

32. SHARE OPTION SCHEME AND SHARE AWARD SCHEME (continued)

Share award scheme (continued)

Details of the movements of the Awards under the 2023 Share Award Plan during the year ended 31 March 2026 were as follows: (continued)

Number of the Awards			Movement during the year						
Name of Director/ Director of subsidiary/ Category of participant	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 April 2025	Granted during the year	Vested during the year	Lapsed/ cancelled during the year	Unvested as at 31 March 2026	Price of the Company's share at grant date of the Awards (in HK$)
Other grantees:									
– Employee participants:	26 September 2023	26 September 2023 to 25 September 2025	2,000,000	1,600,000 (note 2)	–	1,600,000	–	–	0.345
	26 September 2023	26 September 2023 to 25 September 2026	2,000,000	1,600,000 (note 3)	–	–	400,000 (note 4)	1,200,000	0.345
	20 March 2025	20 March 2025 to 19 March 2027	2,625,000 (note 1)	2,625,000 (note 1)	–	–	450,000 (note 4)	2,175,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	2,625,000 (note 1)	2,625,000 (note 1)	–	–	450,000 (note 4)	2,175,000	0.410
– Related entity participants	–	–	–	–	–	–	–	–	–
Subtotal			**9,250,000**	**8,450,000**	**–**	**1,600,000**	**1,300,000**	**5,550,000**	
Total			**21,600,000**	**20,800,000**	**–**	**4,400,000**	**1,300,000**	**15,100,000**	

32. SHARE OPTION SCHEME AND SHARE AWARD SCHEME (continued)

Share award scheme (continued)

Details of the movements of the Awards under the 2023 Share Award Plan during the year ended 31 March 2025 were as follows:

Number of the Awards			Movements during the year						
Name of Director/ Category of participant	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 April 2024	Granted during the year	Vested during the year	Lapsed/ cancelled during the year	Unvested as at 31 March 2025	Price of the Company's shares at grant date of the Awards (in HK$)
– Director									
Mr. AUYANG Pak Hong Bernard	26 April 2024	26 April 2024 to 25 April 2025	1,700,000	–	1,700,000	–	–	1,700,000	0.445
	26 April 2024	26 April 2024 to 25 April 2026	1,700,000	–	1,700,000	–	–	1,700,000	0.445
	26 April 2024	26 April 2024 to 25 April 2027	1,700,000	–	1,700,000	–	–	1,700,000	0.445
Mr. WONG Wah Shun	26 April 2024	26 April 2024 to 25 April 2025	1,100,000	–	1,100,000	–	–	1,100,000	0.445
	26 April 2024	26 April 2024 to 25 April 2026	1,100,000	–	1,100,000	–	–	1,100,000	0.445
	26 April 2024	26 April 2024 to 25 April 2027	1,000,000	–	1,000,000	–	–	1,000,000	0.445
Subtotal			**8,300,000**	**–**	**8,300,000**	**–**	**–**	**8,300,000**	
Other grantees:									
– Employee participants:	26 September 2023	26 September 2023 to 25 September 2024	2,000,000	2,000,000	–	1,600,000	400,000 (note 4)	–	0.345
	26 September 2023	26 September 2023 to 25 September 2025	2,000,000	2,000,000	–	–	400,000 (note 4)	1,600,000	0.345
	26 September 2023	26 September 2023 to 25 September 2026	2,000,000	2,000,000	–	–	400,000 (note 4)	1,600,000	0.345
	20 March 2025	20 March 2025 to 19 March 2027	4,650,000	–	4,650,000	–	–	4,650,000	0.410
	20 March 2025	20 March 2025 to 19 March 2028	4,650,000	–	4,650,000	–	–	4,650,000	0.410
– Related entity participants	–	–	–	–	–	–	–	–	N/A
Subtotal			**15,300,000**	**6,000,000**	**9,300,000**	**1,600,000**	**1,200,000**	**12,500,000**	
Total			**23,600,000**	**6,000,000**	**17,600,000**	**1,600,000**	**1,200,000**	**20,800,000**	

Notes:

1. *The Employee participants were appointed as the director of the subsidiary of the Company after 30 September 2025*
2. *400,000 Awards were lapsed on 2 July 2024*
3. *400,000 Awards were lapsed on 2 July 2024*
4. *The lapsed Awards were not cancelled*

During the year ended 31 March 2026, share-based payment expense of HK$2,867,000 (2025: HK$2,651,000) was charged to the consolidated statement of profit or loss.

33. RESERVES

The amounts of reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The Group's contributed surplus represents (i) the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation of certain subsidiaries of the Group which took place in prior years over the nominal value of CIL's shares issued in exchange therefor; and (ii) the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the group reorganisation over the nominal value of the Company's shares issued in exchange therefor.

34. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2026 HK$'000	2025 HK$'000
Contracted, but not provided for:		
Leasehold improvements	**8,568**	–
Plant and machinery	**798**	9,602
Computer software	**2,154**	2,609
	11,520	12,211

35. MATERIAL RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances set out elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2026 HK$'000	2025 HK$'000
Purchase of inventory from a joint venture	(i)	**293,313**	108
Service fee to an associate	(ii)	**4,202**	5,325

Notes:

(i) Purchase from a joint venture was made according to the published prices and conditions offered.

(ii) The fee was charged pursuant to the terms in the agreement signed between the Company and an associate.

(b) Compensation of key management personnel of the Group

	2026 HK$'000	2025 HK$'000
Short term employee benefits	**35,593**	32,446
Post-employment benefits	**197**	162
Share-based payment expense	**2,867**	2,651
	38,657	35,259

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss		
	Financial assets at amortised cost HK$'000	Debt investments HK$'000	Designated as such upon initial recognition HK$'000	Mandatorily designated as such HK$'000	Total HK$'000
2026					
Financial asset at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**
Financial assets at fair value through profit or loss	**–**	**–**	**10,185**	**–**	**10,185**
Trade receivables	**608,177**	**85,344**	**–**	**–**	**693,521**
Financial assets included in prepayments, deposits and other receivables	**43,106**	**–**	**–**	**–**	**43,106**
Cash and bank balances	**244,731**	**–**	**–**	**–**	**244,731**
	896,014	**85,344**	**10,185**	**–**	**991,543**
2025					
Financial asset at fair value through other comprehensive income	–	–	–	–	–
Financial assets at fair value through profit or loss	–	–	12,437	–	12,437
Derivative financial instruments	–	–	–	203	203
Trade receivables	630,434	140,447	–	–	770,881
Amount due from a joint venture	3,005	–	–	–	3,005
Financial assets included in prepayments, deposits and other receivables	57,458	–	–	–	57,458
Cash and bank balances	214,188	–	–	–	214,188
	905,085	140,447	12,437	203	1,058,172

36. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial assets that are derecognised in their entirety

As part of its normal business, the Group entered into trade receivable factoring arrangements (the "Arrangements"), pursuant to which the Group assigned the rights to certain trade receivables to certain banks. The Group is not exposed to default risks of the trade debtors after the assignment. The Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. The original carrying value of the trade receivables assigned under the Arrangements that have not been settled as at 31 March 2026 was HK$535,034,000 (2025: HK$461,462,000).

Financial liabilities

	Financial liabilities at amortised cost HK$'000
2026	
Trade and bills payables	**905,306**
Amount due to a joint venture	**57,198**
Financial liabilities included in other payables and accrued liabilities	**76,084**
Interest-bearing bank borrowings	**144,638**
Lease liabilities	**87,740**
	1,270,966
2025	
Trade and bills payables	950,807
Financial liabilities included in other payables and accrued liabilities	82,520
Interest-bearing bank borrowings	118,249
Lease liabilities	62,267
	1,213,843

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, trade and bills payables, balance with a joint venture, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accrued liabilities and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments. The valuations of the Group's financial asset at fair value through other comprehensive income in Level 3 as at 31 March 2026 and 2025 were conducted with reference to the carrying value of the net asset value of the investment based on the cost approach by management.

As at 31 March 2026, the fair values of unlisted equity investments which were classified as financial assets at fair value through profit or loss in Level 3 have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as EV/S ratio, and discount for lack of marketability, for each comparable company identified. The multiple is calculated by dividing the enterprise value or market value of invested capital of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value.

As at 31 March 2025, the fair value of one of the unlisted equity investments which was classified as financial asset at fair value through profit or loss in Level 3 has been estimated using a discounted cash flow valuation model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flow, discount rate, and discount for lack of marketability. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimates of the fair value.

As at 31 March 2025, the fair value of another unlisted equity investment which was classified as financial asset at fair value through profit or loss in Level 3 has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as EV/S ratio, and discount for lack of marketability, for each comparable company identified. The multiple is calculated by dividing the enterprise value or market value of invested capital of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value.

As at 31 March 2025, the fair value of the remaining unlisted equity investment which was classified as financial asset at fair value through profit or loss in Level 3 has been estimated based on recent transactions of the respective investment.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

During the year ended 31 March 2025, the Group entered into derivative financial instruments with various counterparties, principally creditworthy banks with no recent history of default. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and foreign exchange spot and forward rates. The carrying amounts of forward currency contracts were the same as their fair values.

As at 31 March 2026 and 2025, the derivative financial instruments and trade receivables designated at debt investments at fair value through other comprehensive income were classified under fair value measurement using significant observable inputs within Level 2. The valuations of the Group's trade receivables designated at debt investments at fair value through other comprehensive income as at 31 March 2026 and 2025 were determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 March 2026:

	Valuation technique	**Significant unobservable inputs**	**Range**	**Sensitivity of fair value to the input**
Unlisted equity investments	Market approach	EV/S ratio	3-5.5 times	5% increase/decrease in EV/S ratio would result in increase/decrease in fair value of HK$501,000 to HK$492,000

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 March 2025:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted equity investments	Discounted cash flow valuation model	Discount for lack of marketability	15.6%	5% increase/decrease in discount for lack of marketability would result in decrease/increase in fair value of HK$900,000 to HK$800,000
		Discount rate	14.9%	1% increase/decrease in weighted average cost of capital would result in decrease/increase in fair value of HK$1,000,000 to HK$1,100,000

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The movements in fair value measurements in Level 3 during the years ended 31 March 2026 and 2025 are as follows:

	Equity investments HK$'000
Unlisted investments designated at fair value through profit or loss:	
At 1 April 2025	**12,437**
Total losses recognised in the consolidated statement of profit or loss included in other operating income, net	**(2,252)**
At 31 March 2026	**10,185**

	Equity investments HK$'000
Unlisted investments designated at fair value through profit or loss:	
At 1 April 2024	12,065
Total losses recognised in the consolidated statement of profit or loss included in other operating income, net	(1,581)
Addition of unlisted investment	1,945
Exchange realignment	8
At 31 March 2025	12,437

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2025: Nil).

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, cash and bank balances and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, and financial liabilities included in other payables and accrued liabilities, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Management meets periodically to analyse and formulate measures to manage the Group's exposure to financial risks. Generally, the Group employs a conservative strategy regarding its risk management.

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank deposits and debt obligations with floating interest rates.

The interest rates and the terms of repayment of the Group's bank deposits and interest-bearing bank borrowings are disclosed in notes 24 and 29, respectively. The Group did not use any derivative instruments to hedge against its exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on interest-bearing bank borrowings and bank deposits) and the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$'000	Increase/ (decrease) in equity HK$'000
2026			
Bank deposits	**100**	**2,447**	**2,007**
Bank borrowings	**100**	**(1,446)**	**(1,186)**
Bank deposits	**(100)**	**(2,447)**	**(2,007)**
Bank borrowings	**(100)**	**1,446**	**1,186**
2025			
Bank deposits	100	2,142	1,714
Bank borrowings	100	(1,182)	(946)
Bank deposits	(100)	(2,142)	(1,714)
Bank borrowings	(100)	1,182	946

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Foreign currency risk

The Group's exposure to the risk of changes in market currency rates relates primarily to the Group's sales and purchases which are mainly denominated in United States dollars and, to a lesser extent, Euro zone currencies. Certain production and operating overheads of the Group's production facilities in Chinese Mainland are denominated in RMB. Due to the fact that the Hong Kong dollar is pegged to the United States dollar, the Group's exposure to foreign currency risk regarding the United States dollar is low. During the year, the Group managed foreign currency risk arising from certain transactions in RMB, EUR and GBP by the use of forward currency contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates of RMB, EUR and GBP against HK$, with all other variables held constant, of the Group's profit before tax and equity (due to changes in the fair value of monetary assets and liabilities, including trade and other receivables, cash and bank balances and trade and other payables).

	Increase/ (decrease) in exchange rate against HK$ %	Increase/ (decrease) in profit before tax HK$'000	Increase/ (decrease) in equity HK$'000
2026			
If the Hong Kong dollar weakens against RMB	**5**	**943**	**943**
If the Hong Kong dollar weakens against EUR	**5**	**378**	**1,060**
If the Hong Kong dollar weakens against GBP	**5**	**(69)**	**(69)**
If the Hong Kong dollar strengthens against RMB	**(5)**	**(943)**	**(943)**
If the Hong Kong dollar strengthens against EUR	**(5)**	**(378)**	**(1,060)**
If the Hong Kong dollar strengthens against GBP	**(5)**	**69**	**69**
2025			
If the Hong Kong dollar weakens against RMB	5	877	877
If the Hong Kong dollar weakens against EUR	5	(13,660)	(13,019)
If the Hong Kong dollar weakens against GBP	5	(1,436)	(1,436)
If the Hong Kong dollar strengthens against RMB	(5)	(877)	(877)
If the Hong Kong dollar strengthens against EUR	(5)	13,660	13,019
If the Hong Kong dollar strengthens against GBP	(5)	1,436	1,436

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Outstanding receivable balances are monitored on an ongoing basis. In addition, the Group had no significant historical bad debt records in prior years. Accordingly, the Group's exposure to credit risk is not significant. In addition, certain trade receivables were covered by credit insurance purchased by the Group.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
As at 31 March 2026					
Debt investments at fair value through other comprehensive income – Trade receivables*	–	–	–	85,344	85,344
Trade receivables*	–	–	–	611,965	611,965
Financial assets included in prepayments, deposits and other receivables – Normal**	43,106	–	–	–	43,106
Cash and bank balances – Not yet past due	244,731	–	–	–	244,731
	287,837	–	–	697,309	985,146

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk (continued)

Maximum exposure and year-end staging (continued)

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 March 2025					
Debt investments at fair value through other comprehensive income					
– Trade receivables*	–	–	–	140,447	140,447
Trade receivables*	–	–	–	633,375	633,375
Amount due from a joint venture	–	–	–	3,005	3,005
Financial assets included in prepayments, deposits and other receivables					
– Normal**	57,458	–	–	–	57,458
Cash and bank balances					
– Not yet past due	214,188	–	–	–	214,188
	271,646	–	–	776,827	1,048,473

* *For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the financial statements.*

** *The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.*

Since the Group trades only with creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty, by geographical region and by industry sector.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease liabilities. In addition, banking facilities have been put in place for contingency purposes.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

2026

	Within one year/ on demand HK$'000	**One to five years HK$'000**	**Total HK$'000**
Trade and bills payables	**905,306**	**–**	**905,306**
Amount due to a joint venture	**57,198**	**–**	**57,198**
Financial liabilities included in other payables and accrued liabilities	**76,084**	**–**	**76,084**
Interest-bearing bank borrowings	**144,638**	**–**	**144,638**
Lease liabilities	**38,543**	**55,710**	**94,253**
	1,221,769	**55,710**	**1,277,479**

2025

	Within one year/ on demand HK$'000	One to five years HK$'000	Total HK$'000
Trade and bills payables	950,807	–	950,807
Financial liabilities included in other payables and accrued liabilities	82,520	–	82,520
Interest-bearing bank borrowings	118,249	–	118,249
Lease liabilities	40,351	25,928	66,279
	1,191,927	25,928	1,217,855

(v) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(v) Capital management (continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025.

The Group's capital comprises all components of equity. As at 31 March 2026, the Group had net cash of HK$100,093,000 (2025: HK$95,939,000), representing total cash and bank balances less total interest-bearing bank borrowings.

The Group is subject to capital requirements imposed by various banks for banking facilities granted. During the year, the Group has complied with the capital requirements imposed by these banks.

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS		
Interests in subsidiaries	**1,183,147**	911,935
Total non-current assets	**1,183,147**	911,935
CURRENT ASSETS		
Prepayments, deposits and other receivables	**10,538**	10,621
Tax recoverable	**583**	–
Cash and bank balances	**258**	98
Total current assets	**11,379**	10,719
CURRENT LIABILITIES		
Other payables and accrued liabilities	**1,333**	4,436
Tax payable	**–**	376
Total current liabilities	**1,333**	4,812
NET CURRENT ASSETS	**10,046**	5,907
Net assets	**1,193,193**	917,842
EQUITY		
Issued capital	**84,254**	84,254
Reserves *(note)*	**1,108,939**	833,588
Total equity	**1,193,193**	917,842

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Contributed surplus HK$'000	Shares held under share award scheme HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2024	396,142	353,435	(2,938)	130,546	877,185
Equity-settled share award arrangement	–	–	2,651	–	2,651
Shares purchased under share award scheme	–	–	(1,332)	–	(1,332)
Share award vested under share award scheme	–	–	552	(552)	–
Total comprehensive expense for the year	–	–	–	(3,220)	(3,220)
Final 2024 dividend paid	–	–	431	(42,127)	(41,696)
At 31 March 2025 and 1 April 2025	396,142	353,435	(636)	84,647	833,588
Equity-settled share award arrangement	–	–	2,867	–	2,867
Shares purchased under share award scheme	–	–	(310)	–	(310)
Share award vested under share award scheme	–	–	(717)	717	–
Total comprehensive income for the year	–	–	–	317,843	317,843
Final 2025 dividend paid	–	–	448	(45,497)	(45,049)
At 31 March 2026	396,142	353,435	1,652	357,710	1,108,939

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation (note 33), over the previous nominal value of the Company's shares issued in exchange therefor. Under the Companies Law of the Cayman Islands, the contributed surplus may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$67,321,000 (2025: HK$15,045,000) and HK$67,321,000 (2025: HK$15,045,000), respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings HK$'000	**Lease liabilities** HK$'000
At 31 March 2024	136,445	97,642
Changes from financing cash flows	(16,800)	(49,444)
New leases	–	15,045
Interest expenses	–	4,281
Lease modification	–	(3,145)
Effect of foreign exchange rate changes, net	(1,396)	(2,112)
At 31 March 2025 and 1 April 2025	118,249	62,267
Changes from financing cash flows	23,473	(47,786)
New leases	–	67,321
Interest expenses	–	3,205
Lease modification	–	(661)
Effect of foreign exchange rate changes, net	2,916	3,394
At 31 March 2026	144,638	87,740

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2026 **HK$'000**	2025 HK$'000
Within operating activities	**3,012**	2,495
Within financing activities	**47,786**	49,444
	50,798	51,939

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 June 2026.

FINANCIAL SUMMARY

Results

	Year ended 31 March				
	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
REVENUE	**4,104,872**	3,996,600	4,037,818	4,204,764	4,184,831
PROFIT BEFORE TAX	**24,770**	112,881	107,580	31,392	102,861
INCOME TAX EXPENSE	**(4,458)**	(22,576)	(23,668)	(7,853)	(19,141)
PROFIT FOR THE YEAR	**20,312**	90,305	83,912	23,539	83,720
ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY	**20,743**	92,602	84,772	22,504	84,227
NON-CONTROLLING INTERESTS	**(431)**	(2,297)	(860)	1,035	(507)
	20,312	90,305	83,912	23,539	83,720

Assets, Liabilities and Non-controlling Interests

	As at 31 March				
	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
TOTAL ASSETS	**2,895,797**	2,808,787	2,620,928	2,940,731	2,799,964
TOTAL LIABILITIES	**(1,449,341)**	(1,406,155)	(1,236,491)	(1,617,916)	(1,410,076)
NET ASSETS	**1,446,456**	1,402,632	1,384,437	1,322,815	1,389,888
EQUITY ATTRIBUTABLE TO					
OWNERS OF THE COMPANY	**1,445,548**	1,401,268	1,380,738	1,318,240	1,386,401
NON-CONTROLLING INTERESTS	**908**	1,364	3,699	4,575	3,487
TOTAL EQUITY	**1,446,456**	1,402,632	1,384,437	1,322,815	1,389,888