

FOURACE
科利

FOURACE INDUSTRIES GROUP HOLDINGS LIMITED

科利實業控股集團有限公司

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司

Stock Code 股份代號：1455

ANNUAL REPORT 年報
2025/26



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. LI Shu Yeh (*Chairman*)

Ms. LI Sen Julian (*Chief Executive Officer*)

Ms. TANG Suk Yee

Independent Non-executive Directors

Mr. LIU Kai Yu Kenneth

Mr. LEUNG Wai Chuen

Mr. MAN Yun James

AUDIT COMMITTEE

Mr. LIU Kai Yu Kenneth (*Chairman*)

Mr. LEUNG Wai Chuen

Mr. MAN Yun James

REMUNERATION COMMITTEE

Mr. MAN Yun James (*Chairman*)

Mr. LI Shu Yeh

Ms. LI Sen Julian

Mr. LIU Kai Yu Kenneth

Mr. LEUNG Wai Chuen

NOMINATION COMMITTEE

Mr. LEUNG Wai Chuen (*Chairman*)

Mr. LIU Kai Yu Kenneth

Mr. LI Shu Yeh

Ms. TANG Suk Yee

Mr. MAN Yun James

AUTHORISED REPRESENTATIVES

Ms. LI Sen Julian

Mr. TSANG Kai Ming

COMPANY SECRETARY

Mr. TSANG Kai Ming

AUDITOR

SHINEWING (HK) CPA Limited

17/F, Windsor House

311 Gloucester Road

Causeway Bay

Hong Kong

COMPLIANCE ADVISER

Innovax Capital Limited

Room 1201–1202 & 1212, West Tower

Shun Tak Centre

168–200 Connaught Road

Sheung Wan

Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Jeffrey Mak Law Firm

Suite 4201, 42/F, Tower 1

Lippo Centre

89 Queensway

Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1307

Vanta Industrial Centre

21–33 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Unit 101 and 201 of Block A, Block B, Block G
No. 181 Jiangshi Road
Shiwei Community
Matian Street
Guangming District
Shenzhen City

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking
Corporation Limited
HSBC Building
1 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

Dah Sing Bank Limited
26/F, Dah Sing Financial Centre
No. 248 Queen's Road East
Wan Chai
Hong Kong

Bank of China Shenzhen Branch
International Finance Building
2022 Jianshe Road
Luohu District
Shenzhen
Guangdong Province
China

COMPANY WEBSITE

<http://www.fourace.com>

STOCK CODE

1455

CHAIRMAN'S STATEMENT

On behalf of Fourace Industries Group Holdings Limited, together with its subsidiaries, (collectively referred to as the **"Group"**) and its board (**"Board"**) of directors (**"Directors"**), I am pleased to present the Group's annual report (the **"Annual Report"**) for the financial year ended 31 March 2026 (the **"FY2026"** or the **"Reporting Period"**) to the shareholders of the Company.

FY2026 has presented our Group with an extraordinarily complex and challenging operating environment. Ongoing geopolitical tensions and profound economic uncertainties have reshaped global trade. Most notably, the outbreak of the US-Iran war has triggered a sharp spike in global oil prices, fueling intense inflationary pressures across our supply chain.

Concurrently, the US tariffs have created additional barriers in our traditional export markets. Closer to home, intense domestic competition which is often referred to as "involution" within the China market has forced widespread industry price-cutting. To preserve our market share and maintain our competitive edge, we have had to adapt to these aggressive pricing demands from our customers.

As a direct result of these severe headwinds, the Group's financial performance in FY2026 was heavily impacted as below:

- Revenue decreased by approximately HK\$103.0 million (approximately 37.8%) from approximately HK\$272.3 million for FY2025 to approximately HK\$169.3 million for FY2026, driven by lower sales of hair styling products to the US and Japanese markets.
- Gross Profit decreased by approximately HK\$45.5 million (approximately 49.7%) from approximately HK\$91.5 million for FY2025 to approximately HK\$46.0 million for FY2026. Also, the Gross Profit Margin declined by 6.4 percentage points from 33.6% for FY2025 to 27.2% for FY2026. Both decreases are primarily attributable to the drop in the revenue and the lower average selling prices of the hair styling series.

In response to these disruptive market forces, the Group's management reacted swiftly to formulate and execute a resilient strategy designed to protect our business, optimize operations, and drive future growth.

Product innovation remains our primary competitive shield against declining sales. We are continually introducing new ODM products to ensure we stay ahead of shifting consumer trends. To support this, we will continue to strengthen our Research and Development (R&D) team, positioning them as our key growth driver. In parallel, we would intensify our OBM business. We are launching our own branded products to explore and capture the immense potential within the beauty care and wellness markets.

We will actively deepen relations with our existing customers to navigate these pricing pressures together. Simultaneously, we are widening our horizons by aggressively seeking new potential customers and exploring untapped geographical markets to reduce our reliance on standard export destinations.

In order to counter inflationary pressures and protect our margins from price cuts, management has implemented stringent control measures across all overhead costs and operating expenses. We are aggressively optimizing our procurement processes, sourcing highest quality materials at the most competitive prices without compromising our product standards.

CHAIRMAN'S STATEMENT

Finally, we are embracing advanced technologies to streamline our operations and eliminate waste. We are going to introduce AI-assisted databases to improve our operational efficiency. These advanced digital tools would empower our management team with data-driven insights, enabling better business predictions, and faster and more accurate decision-making.

While the current economic landscape demands close attention, I am confident that our agile strategy, reinforced by technological integration, cost discipline, and brand diversification, will enable us to overcome these temporary challenges and deliver long-term value to our shareholders.

I express my deepest gratitude to our staff, management, customers and business partners for their unwavering dedication during these demanding times.

Li Shu Yeh

Chairman

Hong Kong, 29 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is principally engaged in the design, development and manufacturing of personal care and lifestyle electrical appliances on an Original Design Manufacturing (“**ODM**”) basis. Our customers are mainly international brand owners with products marketed mainly in the United States, Japan and Europe. Personal care electrical appliances produced by the Group can be broadly classified into three major categories, including the hair styling series, the grooming series and the beauty care series. In particular, the Group is specialized in hair dryers within its hair styling series which primarily target the high-end market. In parallel, the Group has continued to and remains dedicated in the development and sale of personal care and lifestyle electrical appliance products with its own brand to retail customers under an Original Brand Manufacturing (“**OBM**”) model.

BUSINESS REVIEW

During FY2026, the Group operated within a highly volatile and complex global macro environment such as ongoing geopolitical tensions, high interest rates and weak customer sentiment. Most notably, conflict in the Middle East drove global oil prices sharply upwards, intensifying inflationary pressures and elevating manufacturing and logistical costs across our operations.

Compounding these macroeconomic pressures, the implementation of US tariffs introduced heightened market uncertainty. Closer to home, intense domestic competition and “involution” within the Mainland China market continued persistent that the Group has been facing strong pressure from customers on price reduction of the products.

The convergence of these unfavorable external factors significantly impacted the Group’s financial performance for FY2026, leading to decrease in revenue, gross profit and net profit.

During the Reporting Period, the Group’s revenue decreased by approximately HK\$103.0 million, or 37.8%, from approximately HK\$272.3 million in FY2025 to approximately HK\$169.3 million in FY2026. In addition, the gross profit fell by approximately HK\$45.5 million, or 49.7%, from approximately HK\$91.5 million in FY2025 to approximately HK\$46.0 million in FY2026. Such decrease was mainly due to (i) a considerable decrease in the sales volume and average price of the hair styling products; in particular, the sales volume of the hair styling products to a major U.S. customer of the Group saw a significant decline; (ii) the cessation of sales of a key hair-dryer model with a high gross profit in Japan market by a major Japanese customer during the Reporting Period; and (iii) the reduced average selling prices of the Group’s products in view of the fierce competition and overall sentiment in the Chinese Mainland market.

The Group has recorded a profit of approximately HK\$36.6 million, representing a decrease of approximately HK\$5.1 million or 12.2% as compared with the profit for FY2025 of approximately HK\$41.7 million.

Such profit included a one-off and non-recurring compensation for variation of the lease agreements in respect of the land located at Jiangshi Village, Gongming Town, Bao’an District, Shenzhen, the PRC (the “**Compensation**”) which gave rise to net gain of approximately HK\$22.0 million, (please refer to the announcement dated 29 December 2025 for details) as further explained in the section headed “Net profit” below.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking ahead to the financial year ending 31 March 2027 (“FY2027”), the Board anticipates that our business will operate within a highly volatile global economy. The macro environment remains complex, characterized by ongoing geopolitical tensions, shifting US-China trade dynamics, escalating protectionism, and fluctuating U.S. tariff structures. These hurdles are further compounded by persistent, high inflationary pressures and elevated interest rates. To alleviate the impact of these uncertainties, the Group’s management is prepared to react swiftly, formulating and executing resilient strategies to protect our business, optimize our operations, and drive future growth.

Protecting our core business requires deep alignment with our market partners. We are prioritizing proactive, transparent communication with our customers to fully understand their changing needs and help them maintain their competitive edge in their respective markets.

Simultaneously, we are optimizing our operations to counter inflationary headwinds. Our procurement teams are actively sourcing high-quality supplies while aggressively negotiating cost effective prices. We have also instituted stringent internal control measures to tightly manage overhead costs and operating expenses across all levels of the Group.

To further insulate our business from external headwinds, we are actively embracing advanced technologies to streamline our operations and eliminate unnecessary processes. We are going to introduce AI-assisted database infrastructures to improve our core operational efficiency while empowering our management team with sophisticated, data-driven insights. These technological tools enable highly accurate business predictions and foster a faster, more precise decision-making process.

In parallel with these efficiency upgrades, the Group will shield our capital base from external shocks with financial prudence. We are executing rigorous control over our inventory levels and adopting highly efficient cash flow management frameworks. These proactive safeguards are intentionally designed to ensure the Group remains nimble and financially stable, fully prepared to cope with any sudden or significant drops in global sales demand.

Future growth will be anchored by innovation and a diversified business model. We would continue to upgrade our Research and Development (R&D) team, positioning them as our primary growth driver moving forward.

While we continue to maintain and expand our foundational ODM business, we are also intensifying our OBM segment. A key milestone in this strategy will be the launch of our own uniquely branded products, allowing us to explore and capture high-potential opportunities in the global beauty care and wellness markets.

Through these dual engines of innovation, digital intelligence, and brand ownership, the Board remains confident in our ability to navigate market changes and deliver long-term value to our stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue of the Group decreased by approximately HK\$103.0 million (approximately 37.8%) from approximately HK\$272.3 million for FY2025 to approximately HK\$169.3 million for FY2026. Such decrease was mainly attributable to the decrease in the sales of the hair styling products to the US and Japanese markets.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$45.5 million (approximately 49.7%) from approximately HK\$91.5 million for FY2025 to approximately HK\$46.0 million for FY2026. The gross profit margin decreased by 6.4 percentage points to 27.2% for the Reporting Period (FY2025: 33.6%). The decrease in the Group's gross profit and the gross profit margin were respectively attributable to the decrease in revenue and the average selling prices of the hair styling series as compared to FY2025.

Selling and distribution expenses

The selling and distribution expenses of the Group decreased by approximately HK\$5.4 million (approximately 56.3%) to approximately HK\$4.2 million for FY2026 (FY2025: approximately HK\$9.6 million) due to decrease in marketing and promotion expenses for beauty care products of our own brand.

Administrative expenses

The administrative expenses of the Group decreased by approximately HK\$4.9 million (approximately 13.7%) to approximately HK\$30.9 million for FY2026 (FY2025: approximately HK\$35.8 million). Such decrease was mainly attributable to the decrease of approximately HK\$1.0 million of rental and office general expenses as the result of the termination of rental lease in the PRC in FY2025 and approximately HK\$2.8 million in administrative staff costs in FY2026 as compared to FY2025 due to the reduction of staff headcounts resulting from the streamlining of the ODM and OBM business.

Finance costs

The Group recorded finance cost of approximately HK\$6,000 during the Reporting Period due to an interest expense in lease liabilities (FY2025: HK\$131,000). The decrease is due to the termination of a rental lease in PRC. The Group had no bank borrowings during the Reporting Period.

Income tax expenses

The Group's income tax expenses decreased by approximately HK\$7.7 million or 74.0% to approximately HK\$2.7 million for FY2026 (FY2025: approximately HK\$10.4 million). The effective tax rate of the Group for FY2026 (excluding the one-off and non-recurring net gain from the Compensation of HK\$22.0 million) was approximately 15.6% and for FY2025 was approximately 20.0%.

Net profit

Profit attributed to the equity holders of the Company decreased by approximately HK\$5.1 million (approximately 12.2%) from approximately HK\$41.7 million for FY2025 to approximately HK\$36.6 million for FY2026. Such profit included a one-off and non-recurring Compensation, which gave rise to net gain of approximately HK\$22.0 million. For illustrative purposes only, excluding the net gain derived from the Compensation, the Group would have recorded a profit of approximately HK\$14.6 million for FY2026, representing a decrease of approximately 65.0% as compared with the profit of approximately HK\$41.7 million for FY2025. Net profit margin (excluding the net gain derived for the Compensation) decreased by 6.7 percentage points from 15.3% for FY2025 to 8.6% for FY2026 mainly due to the decrease in revenue and gross profit as mentioned above, but was partially offset by the decrease in selling and distribution expenses and administrative expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Funding and Treasury Policy

During the Reporting Period, the Group has principally funded the liquidity and capital requirements through capital contributions from the shareholders of the Company and net cash generated from its operations. The funds were primarily used for purchase of raw materials, various operating expenses and capital expenditure. The liquidity of the Group and its working capital and finance requirements was closely monitored by the Board on a regular basis.

Liquidity

As at 31 March 2026, the Group maintained cash and bank balances of approximately HK\$286.5 million (as at 31 March 2025: approximately HK\$317.3 million). The Group will continue to maintain a healthy liquidity position to fund its operations and future business development.

Borrowings, Charge on Assets and Gearing Ratio

As at 31 March 2026, the Group had no bank borrowings (as at 31 March 2026: Nil).

As at 31 March 2026, the Group had unutilised banking facilities of approximately HK\$34.5 million and are secured by (i) a legal charge over an industrial property of the Group held for its own use in Hong Kong with net book value amounted to approximately HK\$3.2 million as at 31 March 2026 (as at 31 March 2025: approximately HK\$3.3 million); (ii) a legal charge over an industrial property of the Group held for earning rental income in Hong Kong with net book value amounted to approximately HK\$514,000 as at 31 March 2026 (as at 31 March 2025: approximately HK\$549,000); and (iii) corporate guarantee provided by the Company.

The Group is not committed to draw down the unutilised amount. The Group intended to utilise such facilities for working capital purposes, including purchase of raw materials to support its business operation, where appropriate.

As at 31 March 2026, the gearing ratio of the Group was nil (as at 31 March 2025: Nil). The gearing ratio is calculated by dividing the Group's interest-bearing borrowing by Group's total equity as at the end of the respective financial period and multiplied by 100%.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency exchange risk. The value and convertibility of Renminbi are subject to changes in the PRC government's policies and depend on domestic and international economic and political developments, as well as the supply and demand forces of Renminbi in the local market. As the Group is not involved in any currency hedging activities, any fluctuation in the exchange rate or any shortage of foreign currency may have an adverse impact on operating costs and financial condition. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENT

As at 31 March 2026, the Group had capital commitments contracted but not provided for property, plant and equipment amounted to approximately HK\$1.5 million (as at 31 March 2025: approximately HK\$0.5 million).

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any material contingent liabilities (as at 31 March 2025: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not hold any significant investment nor did the Group carry out any material acquisitions and disposals of subsidiaries, associates and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCE OF FUNDING

Save as disclosed in the prospectus of the Company dated 31 August 2020 (the “**Prospectus**”) and this report, the Group had no future plans for material investments or capital assets as at 31 March 2026. The Group will continue to monitor the industry closely and review its business expansion plans regularly, so as to take necessary measures in the Group’s best interests.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group had a total of 261 employees (as at 31 March 2025: 344). The employees’ remuneration depends on their particular duties and their performance. The Group’s general workers are paid according to the Shenzhen minimum wage standard, and the basic salary of its management, engineering, and technical staff is generally determined with reference to the same industry standards and the staff may be entitled allowance and bonus based on their performance evaluation. The Group conducts employee performance review annually to evaluate and adjust its employees’ remuneration. The Group enters into individual employment agreements with the employees, with terms covering, among other things, positions, salaries, working hours, annual leave and other benefits. During the Reporting Period, the Group’s total staff costs amounted to approximately HK\$46.6 million (FY2025: approximately HK\$58.3 million). The decreases were mainly due to (i) the reduction of direct labour cost due to the decrease in sales orders and (ii) the reduction of staff headcounts due to the streamlining of the ODM and OBM business.

Also, training is provided to employees of the Group depending on their departments and the scope of their responsibilities. The human resources department would also arrange for employees to attend training, especially in regards to workplace health and safety. The Company has also adopted a share option scheme on 21 August 2020 for the purpose of providing incentives or rewards for selected eligible persons’ contribution or potential contribution to the growth and development of the Group.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Up to the date of this report, there are no important events occurred after the Reporting Period that may affect the Group.

FINAL DIVIDEND

The Board recommended a final dividend and a special dividend of HK0.5 cent per share and HK1.0 cent per share, respectively (FY2025: a final dividend of HK1.5 cents per share and a special dividend of HK2.0 cents per share, respectively) to shareholders whose names appear on the register of members of the Company on 19 August 2026 (the “**Proposed Final Dividends**”). The Proposed Final Dividends are subject to the approval of the shareholders of the Company at the annual general meeting expected to be held on 12 August 2026. The Proposed Final Dividends are expected to be paid on or around 31 August 2026. As at the date of this report, the Board was not aware that any shareholder had waived or agreed to any arrangement to waive dividends.

DIRECTORS AND SENIOR MANAGEMENT

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. LI Shu Yeh (李舒野) (“Mr. SY Li”), aged 79, was appointed as the chairman, executive Director and Chief Executive Officer (the “CEO”) of the Company on 29 March 2019. Mr. SY Li stepped down as CEO with effect from 3 March 2026. He is the father of Ms. SJ Li, an executive Director and the CEO of the Group.

Mr. SY Li is primarily responsible for formulating the overall business strategies and developments and making major decisions of the Group. He co-founded the Group on 9 March 1988. Mr. SY Li has more than 35 years of experience in the small household electrical appliances and personal care electrical appliances industry. He has been a director of Fourace Industries Limited (科利實業有限公司) (“**HK Fourace**”), an indirectly wholly-owned subsidiary of the Company, since 9 March 1988, responsible for the overall management, strategic planning and decision-making of HK Fourace.

Mr. SY Li was the chief engineer at Manuick Industrial Company Limited, a manufacturer of electrical appliances from August 1986 to February 1988, responsible for management of engineering technologies, supervision of product design and quality control and management of the manufacturing departments.

Mr. SY Li was the chief engineer of Sun Cupid Industries Limited, a company principally engaged in the manufacture of small electrical appliances on an original equipment manufacturing (OEM)/original design manufacturing (ODM) basis exporting to multinational customers, from March 1980 to June 1986, responsible for new projects development, electrical design and monitoring safety standard of products.

Mr. SY Li obtained his bachelor’s degree in mechanical engineering from the Beijing College of Petroleum* (北京石油學院) (currently known as China University of Petroleum, Beijing* (中國石油大學(北京))) in the PRC in July 1970. Mr. SY Li is the sole director of Ace Champion, a controlling shareholder of the Company holding 468,750,000 Shares, representing 36.67% of the issued share capital of the Company.

EXECUTIVE DIRECTORS

Ms. LI Sen Julian (李晨) (“Ms. SJ Li”), aged 50 was appointed as an executive Director on 29 March 2019. Ms. SJ Li was appointed as the CEO with effect from 3 March 2026 and is primarily responsible for overall sales and marketing strategies, supervising the overall operations and financial management of the Group. Ms. SJ Li joined the Group in August 2001 and since 17 August 2017, she has been a director of HK Fourace. Ms. SJ Li is the daughter of Mr. SY Li, the chairman and executive Director.

Ms. SJ Li first joined the Group on 2 August 2001 as a sales assistant, responsible for customer management. From August 2003 to June 2006, she served as an assistant general manager of the Group, responsible for customer communications, project management and product pricing. Ms. SJ Li has been the general manager of the Group since June 2006, responsible for the overall supervision of the sales department, quality management and customer relations. Ms. SJ Li has more than 23 years of experience in the personal care electrical appliances industry.

Ms. SJ Li obtained her bachelor’s degree in clinical medicine from Tianjin Medical University (天津醫科大學) in the PRC in July 2001.

DIRECTORS AND SENIOR MANAGEMENT

Ms. TANG Suk Yee (鄧淑儀) (“Ms. SY Tang”), aged 59, was appointed as the executive Director on 29 March 2019 and also appointed as the general manager of the Group with effect from 3 March 2026. Ms. SY Tang is primarily responsible for the overall operations and management of Shenzhen Fourace Electrical Appliances Co., Ltd.* (深圳科利電器有限公司) (“**Shenzhen Fourace**”), an indirect wholly-owned subsidiary of the Company. Ms. SY Tang joined the Group on 6 June 1988 and has more than 35 years of experience in the personal care electrical appliances industry.

Ms. SY Tang first joined the Group on 6 June 1988 as a secretary, where she accumulated experiences of customer management, administration, shipping and operations. Since August 2000, she has served as an assistant factory manager of the Group, responsible for monitoring production progress and shipping. She has been a director of HK Fourace since 17 August 2017 and the executive director and legal representative of Shenzhen Fourace since 22 May 2015, responsible for the overall progress management of the productions of the Group.

Ms. SY Tang completed her tertiary education at Sacred Heart Canossian Convent Commercial School in Hong Kong in June 1985.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Kai Yu Kenneth (廖啟宇) (“Mr. Liu”), aged 56, was appointed as an independent non-executive Director and joined the Group on 21 August 2020. Mr. Liu is the chairman of the audit committee and a member of the nomination committee and remuneration committee of the Company. He is primarily responsible for the provision of independent advice to the Board. He has over 30 years of experience in corporate finance and accounting and auditing.

Mr. Liu worked at Hong Kong Exchanges and Clearing Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 388), from June 2004 to October 2016, with his last position as assistant vice president in IPO Transactions, Listing & Regulatory Affairs Division, responsible for vetting initial public offering applications. Prior to that, he worked at VC CEF Capital Limited (now known as VC Capital Limited) from September 2000 to May 2003, with his last position as an assistant manager in the corporate finance department, responsible for the provision of corporate finance advice to clients, financial analysis, due diligence, document drafting and negotiation of terms. He worked as an audit officer in the internal audit department of Kowloon-Canton Railway Corporation from January 2000 to September 2000, an assistant manager of the audit and control division of the Hong Kong branch of Banque Nationale de Paris from August 1996 to September 1997, an accountant at Ernst & Young from August 1994 to May 1996, and a junior accountant in the audit department of Kwan Wong Tan & Fong (merged with Deloitte Touche Tohmatsu in 1997) from May 1994 to August 1994, responsible primarily for audit and internal control.

Mr. Liu has been an independent non-executive director of Wuhan Youji Holdings Ltd., the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2881), since June 2024; an independent non-executive director of Tianli International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1773), since June 2018; and an independent non-executive director of Sisram Medical Ltd., the shares of which are listed on Main Board of the Stock Exchange (stock code: 1696), since August 2017.

Mr. Liu was an independent non-executive director and an independent director of Hangzhou Tigermed Consulting Co., Ltd., (the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300347) and the H Shares of which are listed on the Stock Exchange (stock code : 03347) from April 2020 to 3 June 2026.

Mr. Liu has been a member of the Hong Kong Institute of Certified Public Accountants since July 1999 and a fellow of the Association of Chartered Certified Accountants since April 2004.

Mr. Liu obtained his bachelor of engineering degree in mechanical engineering from Imperial College of Science, Technology and Medicine of the University of London in the United Kingdom in August 1991. He received his master of business administration degree in international banking and finance from the University of Birmingham in the United Kingdom in December 1998.

DIRECTORS AND SENIOR MANAGEMENT

Mr. LEUNG Wai Chuen (梁偉泉) (“Mr. Leung”), aged 60, was appointed as an independent non-executive Director and joined the Group on 21 August 2020. Mr. Leung is the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company. He is primarily responsible for the provision of independent advice to the Board. He has over 35 years of experience in auditing, accounting and financial management and company secretarial matters.

Mr. Leung has been the company secretary of Grand Ming Group Holdings Limited, a company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1271) and principally engages in providing building construction services where he has been responsible for the overall company secretarial matters since 2013. From November 2017 to August 2019, Mr. Leung served as a non-executive director of MOS House Group Limited, a company the shares of which are listed on the Stock Exchange (stock code: 1653) with a principal business of retail and supply of overseas manufactured tiles in Hong Kong, during which he was responsible for supervising and providing strategic advice to the group. He worked as a chief financial officer at Tang Palace (China) Holdings Limited (stock code: 1181), a company the shares of which are listed on the Main Board of the Stock Exchange from 2009 to 2012, and served the same at Sinobest Technology Holdings Ltd. (currently known as OKH Global Ltd., the shares of which are listed on the Main Board of the Singapore Exchange (stock code: S3N)) from 2005 to 2008 where he was primarily responsible for their overall financial and accounting management. Mr. Leung served at Neo-Neon Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1868), as a financial controller from December 2008 to May 2009 and as a non-executive director from June 2009 to September 2010, responsible for supervising and providing strategic advice to the group. Mr. Leung also served as a financial controller at WLS Holdings Limited, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8021) from 2001 to 2004, where he was responsible for overseeing their financial matters. From 2000 to 2001, he was an accountant at China Overseas Land & Investment Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 688) where he was primarily responsible for its financial reporting management. Prior to this, Mr. Leung then held senior finance or audit positions in several private companies from 1992 to 2000. From 1989 to 1992, Mr. Leung served as an accountant and subsequently an audit senior at Price Waterhouse (now known as PricewaterhouseCoopers), an international accounting firm, where he was primarily responsible for auditing.

Mr. Leung has been an independent non-executive director of E Lighting Group Holdings Limited, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8222), since September 2014.

Mr. Leung has been a member of the Hong Kong Institute of Certified Public Accountants since December 1993, a fellow of the Association of Chartered Certified Accountants of the United Kingdom since October 1998, an associate of the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) since November 2004 and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) since November 2004 respectively.

Mr. Leung obtained his bachelor of social sciences degree from the University of Hong Kong in December 1989. He received his master of business administration degree jointly awarded by the University of Wales and the University of Manchester in the United Kingdom in July 2001 through distance learning and his master of business (logistics management) degree from the Royal Melbourne Institute of Technology (now known as RMIT University) in Australia in September 2007 through distance learning.

DIRECTORS AND SENIOR MANAGEMENT

Mr. MAN Yun James (文恩) (“Mr. Man”), aged 69, was appointed as an independent non-executive Director and joined the Group on 21 August 2020. Mr. Man is the chairman of the remuneration committee and a member of the nomination committee and audit committee of the Company. He is primarily responsible for the provision of independent advice to the Board. He has over 25 years of experience in manufacturing of electrical appliances.

Mr. Man worked at Manuick Industrial Company Limited, a manufacturer of electrical appliances, from March 1984 to January 2004, with his last position as a director, responsible for administration and management of factory affairs, supervision of research and development and design of new products, quality control and customers relations. From May 1981 to March 1984, he served as an electrical engineer of Sun Cupid Industries Limited, a company principally engaged in the manufacture of small electrical appliances on an OEM/ODM basis exporting to multinational customers, where he was responsible for customer relations, product design, development of products and safety and quality control. Mr. Man had worked as an engineer in several private companies from January 1979 to May 1981, responsible primarily for development of products and safety and quality control.

Mr. Man obtained his bachelor of science degree in engineering from The University of Hong Kong in November 1978.

SENIOR MANAGEMENT

Mr. TSANG Kai Ming (曾啟明) (“Mr. KM Tsang”), aged 63, has been the chief financial officer and company secretary of the Company since 29 March 2019, responsible for financial management and control, corporate finance, treasury, investor relations and company secretarial matters of the Group. Mr. KM Tsang joined the Group in November 2018 as a financial controller.

Mr. KM Tsang has more than 35 years of experience in finance and accounting. Prior to joining the Group, he worked in various companies, responsible mainly for finance and accounting. He worked as the financial controller in Bloom & Grow Limited from June 2015 to June 2018; the financial controller and company secretary in Hung Fook Tong Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1446), from September 2010 to May 2015; as the group internal audit manager in Popular Holdings Limited, the shares of which are listed on the main board of the Singapore Exchange (stock code: P29), from October 2008 to January 2010; as the senior internal audit and compliance manager in Print-Rite Management Company Limited from November 2007 to October 2008; as the internal audit manager in Hung Hing Printing Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0450), from July 2000 to November 2007; in Vitasoy International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0345), from January 1991 to January 1996, with his last position as internal audit manager; as the finance & accounting manager in Magsec Investments (Far East) Limited from March 1990 to November 1990; in Shui On Investment Company Limited (currently known as Shui On (Holdings) Limited) and Shui On Leisure Enterprises Limited from June 1988 to February 1990, with his last position as senior internal auditor; and as the cost accountant in Amphenol East Asia Limited from August 1987 to June 1988.

Mr. KM Tsang has been an associate of the Hong Kong Institute of Certified Public Accountants since April 1992 and a fellow of the Association of Chartered Certified Accountants since May 1997.

Mr. KM Tsang obtained his bachelor's degree in commerce from The University of Southern Queensland (part-time programme) in Australia in April 1999. He obtained a master of management degree from The University of Western Sydney in Australia in October 1998.

DIRECTORS AND SENIOR MANAGEMENT

Ms. SHIU Pui Fun (邵佩芬) (“Ms. Shiu”), aged 55, is an assistant general manager and an administrative director of the Group, responsible for administration, human resources planning, purchase control and logistics management of the Group. She has over 34 years of experience in the personal care electrical appliances industry. Ms. Shiu joined the Group in November 1990.

From November 2018 to 29 March 2019, Ms. Shiu was responsible for the overall logistic and procurement management, import and export and supervision of human resources of the Group. Ms. Shiu has served as the supervisor of Shenzhen Fourace since May 2015, responsible for overall compliance. Ms. Shiu has been the financial director and an assistant factory manager of the Group from August 2000 to October 2018, responsible for the supervision of the accounts departments in Hong Kong and Shenzhen and logistics of the Group. Ms. Shiu was promoted as a manager of the finance department of the Group in June 1993, responsible for supervision of the accounting departments of the Group and preparation of financial reports. She first joined HK Fourace as an accounts clerk in November 1990, responsible for book keeping.

Ms. Shiu completed her secondary education at the FDBWA Szeto Ho Secondary School in Hong Kong in April 1988.

Mr. LONG Xiao Ge (隆小鵠) (“Mr. Long”), aged 44, is the factory manager of the Group, responsible for monitoring the product costs, resource allocations and plant automation of the Group. He has over 18 years of experience in the design and product engineering of personal care electrical appliances. Mr. Long first joined the Group in July 2006 as a project engineer of Shenzhen Bao'an District Gongming Jiangshi Fourace Electrics Factory* (深圳市寶安區公明將石科利電器廠) (“**Fourace Factory**”), responsible for testing, research and design of new products and progress management of moulds. He was then promoted to a principal engineer of Fourace Factory in August 2010, responsible for trial testing and supervision of structure and specifications of products. Since July 2014, Mr. Long has been a chief engineer of Fourace Factory, responsible for monitoring progress of development of new products, improving technical aspects of existing products, structural engineering and safety certification of new products.

Mr. Long completed his higher education (majoring in mechatronics) at the Hunan Institute of Engineering* (湖南工程學院) (merged from Xiangtan Electrical and Mechanical Higher Education College* (湘潭機電高等專科學校) and Hunan Textile Higher Education College* (湖南紡織高等專科學校) in June 2000) in the PRC in July 2002.

Mr. HE Jian (賀健) (“Mr. He”), aged 53, is a chief engineer of the Group, responsible for supervising development and safety certification and structural engineering of new products of the Group. He has over 27 years of experience in the design and product engineering of personal care electrical appliances. Mr. He first joined the Group in March 1997 as an engineer of Fourace Factory, responsible for development and engineering of new hair dryer products, improving existing products and trial testing. He was then promoted as a principal engineer of Fourace Factory responsible for supervision of the overall design and specifications of the products. Since March 2008, Mr. He has been a chief engineer of Fourace Factory, responsible for monitoring progress of development of new products, safety certification and resolving technical difficulties.

Mr. He completed his tertiary education (majoring in mechanical engineering) at the Shandong Industrial University* (山東工業大學) (currently known as Shandong University (山東大學)) in the PRC in July 1993.

REPORT OF THE DIRECTORS

The board ("**Board**") of Directors of the Company is pleased to present its report together with the audited consolidated financial statements of the Group for FY2026.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the design, development and manufacturing of personal care and lifestyle electrical appliances on an ODM basis. In parallel, the Group has continued to and remains dedicated in the development of new personal care and lifestyle electrical appliance products with its own brand for sale to retail customers in potential markets under an OBM model.

RESULTS

The results of the Group for FY2026 are set out in the consolidated statement of comprehensive income on page 48 of this annual report.

DIVIDEND

The Board recommended a final dividend and a special dividend of HK0.5 cent per share and HK1.0 cent per share, respectively to shareholders whose names appear on the register of members of the Company on 19 August 2026 (the "**Proposed Final Dividends**").

The Proposed Final Dividends are subject to the approval of the shareholders of the Company (the "**Shareholders**") at the annual general meeting expected to be held on 12 August 2026. The Proposed Final Dividends are expected to be paid on or around 31 August 2026.

As at the date of this report, the Board was not aware that any shareholder had waived or agreed to any arrangement to waive dividends.

BUSINESS REVIEW

Business review of the Group is provided in the Management Discussion and Analysis on page 6 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The description of the principal risks and uncertainties facing the Group is provided in the Management Discussion and Analysis on page 6 of this annual report.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 110 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2026 are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year ended 31 March 2026 are set out in note 17 to the consolidated financial statements.

BORROWING

The Group had no bank borrowings during the year ended 31 March 2026.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2026 are set out in note 26 to the consolidated financial statements.

TAX RELIEF

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2026 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

Details of the Company's distributable reserves as at 31 March 2026 are set out in the consolidated statement of changes in equity.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 March 2026 or subsisted at the end of the year.

SIGNIFICANT RELATIONSHIP WITH STAKEHOLDERS

Employees

As of 31 March 2026, the Group had a total number of 261 employees. During the Reporting Period, relationship between the Company and the employees remained stable. The Company did not experience any strikes or other labor disputes which would have material impact on the business activities of the Company.

Customers

The Group endeavours to maintain longstanding relationship with customers by continuous active communication. By engaging in the meetings with the customers and obtaining feedbacks from them, the Group is able to gain a deeper understanding of the customers' requirements and develop desirable products that satisfy the customers needs. As such, the Group has established and maintained long term and strong relationships with the customers.

Suppliers

The Group follows a stringent standard to select its suppliers and only purchase from the suppliers enlisted in the Group's internal list of pre-approved suppliers. Further, the Group conducts a review of the approved list of suppliers annually. The Group is keen on developing and maintaining the business relationships with the suppliers. During the Reporting Period, the Group has maintained good business relationships with the suppliers and is able to secure a stable supply of raw materials at competitive prices.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

For FY2026, sales to the Group's five largest customers combined accounted for 98.8% of the total revenue of the Group (FY2025: 99.6%) and sales to the largest customer included therein accounted for 43.2% (FY2025: 34.5%) of the total revenue of the Group. Purchases from the Group's five largest suppliers combined accounted for 38.8% (FY2025: 40.1%) of the total purchases for FY2026 and purchases from the largest supplier included therein accounted for 16.6% (FY2025: 14.7%) of the total purchases for FY2026.

None of the Directors, their close associates, or any Shareholders (which to the knowledge of the Directors, own more than 5% of the Company's issued share capital during the Reporting Period) had any beneficial interest in the top five customers and suppliers of the Group.

DIRECTORS

The Directors of the Company during the year ended 31 March 2026 and up to the date of this annual report were:

Executive Directors

Mr. LI Shu Yeh (*Chairman*)

Ms. LI Sen Julian (*Chief Executive Officer*)

Ms. TANG Suk Yee

Independent non-executive Directors

Mr. LIU Kai Yu Kenneth

Mr. LEUNG Wai Chuen

Mr. MAN Yun James

Pursuant to Article 84(1) of the Articles of association of our Company ("**Articles**"), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years and shall then be eligible for re-election.

In accordance with Article 84(1) and code provision B.2.2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), Mr. Leung Wai Chuen and Mr. Man Yun James will retire and, being eligible, will offer themselves for re-election at the Annual General Meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 11 to 15 of this annual report.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the year ended 31 March 2026 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year ended 31 March 2026.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Executive Directors

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 15 September 2020, which could be renewed automatically for a period of one year commencing on the day immediately following the expiry of each term, until terminated by not less than one month's notice in writing served by either party on the other.

During the Reporting Period, the basic annual salaries of the executive Directors (subject to adjustment by the Board from time to time) are as follows:

Name	Basic Annual Salary HK\$
Mr. Li Shu Yeh	1.50 million
Ms. Li Sen Julian	1.15 million
Ms. Tang Suk Yee	0.68 million

Independent Non-executive Directors

Each of the independent non-executive Directors has entered into an appointment letter with the Company under which each of them has agreed to act as an independent non-executive Director for a term of three years and shall be terminable by either party by giving the other party not less than one month's prior notice in writing. The appointments are subject to the provisions of the Articles with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

None of the Directors has or is proposed to have a service contract with the Company or any of the subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

All the Directors are subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the Articles.

REMUNERATION OF THE DIRECTORS

Details of remuneration of the Directors during the year ended 31 March 2026 are set out in note 11 to the consolidated financial statements.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company considers all of the independent non-executive Directors to be independent based on the independence guidelines set out in Rule 3.13 of the Listing Rules.

REPORT OF THE DIRECTORS

DIRECTORS INTERESTS IN COMPETING BUSINESS

Each of the Directors confirms that he/she does not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the business of our Group and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed herein, none of the Directors or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or at the end of the year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

There is no transactions, arrangements and contract of significance to the business of the Group between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the Reporting Period. During the Reporting Period, no transactions, arrangements and contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries was made.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, Directors, managing directors, alternate Directors, auditors, secretary and other officers for the time being of the Company and the trustees for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain 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 or trusts.

The Company has also arranged appropriate directors' and officers' liability insurance for the Directors and officers of the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 21 August 2020, which has become effective upon the Listing on 15 September 2020. No option had been granted by the Company (and there was no outstanding options) under the Share Option Scheme since its adoption and up to the date of this report.

The total number of securities available for issue under the Share Option Scheme as at 1 April 2025 and 31 March 2026 was both 125,000,000 Shares, representing 9.78 % of the issued share capital of the Company at 1 April 2025 and 31 March 2026.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Board to grant share options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the growth and development of the Group.

2. Eligibility of participants of the Share Option Scheme

The Board may, at its absolute discretion and on such terms as it may think fit, grant share options to any eligible person to subscribe at a price calculated in accordance with paragraph 3 below for such number of shares as it may determine in accordance with the terms of the Share Option Scheme. An eligible person ("**Eligible Person**") is (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or (b) any individual for the time being seconded to work for any member of the Group; or (c) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group.

REPORT OF THE DIRECTORS

The basis of eligibility of any of the Eligible Persons to the grant of share options shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group, provided that no share option shall be granted to any person which would result in the Company being required under applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, or will result in the breach by the Company or the Directors of any applicable securities laws and regulations or any filing or other requirements arising.

3. Exercise price per share for the exercise of a share option

The exercise price per share payable on the exercise of a share option is to be determined by the Board provided always that it shall be at least the higher of:

- (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant (which is deemed to be the date of Board meeting for approving the grant of options), which must be a business day; and
- (ii) (the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of offer of grant,

provided that the exercise price per Share shall in no event be less than the nominal amount of the share.

4. Exercise and vesting of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period commencing on such date on or after the date on which the share option is granted as the Board may determine in granting the share options and expiring at the close of business on such date as the Board may determine in granting the share options but in any event shall not exceed ten (10) years from the date of grant (which is the date of offer of grant if the offer for the grant of the share options is accepted). The Board may grant options subject to such vesting conditions and performance targets, including any vesting period.

5. Acceptance of offers

An offer for the grant of share options must be accepted within thirty (30) days inclusive of the day on which such offer was made. The amount payable by the grantee of a share option to the Company on acceptance of the offer for the grant of a share option is HK\$1.00.

6. Maximum number of shares

Subject to any refreshment of the Scheme Mandate (as defined below) or approval of Shareholders in general meeting, the maximum number of shares issuable upon the exercise of all share options to be granted under the Share Option Scheme and any other share schemes of the Company must not in aggregate exceed 10% of the shares in issue as at the date on which the Share Option Scheme became effective i.e. the date of Listing (i.e. 125,000,000 shares) ("**Scheme Mandate**").

As at the date of this report, the total number of share options available for grant under the Share Option Scheme is 125,000,000 shares, representing 9.78% of the issued share capital of the Company.

REPORT OF THE DIRECTORS

7. Maximum entitlement of each Eligible Person

The maximum number of shares issued and to be issued upon the exercise of the share options granted under the Share Option Scheme and any other share schemes of the Company to any Eligible Person(s) (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of grant shall not exceed 1% of the number of shares in issue, unless (i) a circular containing the information required by the Listing Rules is despatched to the Shareholders; (ii) the Shareholders approve the grant of the share options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant Eligible Person and his associates shall abstain from voting. The number and terms (including the exercise price) of share options to be granted to such Eligible Person(s) shall be fixed before Shareholders' approval.

8. Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten (10) years commencing on the date on which the Share Option Scheme becomes effective (i.e. 15 September 2020) and shall expire at the close of business on the day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

The Group has no other share scheme other than the Share Option Scheme.

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 financial year ended 31 March 2026.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 31 March 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein, were as follows:

Name of Director/ Chief Executive	Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding interest
Mr. Li Shu Yeh (Note 2)	Interest in controlled corporation (Note 3)	468,750,000 Shares (L)	36.67%
	Beneficiary owner	2,815,000 Shares (L)	0.22%
Ms. Li Sen Julian (Note 4)	Interest in controlled corporation (Note 5)	1,025,000 Shares (L)	0.08%
	Beneficiary owner	3,812,500 Shares (L)	0.30%
Ms. Tang Suk Yee	Beneficiary owner	3,812,500 Shares (L)	0.30%

REPORT OF THE DIRECTORS

Notes:

1. The letter "L" denotes the person's long position in the shares of the Company (the "**Shares**").
2. As at 31 March 2026, Ace Champion Inc. ("**Ace Champion**") is legally and beneficially owned by Mr. Li Shu Yeh as to 100% of its equity interest. Mr. Li Shu Yeh is deemed to be interested in the Shares in which Ace Champion is interested in pursuant to Part XV of the SFO.
3. Ace Champion, a limited liability company incorporated in the British Virgin Islands, is the legal and beneficial owner of 468,750,000 Shares, representing approximately 36.67% of the issued share capital of the Company as at 31 March 2026.
4. As at 31 March 2026, Trump Exalt Limited is legally and beneficially owned by Julian Li Family Limited as to 100% of its equity interest, which is in turn legally and beneficially owned by Ms. Li Sen Julian as to 100% of its equity interest. Ms. Li Sen Julian is deemed to be interested in the Shares in which Trump Exalt Limited is interested pursuant to Part XV of the SFO.
5. Trump Exalt Limited, a limited liability company incorporated in the British Virgin Islands, is the legal and beneficial owner of 1,025,000 Shares, representing approximately 0.08% of the issued share capital of the Company as at 31 March 2026.

Save as disclosed above and so far as the Directors are aware, as at 31 March 2026, none of the Directors or the chief executive of the Company had any interests and/or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2026, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the shares of the Company.

Name of person/ corporation	Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding interest
Ace Champion (Note 2)	Beneficial owner	468,750,000 Shares (L)	36.67%
Forever Golden (Note 3)	Beneficial owner	468,750,000 Shares (L)	36.67%
Ms. Sit Hor Wan (Note 4)	Interest in controlled corporation	468,750,000 Shares (L)	36.67%
Ms. Chan Pan Pan (Note 5)	Interest of spouse	471,565,000 Shares (L)	36.88%
Mr. Loo Kin Kuen Stephen (Note 6)	Interest of spouse	468,750,000 Shares (L)	36.67%

REPORT OF THE DIRECTORS

Notes:

1. The letter “L” denotes the person’s long position in the Shares.
2. Ace Champion, a limited liability company incorporated in the British Virgin Islands, is the legal and beneficial owner of 468,750,000 Shares, representing approximately 36.67% of the issued share capital of the Company as at 31 March 2026. The entire issued capital of Ace Champion is beneficially owned by Mr. Li Shu Yeh.
3. Forever Golden Inc. (“**Forever Golden**”), a limited liability company incorporated in the British Virgin Islands, is the legal and beneficial owner of 468,750,000 Shares, representing approximately 36.67% of the issued share capital of the Company.
4. The entire issued share capital of Forever Golden is beneficially owned by Ms. Sit Hor Wan, who is deemed to be interested in all the Shares held by Forever Golden by virtue of Part XV of the SFO.
5. Ms. Chan Pan Pan is the spouse of Mr. Li Shu Yeh. Therefore, Ms. Chan Pan Pan is deemed to be interested in the Shares in which Mr. Li Shu Yeh is interested under Part XV of the SFO.
6. Mr. Loo Kin Kuen Stephen is the spouse of Ms. Sit Hor Wan. Therefore, Mr. Loo Kin Kuen Stephen is deemed to be interested in the Shares in which Ms. Sit Hor Wan is interested under Part XV of the SFO.

Save as disclosed above, the Company had not been notified of any other persons (other than the Directors or chief executive of the Company) who, as at 31 March 2026, had interest or short position in the shares or underlying shares of the Company would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the shares of the Company.

CONNECTED TRANSACTIONS

During the year ended 31 March 2026, the Group has not entered into nor conducted any non-exempt connected transaction or non-exempt continuing connected transactions which are subject to disclosure requirement in accordance with Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group are set out in Note 31 to the consolidated financial statements.

Those related party transactions do not fall under the definition of non-exempt connected transaction or non-exempt continuing connected transaction pursuant to Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

EMOLUMENT POLICY

The employees’ remuneration depends on their particular duties and their performance. The Company’s general workers are paid according to the Shenzhen minimum wage standard, and the basic salary of the management, engineering, and technical staff are generally determined with reference to the same industry standards and they may be entitled allowance and bonus based on their performance evaluation. The Company conducts employee performance review annually to evaluate and adjust the employees’ remuneration. The Company enters into individual employment agreements with the employees, with terms covering, among other things, positions, salaries, working hours, annual leave and other benefits. The Group has the Share Option Scheme in place to enable the Board to grant share options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the growth and development of the Group. For details in relation to the Share Option Scheme, please refer to the paragraph headed “Share Option Scheme” from pages 20 to 22 of this annual report.

REPORT OF THE DIRECTORS

The emoluments of Directors are determined based on the skill, knowledge, duties and responsibilities. Each Director and senior management are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors waived any emoluments for the year ended 31 March 2026.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the Reporting Period and as at the date of this report.

CHANGE IN INFORMATION OF DIRECTORS

Mr. Liu Kai Yu Kenneth has retired from his position as an independent non-executive director and an independent director of Hangzhou Tigermed Consulting Co., Ltd., (the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300347) and the H Shares of which are listed on the Stock Exchange (stock code: 03347)) with effect from 3 June 2026.

Save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

The Company did not hold any treasury shares as at 31 March 2026.

DONATIONS

During the Reporting Period, the Group has made no charitable donation.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events that may affect the Group after the Reporting Period and up to the date of this report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds (the "**Net Proceeds**") from the Global Offering (as defined in the Prospectus) were approximately HK\$66.2 million.

As at 31 March 2026, the Group had used approximately HK\$43.1 million, representing approximately 65.1% of the Net Proceeds, and the remaining balance of the Net Proceeds was approximately HK\$23.1 million (the "**Unutilized Net Proceeds**").

REPORT OF THE DIRECTORS

As disclosed in the Company's announcement dated 5 June 2024, the Board resolved to change the use of the Net Proceeds. Details of the application of the Net Proceeds during FY2026 are set out as follows:

Business objective	Original allocation of the Net Proceeds HK\$' million	%	Revised allocation of the unutilized Net Proceeds HK\$' million	Utilized amount of reallocated Net Proceeds as at 31 March 2025 HK\$' million	Unutilized Net Proceeds as at 31 March 2025 HK\$' million	Utilized amount of Net Proceeds during the Reporting Period HK\$' million	Unutilized Net Proceeds as at 31 March 2026 HK\$' million	Expected timeline for use of the Unutilized Net Proceeds
Expanding and upgrading the Company's production facilities to enhance the Company's production capabilities	36.1	54.5%	-	-	-	-	-	-
Enhancing the Company's research and engineering capabilities	16.4	24.8%	-	-	-	-	-	-
Introducing new products carrying the Company's brands	8.5	12.9%	19.3	(1.8)	17.5	(2.4)	15.1	December 2027
Enhancing the Company's sales and marketing efforts in the global market including the PRC market	2.3	3.5%	17.5	(6.7)	10.8	(2.8)	8.0	December 2027
Upgrading the Company's information technology system and design-aided software	2.9	4.3%	1.9	(0.3)	1.6	(1.6)	-	-
	66.2	100%	38.7	(8.8)	29.9	(6.8)	23.1	

As at 31 March 2026, the Unutilised Net Proceeds were deposited with certain licensed banks in Hong Kong,

The expected timeline for utilising the Unutilised Net Proceeds for the business objectives is based on the best estimation of the future market conditions made by the Group. It is subject to change based on the current and future development of the market conditions. In view of the relevant conditions and challenges ahead as disclosed in this report, the Company was of the view that it would be beneficial to adopt a more prudent strategy for the use of the Net Proceeds, which should be appropriately adjusted to maintain flexibility for better accommodation of the changing market conditions, industry environment and the actual condition and needs of the Company.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG code. As at 31 March 2026, the Audit Committee had three members, comprising three independent non-executive Directors, namely Mr. Liu Kai Yu Kenneth (Chairman of the Audit Committee), Mr. Leung Wai Chuen and Mr. Man Yun James. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including a review of the annual results and the audited consolidated financial statements for the financial year ended 31 March 2026 of the Group.

REPORT OF THE DIRECTORS

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period and up to the date of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Details of the environmental, social and governance report are set out in the environmental, social and governance report for the Reporting Period which will be published on the Group's website according to the Listing Rules.

If you would like to receive the printed version of the report, you may send your request in writing to the Company c/o the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" on pages 28 to 42 in this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 March 2026 have been audited by Messrs. SHINEWING (HK) CPA Limited who shall retire at the Annual General Meeting. A resolution will be proposed at the Annual General Meeting to re-appoint Messrs. SHINEWING (HK) CPA Limited as the auditors of the Company.

PricewaterhouseCoopers ("PwC") has resigned as the auditors of the Company with effect from 13 December 2024, as the Company and PwC could not agree on the audit fee for the Group for the financial year ended 31 March 2025. With the recommendation of the Audit Committee, SHINEWING (HK) CPA Limited has been appointed as the auditors of the Company with effect from 13 December 2024 to fill the casual vacancy following the resignation of PwC.

On behalf of the Board

Li Shu Yeh

Chairman

Hong Kong, 29 June 2026

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company (the “**Board**”) is pleased to report to the Shareholders on the corporate governance of the Company for the financial year ended 31 March 2026 (“**FY2026**”).

CORPORATE CULTURE AND STRATEGY

The core purposes of the Company are to create value for its shareholders; to be trusted by its customers as well as suppliers; and provide a place where its employees are proud to work at.

In this connection, the Group strives to enhance the presence and expand the market share by pursuing the following strategies, including expanding, upgrading and automating the production facilities to enhance the product capabilities; enhancing the product design and engineering abilities; introducing new products carrying own branded name and enhance the sales and marketing efforts to enter into the global market including the PRC market; and upgrading the information technology system.

The Company’s purposes, values and strategy form the foundation of the Company’s corporate culture. A healthy corporate culture is important to good corporate governance which is crucial for achieving sustainable long-term success of the Group.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards and a culture of openness are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, facilitate effective contribution, and enhance its transparency and accountability, thereby enabling shareholders’ evaluation of the Company’s application of the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**CG Code**”). The Company has adopted the CG Code as the basis of the Company’s corporate governance practices.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions of the CG Code during FY2026 except for the deviation from code provision C.2.1, details of which are disclosed in the subsection headed “The Board — Chairman and Chief Executive Officer” below.

ADOPTION OF CODE OF CONDUCT REGARDING DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code as set out in Appendix C3 to the Listing Rules during the financial year ended 31 March 2026 and up to the date of this annual report.

CORPORATE GOVERNANCE REPORT

THE BOARD

Chairman and Chief Executive

Code provision C.2.1 set out in the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li Shu Yeh ("**Mr. SY Li**"), in addition to his duties as the chairman of the Board, also acted as the chief executive officer of the Company (the "**CEO**") before his stepping down as CEO with effect from 3 March 2026.

Mr. SY Li was responsible for the corporate strategic planning and overall business development of the Group as the CEO. Mr. SY Li is one of the co-founders and he has extensive experience and knowledge in the business of the Group and his duties for overseeing the Group's operations were considered to be beneficial to the Group. The Company considers having Mr. SY Li acting as both the chairman and CEO would provide strong and consistent leadership to the Group and facilitate the efficient execution of the business strategies. Since the Directors met regularly to consider major matters affecting operations of the Company, the Directors and the management of the Company believed that such structure would enable the Company to make and implement decisions promptly and efficiently.

In order to facilitate the redesignation of duties within the Group and to achieve good corporate governance by a delineation of responsibilities between the chairman of the Board and the CEO as required under Code Provision C.2.1 of the CG Code, Mr. SY Li stepped down from the position as the CEO with effect from 3 March 2026.

Ms. Li Sen Julian ("**Ms. Li**") was appointed as the CEO with effect from 3 March 2026.

Following the change of CEO, there has been a division of responsibilities between the chairman of the Board and the CEO and the Company has been in compliance with code provision C.2.1 of the CG Code.

The Directors will review the corporate governance policies regularly to ensure compliance with the CG Code.

Independent Non-executive Directors

During the year ended 31 March 2026, the Company has at all times complied with the requirements of the Listing Rules to have at least three independent non-executive Directors representing at least one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company considers each of them to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

Non-executive Directors and Director's Re-Election

Each of the independent non-executive Directors has entered into an appointment letter with the Company which shall continue for a period of three (3) years, and shall be terminable by either of the parties by giving the other party not less than one (1) month's prior notice in writing. The appointments are subject to the provisions of the Articles with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

The Articles require that at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Articles also require that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for, and has general powers under the Articles for, the leadership, control and oversight of the Company's the overall operational, management and strategic planning.

The Board is also responsible for performing the corporate governance functions, including: developing and reviewing the Company's corporate governance policies and practices; reviewing and monitoring training and continuous professional development of Directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors; and reviewing the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

The day-to-day management and operations of the Group are delegated to the executive Directors and the senior management of the Company. Certain functions and responsibilities are delegated to committees established by the Board. For details, please refer to the paragraphs headed "Audit Committee", "Remuneration Committee" and "Nomination Committee" below.

Continuous Professional Development of Directors

Directors shall keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements, as well as the continuous professional development as required under Rule 3.09H of the Listing Rules.

Directors should participate in appropriate continuous professional development in each financial year to develop and refresh their knowledge and skills. In particular, the continuous professional development must at least cover each of the topics specified in Rule 3.09G of the Listing Rules. Internally-facilitated briefings and external training sessions for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 March 2026, all Directors received regular briefings and updates on the Company's business, operations, risk management, internal controls and corporate governance matters. In addition, all Directors are provided with reading materials summarizing the duties and responsibilities in acting as directors and the recent laws and regulations.

The training records of the Directors for the year ended 31 March 2026 are summarised as follows:

Name of Directors	Type of Trainings
Executive Directors	
Mr. LI Shu Yeh	A and B
Ms. LI Sen Julian	A and B
Ms. TANG Suk Yee	A and B
Independent Non-executive Directors	
Mr. LIU Kai Yu Kenneth	A and B
Mr. LEUNG Wai Chuen	A and B
Mr. MAN Yun James	A and B

A: attending training session/seminars/workshops/conferences/forums

B: reading materials relevant to the business of the Group, regulatory updates, corporate governance and directors' duties and responsibilities

CORPORATE GOVERNANCE REPORT

Board Meeting

Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings. For other Board meetings, reasonable notice will generally be given. All Board committee meetings require a notice of at least fourteen days to be given, unless such notification is waived by all members of the respective Board committees. The agenda and accompanying Board papers are dispatched to the Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and Board committee meetings are/will be recorded in sufficient detail to include the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

Code provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the financial year ended 31 March 2026, five (5) board meetings and one (1) general meeting were held. The attendance of each Director at these meetings is set out in the table below:

Name of Directors	Number of attendance/number of Board meetings	Number of attendance/number of General meetings
Executive Directors		
Mr. LI Shu Yeh	5/5	1/1
Ms. LI Sen Julian	5/5	1/1
Ms. TANG Suk Yee	5/5	1/1
Independent Non-executive Directors		
Mr. LIU Kai Yu Kenneth	5/5	1/1
Mr. LEUNG Wai Chuen	5/5	1/1
Mr. MAN Yun James	5/5	1/1

In addition, the Chairman of the Board held a meeting with the independent non-executive Directors without the presence of the other executive directors during the Reporting Period.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board currently consists of six (6) Directors, comprising three executive Directors and three independent non-executive Directors. The functions and duties of the Board include determining Company's business and investment plans, preparing the Company's annual financial budgets and financial reports, formulating proposals for profit distributions as well as exercising other powers, functions and duties as conferred by the Articles.

Composition of the Board

As at the date of this report, the Board comprised the following Directors:

Executive Directors

Mr. LI Shu Yeh (*Chairman*)

Ms. LI Sen Julian (*Chief Executive Officer*)

Ms. TANG Suk Yee

Independent Non-executive Directors

Mr. LIU Kai Yu Kenneth

Mr. LEUNG Wai Chuen

Mr. MAN Yun James

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" on pages 11 to 15 of this annual report. Mr. LI Shu Yeh (the Chairman of the Board) is the father of Ms. LI Sen Julian (the CEO).

Save as disclosed in this annual report and to the best knowledge, information and belief of Directors, each of the Directors has no financial, business, family or other material/relevant relationships with any other Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

The list of Directors (by category) is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules. A list of the Directors identifying their roles and functions is also available on the Company's website at www.fourace.com and on the website of the Stock Exchange.

BOARD COMMITTEES

The Company has established the audit committee ("**Audit Committee**"), the remuneration committee ("**Remuneration Committee**") and the nomination committee ("**Nomination Committee**") on 21 August 2020 and delegated various responsibilities to these committees, which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website.

Audit Committee

The Company established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee include: reviewing the effectiveness of the financial control, internal control and risk management system and the internal audit function of the Group, reviewing and monitor integrity of financial statements, half-year report, annual report and accounts of the Company, making recommendations to the Board on the appointment, reappointment and removal of the external auditor, reviewing and monitoring the independence and objectivity of external auditor and performing other duties and responsibilities as may be assigned by the Board.

The Audit Committee consists of three members, who are all independent non-executive Directors, being Mr. Liu Kai Yu Kenneth, Mr. Leung Wai Chuen and Mr. Man Yun James. Mr. Liu Kai Yu Kenneth is the chairman of the Audit Committee.

CORPORATE GOVERNANCE REPORT

Two Audit Committee meetings were held during the year ended 31 March 2026.

	Number of attendance/ number of meetings
Mr. Liu Kai Yu Kenneth (<i>Chairman</i>)	2/2
Mr. Leung Wai Chuen	2/2
Mr. Man Yun James	2/2

The Audit Committee meetings were respectively held on 23 June 2025 and 26 November 2025 to review the annual and interim financial results and report, major internal audit issues, making recommendations to the Board on the appointment, reappointment and removal of external auditors and its appropriateness with reference to its competence and audit quality, and the effectiveness of the risk management and internal control systems of the Group. All members of the Audit Committee attended the meetings.

Remuneration Committee

The Company established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee include: reviewing and approving general policy relating to strategic compensation issues, making recommendations to the Board regarding the policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies, reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives, reviewing and approving matters relating to share schemes of the Company under Chapter 17 of the Listing Rules and making recommendations to the Board on the remuneration packages of each Director and senior management.

The remuneration committee is tasked within its term of reference to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The remuneration policy and package of the Group's employees are periodically reviewed by the remuneration committee. The remuneration committee has reviewed the remuneration policy and package of the Group, including an assessment of individual performance, attractiveness of the rewards offered by the Company, talent retention and incentivization, the financial condition and performance of the Group. No share awards and share options were recommended to be awarded by the remuneration committee during the financial year ended 31 March 2026. For the financial year ended 31 March 2026, there were no material matters relating to the share schemes which required review or approval by the Remuneration Committee.

The Remuneration Committee consists of five members, being two executive Directors, Mr. Li Shu Yeh and Ms. Li Sen Julian, and three independent non-executive Directors, Mr. Man Yun James, Mr. Liu Kai Yu Kenneth and Mr. Leung Wai Chuen. The Remuneration Committee is chaired by Mr. Man Yun James.

One Remuneration Committee meeting was held during the financial year ended 31 March 2026.

	Number of attendance/ number of meetings
Mr. Man Yun James (<i>Chairman</i>)	1/1
Mr. Li Shu Yeh	1/1
Ms. Li Sen Julian	1/1
Mr. Liu Ka Yu Kenneth	1/1
Mr. Leung Wai Chuen	1/1

A Remuneration Committee meeting was held on 23 June 2025 to review the remuneration policy and structure of the Company and the remuneration packages of the executive Directors and senior management and other related matters.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of the CG Code and Rule 3.27A of the Listing Rules. The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any appointment or re-appointment of Directors. As at 31 March 2026, no independent non-executive Director had served more than nine years on the Board.

The Nomination Committee consists of five members, being two executive Directors, Mr. Li Shu Yeh and Ms. Tang Suk Yee, and three independent non-executive Directors, Mr. Leung Wai Chuen, Mr. Liu Kai Yu Kenneth and Mr. Man Yun James. The Nomination Committee is chaired by Mr. Leung Wai Chuen.

Two Nomination Committee meetings were held during the financial year ended 31 March 2026.

	Number of attendance/ number of meetings
Mr. Leung Wai Chuen (<i>Chairman</i>)	2/2
Mr. Liu Kai Yu Kenneth	2/2
Mr. Man Yun James	2/2
Mr. Li Shu Yeh	2/2
Ms. Tang Suk Yee	2/2

The Nomination Committee meetings were held respectively on 23 June 2025 and 3 March 2026. Regarding the 23 June 2025 meeting, the Nomination Committee has reviewed the structure, size, composition and diversity of the Board, the performance of the directors (including contributions, ability and time commitment), and also the independence of non-executive Directors as well as made recommendations for directors to be proposed for re-election at the annual general meeting. Regarding the 3 March 2026 meeting, the Nomination Committee has recommended Ms. Li to the Board for appointment as CEO having considered the skills, knowledge, experience and background of Ms. Li.

Board Independence

The Group has established mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board:

- at least one-third of the Board are independent non-executive directors in compliance with the Listing Rules requirements, and the Company will assess the independence of the independent non-executive Directors on at least an annual basis.
- The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Directors before appointment and the continued independence of the current long-serving independent non-executive Directors on an annual basis. All independent non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.
- All Directors and committees of the Board are entitled to retain independent professional advisors as and when it is required.
- All Directors are encouraged to express their views in an open and candid manner during the Board/Board committee meetings.

CORPORATE GOVERNANCE REPORT

- The Chairman of the Board will meet with the independent non-executive Directors at least annually without the presence of the executive Directors.
- A Director (including independent non-executive Directors) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- No equity-based remuneration with performance-related elements will generally be granted to independent non-executive Directors.

The Board would review the implementation and effectiveness of the above mechanisms on an annual basis. During the year ended 31 March 2026, the Board reviewed the implementations and effectiveness of the above mechanisms and considered that the mechanisms remained effective.

BOARD DIVERSITY POLICY

The Company has adopted a Board diversity policy which sets out the objective and approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The policy provides that the Company should endeavour to ensure equality of opportunity in all aspects of the Group's business and does not discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factor. The Board diversity policy further provides that appointments to the Board should be based on merit that complements and expands the skills and experience of the Board as a whole and will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Taking into account the Company's business model and the backgrounds and experience of the Directors, the composition of the Board satisfies the Board diversity policy.

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant code governing Board diversity under the CG Code. During the financial year ended 31 March 2026, the Nomination Committee has reviewed the existing structure, size diversity and composition of the Board to ensure it has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements the Group's business; reviewed and assessed the independence of independent non-executive Directors; and assessed the Board diversity policy of the Company. The Nomination Committee also monitors the implementation of the Board diversity policy and reports to the Board on the achievement of the measurable objectives and assess the need for setting numerical targets and timeline for achieving diversity under the Board diversity policy. As at the date of this annual report, the female-to-male ratio of the Board members was 1:2. The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the vast majority of objectives set in the Board diversity policy and appropriate balance of gender diversity of workforce has been maintained. Given the current composition and gender diversity of the Board, the Board and the Nomination Committee are of the view that it is not necessary to set numerical targets and timeline for board gender diversity for the time being. The Board is mindful of the objectives for the factors as set out in the diversity policy for assessing the candidacy of the Board members and will ensure that any successors to the Board shall follow the Board diversity policy. Similar considerations will also be in place to assess the candidacy of the senior management team from time to time.

CORPORATE GOVERNANCE REPORT

The Board places tremendous emphasis on diversity (including gender diversity) across all levels of the Group and maintain a workforce with balance of male and female employees. The Company has adopted a workforce diversity policy which aims at creating an inclusive and supportive work environment that respects individual diversity and values employee dignity. The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. As at 31 March 2026, the female-to-male ratio in the senior management was 1:3. The female-to-male ratio of the workforce (including the senior management) was 1.1:1.0, which is in line with the gender ratio in the manufacturing industry in which the Group operates. The Group considers a number of factor when hiring employees including gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service. The Board considers that the gender diversity in workforce (including senior management) is currently achieved. The nomination committee will continue to review the policy from time to time to ensure its continued effectiveness and the Company will disclose in the corporate governance report about the implementation of the policy on annual basis.

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band (excluding Directors) for the year ended 31 March 2026 is set out below:

Remuneration Band (HKD)	Number of Person
HK\$NIL–1,000,000	3
HK\$1,000,000–1,500,000	1

Details of the remuneration of Directors are set out in notes of the consolidated financial statements.

DIRECTOR NOMINATION CRITERIA AND PROCEDURES

The Board has delegated its responsibilities and authority for identifying individuals suitably qualified to become members of the Board to the Nomination Committee of the Company and making recommendations to the Board on the nominees for directorship.

The Company has adopted a Directors Nomination Policy which sets out the key selection criteria and principles of appointment and re-election of Directors. According to the Nomination Policy, the Nomination Committee shall consider the following selection criteria, which are not exhaustive, in assessing the suitability of the proposed candidate for the directorship: (i) attributes complementary to the Board; (ii) business experience, expertise and skills; (iii) whether the proposed candidate can give sufficient time and attention for the proper discharge of the duties of a director; (iv) whether the proposed candidate is self-motivated and has a strong interest in the Company's businesses; (v) integrity; (vi) diversity of the Board; and (vii) independence (in case of appointment or re-appointment of independent non-executive Directors).

The Nomination Committee is responsible for reviewing the Directors Nomination Policy and monitoring its implementation.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

Risk Management and Internal Control

During the Reporting Period, the Group has established appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- *Identification:* Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- *Evaluation:* Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- *Management:* Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted in 2025/26, no significant risk was identified.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- *Control Environment:* A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- *Risk Assessment:* A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- *Control Activities:* Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- *Information and Communication:* Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- *Monitoring:* Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

CORPORATE GOVERNANCE REPORT

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The Executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2025/26, no significant control deficiency was identified.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for maintaining adequate procedures of risk management and internal control for the Group and the Board had conducted an annual review of its effectiveness during the year ended 31 March 2026 through the Audit Committee. Same as last year's practice, the Company has engaged an external independent internal control adviser to conduct a review on the internal control procedures of the Group at both corporate level and business level (as agreed by the Audit Committee). The review covered material controls, including financial, operational and compliance controls and risk management functions during the financial year ended 31 March 2026. The internal control report has been circulated to the Audit Committee for review and discussion. No significant areas of improvement which are required to be brought to the attention of the Audit Committee have been revealed.

As such, the Board is satisfied that the Group's internal control procedures including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place and considers that the Group's internal control procedures and risk management functions are both effective and appropriate.

Internal Audit

In respect of code provision D.2.5 of the CG Code, the Company should have an internal audit (the "IA Function"). Although the Company did not establish a standalone IA department during the financial year ended 31 March 2026, the Board has put in place adequate measures to perform the IA Function at different aspects of the Group as the Company considers that close and regular supervision by the Executive Directors and senior management, and the maintenance of internal control guidance and procedures on the Group's critical operational cycles could provide sufficient and effective internal control and risk management functions.

The Group's risk management and internal control procedures include a management structure with clearly defined lines of responsibility and limits of authority. It primarily aims to provide a reasonable, but not absolute, assurance that assets are properly safeguarded against misappropriations, transactions are executed in accordance with the management's authorisation, and accounting records are reliable and proper for preparing financial information and are not materially misstated. The procedure is designed to identify, evaluate and manage risks effectively rather than to eliminate all risks of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

There are also regular meetings held between the Directors and senior management to review and monitor the business and financial performance against the targets, the progress of certification and progress payments from the customers, the efficiency in the use of the Group's resources in comparison to the budgets, and the operational matters to ensure the Group has complied with the regulations that have material impact to the Group's business. The aim is to enhance the communication and accountability of the Directors and senior management so that significant strategic, financial, operational and compliance risks or potential deviations are timely and properly identified and dealt with in a proper manner.

The Board will review the need for the IA Function on an interim and annual basis.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

The Group has formulated and adopted an anti-corruption and anti-bribery policy ("**ACAB Policy**") which applies to all employees (including secondees, temporary or contract staff), officers and directors of the Group and external third parties who deal with the Group (including but not limited to customers, suppliers and consultants).

The Group strictly prohibits any form of bribery or corruption, and is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships wherever the Group operates and implementing and enforcing effective systems to counter bribery and corruption. All Employees (whether acting in their own capacity or on the Group's behalf) are prohibited from soliciting, accepting or offering any bribe in conducting the Group's business or affairs. In conducting all business or affairs of the Group, they must comply with all the applicable laws and regulations including but not limited to the Criminal Law and the Anti-Unfair Competition Law of the People's Republic of China (the "**PRC**") and the Prevention of Bribery Ordinance (Cap. 201) of the Laws of Hong Kong (the "**POBO**"). All Employees should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Group) or the perception of such conflicts. When actual or potential conflict of interest arises, the Employees should make declarations in accordance with the procedures applicable to the Group from time to time.

If any employee of the Group becomes aware of any actual or suspected breach of the ACAB Policy, he/she must report such incidents in accordance with the whistleblowing policy adopted by the Group from time to time to raise concerns on any suspected impropriety, misconduct or malpractice through confidential reporting channels.

The ACAB Policy is subject to review from time to time to ensure it remains relevant to the Group's needs and reflects the current regulatory requirement.

WHISTLEBLOWING POLICY

The Group has formulated and adopted a whistleblowing policy ("**Whistleblowing Policy**") which applies to all employees (including secondees, temporary or contract staff), officers and directors of the Group and external third parties who deal with the Group (including but not limited to customers, suppliers and consultants).

Whistle-blowers may report any activities that constitute improprieties, misconduct or malpractice to the Audit Committee or the Chairman of the Board by email or by post. All information received (including the identity of the whistle-blower) will be kept confidential. Whistle-blowers making genuine and appropriate reports are assured of fair treatment. In addition, all Employees are also assured of protection against unfair dismissal, victimization or unwarranted disciplinary action.

The Whistleblowing Policy is subject to review from time to time to ensure it remains relevant to the Group's needs and reflects the current regulatory requirement.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2026. The senior management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 43 to 47 of this annual report.

AUDITOR'S REMUNERATION

For the financial year ended 31 March 2026, the remuneration paid or payable to SHINEWING (HK) CPA Limited, the external auditor of the Company, for its audit services and non-audit services provided for the financial year ended 31 March 2026 is summarised as follows:

Service Category	Fees Paid/Payable HK\$'000
Audit services	720
Non-audit services	–
Total	720

COMPANY SECRETARY

Mr. Tsang Kai Ming is the company secretary of the Company, and he is responsible for the company secretarial matters of the Group and assist the Directors in implementation and ongoing compliance with internal control measures of the Group. Details of biography of the company secretary of the Company are set out in the section headed "Directors and Senior Management" of this annual report. Mr. Tsang Kai Ming has complied with the relevant professional training under Rule 3.29 of the Listing Rules during the financial year ended 31 March 2026.

SHAREHOLDER'S RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting ("EGM") and Putting Forward Proposals

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

CORPORATE GOVERNANCE REPORT

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Unit 1307, Vanta Industrial Centre, 21–33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong (For the attention of the Board of Directors)

Fax: 852-24899590

Email: ir.contact@fourace.com

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

DIVIDEND POLICY

The Company endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management, in respect of which a dividend policy has been adopted by the Company in accordance with the CG Code to set out the principles and factors in relation to the frequency, amount and form of any dividend to the Shareholders.

The factors to be considered by the Board include:

1. the actual and expected financial results of the Group;
2. the economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
3. the Group's business strategies, including future cash commitments and investment needs to sustain the long-term growth aspect of the business of the Group;
4. the current and future operation, liquidity position and capital requirements of the Group;
5. any restrictions on payment of dividends that may be imposed by the Group's lenders;
6. any restrictions under any law and regulation and the Company's Articles of Association and
7. any other factors that the Board deems appropriate.

The Company will consider paying dividends which are normally the interim dividends and final dividends. The Board may declare special dividends in addition to such dividends as it considers appropriate.

The dividend payout ratio (if any) will vary in each financial year. There is no assurance that dividends will be paid in any particular amount for any given period.

CORPORATE GOVERNANCE REPORT

The Company may distribute dividends by way of cash or wholly or by allotment of shares of the Company. Any declaration of dividend is subject to the applicable laws and regulations including the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and Articles. The dividend policy and the declaration and/or payment of future dividends are subject to the Board's continuing determination that the dividend policy and the declaration and/or payment of dividends would be in the best interests of the Group and Shareholders, and are in compliance with all applicable laws and regulations.

All dividend decisions made by the Board during the financial year ended 31 March 2026 were made in accordance with the Company's dividend policy.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

An annual general meeting was held on 7 August 2025.

Shareholders' Communication Policy

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. Under the policy, the Company will assign dedicated management personnel to be in charge of ensuring effective and timely dissemination of information to Shareholders. The Board shall maintain an on-going dialogue with Shareholders and other stakeholders. The Company communicates information to Shareholders and other stakeholders mainly through, its periodical financial announcements and reports, annual general meetings and other general meetings that may be convened (if any), all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website.

The Board will regularly review the policy to ensure its effectiveness. During the financial year ended 31 March 2026, the Board reviewed the implementations and effectiveness of the policy and considered that the policy remained effective and was properly implemented given the multiple channels of communication in place during the year.

CONSTITUTIONAL DOCUMENTS

No changes have been made to the memorandum and articles of association of the Company during the financial year ended 31 March 2026.

INDEPENDENT AUDITOR'S REPORT



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF FOURACE INDUSTRIES GROUP HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Fourace Industries Group Holdings Limited (the **"Company"**) and its subsidiaries (the **"Group"**) set out on pages 48 to 109, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other 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 issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (**"HKSAs"**) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the **"Code"**), as applicable to audits of consolidated 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 MATTER

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.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER (CONTINUED)

Revenue recognition from sales of goods

Refer to Note 5 to the consolidated financial statements and the accounting policies in Note 3.2.

Key audit matter	How our audit addressed the key audit matter
During the year ended 31 March 2026, the Group recognised revenue of HK\$169,304,000 primarily from sales of personal care electrical appliances, moulds, tools and spare parts. Revenue is recognised upon transfer of control, at a point in time, being when the products are delivered to the customers, the customer has full discretion over the usage of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. We identified revenue recognition from sales of goods as a key audit matter due to the significant effort spent on auditing this area.	Our procedures in relation to revenue recognition from sales of goods included: • We understood and evaluated the Group's revenue recognition policy in accordance with HKFRS 15; • We understood, evaluated and tested, on a sample basis, the Group's relevant controls in relation to revenue recognition; • We tested, on a sample basis, the sales transactions by examining the relevant supporting documents including but not limited to customers' purchase orders, invoices, delivery documents and payment receipts to assess whether revenue was properly recognised; and • We tested, on a sample basis, the sales transactions recognised before and after the end of the reporting period by tracing to the relevant supporting documents including but not limited to the delivery documents to assess whether revenue was recognised in the appropriate reporting period. Based on the procedures performed, we found that the revenue from sales of goods recognised by the Group was supported by the evidence we gathered.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's 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 Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

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

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 Cheung Wang Kei.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Cheung Wang Kei

Practising Certificate Number: P07788

Hong Kong

29 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
Revenue	5	169,304	272,312
Cost of sales		(123,317)	(180,838)
Gross profit		45,987	91,474
Other income	6	5,101	1,552
Other gains and losses	7	19,749	1,171
Selling and distribution expenses		(4,201)	(9,614)
Research and development expenses		(5,700)	(6,900)
Administrative expenses		(30,859)	(35,773)
Operating profit		30,077	41,910
Finance income	8	9,218	10,334
Finance costs	8	(6)	(131)
Profit before income tax		39,289	52,113
Income tax expense	9	(2,705)	(10,408)
Profit for the year	10	36,584	41,705
Other comprehensive income (expense) for the year			
Item that may be reclassified to profit or loss:			
Currency translation difference		5,970	(2,186)
Other comprehensive income (expense) for the year, net of tax		5,970	(2,186)
Total comprehensive income for the year		42,554	39,519
Earnings per share:			
— Basic and diluted (expressed in HK cents per share)	13	2.9	3.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	82,734	93,084
Right-of-use assets	16	1,165	1,533
Investment property	17	514	549
Deposits and prepayments	21	5,355	1,245
Deferred tax assets	25	2,579	2,423
		92,347	98,834
Current assets			
Inventories	19	20,885	22,888
Trade receivables	20	50,154	41,487
Contract assets	5	1,310	5,097
Other receivables, deposits and prepayments	21	36,324	9,809
Income tax recoverable		2,978	1,794
Cash and bank balances	22	286,495	317,258
		398,146	398,333
Total assets		490,493	497,167
Current liabilities			
Trade payables	23	15,357	18,161
Contract liabilities	5	2,172	2,528
Accruals and other payables	24	11,131	12,855
Lease liabilities	16	–	48
		28,660	33,592
Net current assets		369,486	364,741
Total assets less current liabilities		461,833	463,575
Non-current liabilities			
Deferred tax liabilities	25	9,697	9,244
Net assets		452,136	454,331

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
EQUITY			
Equity attributable to the owners of the Company			
Share capital	26	12,786	12,786
Reserves	27	439,350	441,545
Total equity		452,136	454,331

The consolidated financial statements on pages 48 to 109 were approved and authorised for issue by the Board of Directors on 29 June 2026 and are signed on its behalf by:

Li Shu Yeh
Director

Li Sen Julian
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital HK\$'000 (note 26)	Share premium HK\$'000	Share- based payments reserve HK\$'000 (note 28)	Capital reserve HK\$'000 (note 27(a))	Statutory reserve HK\$'000 (note 27(b))	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2024	12,786	79,756	6,649	2,500	5,108	(6,189)	313,501	414,111
Profit for the year	-	-	-	-	-	-	41,705	41,705
Other comprehensive expense:								
— Currency translation difference	-	-	-	-	-	(2,186)	-	(2,186)
Total comprehensive (expense) income	-	-	-	-	-	(2,186)	41,705	39,519
Transactions with owners								
— Appropriation	-	-	-	-	860	-	(860)	-
— Share-based payments	-	-	701	-	-	-	-	701
At 31 March 2025 and 1 April 2025	12,786	79,756	7,350	2,500	5,968	(8,375)	354,346	454,331
Profit for the year	-	-	-	-	-	-	36,584	36,584
Other comprehensive income:								
— Currency translation difference	-	-	-	-	-	5,970	-	5,970
Total comprehensive income	-	-	-	-	-	5,970	36,584	42,554
Transactions with owners								
— Appropriation	-	-	-	-	336	-	(336)	-
— Dividend paid	-	-	-	-	-	-	(44,749)	(44,749)
At 31 March 2026	12,786	79,756	7,350	2,500	6,304	(2,405)	345,845	452,136

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
OPERATING ACTIVITIES		
Profit before income tax	39,289	52,113
Adjustments for:		
Net losses on disposal of property, plant and equipment	–	1,861
Gain arising on lease modifications	–	(251)
Finance costs	6	131
Finance income	(9,218)	(10,334)
Depreciation	12,428	12,926
Non-cash employee benefits expenses — share-based payments	–	701
Provision for impairment of inventories	902	422
Provision of allowance for expected credit loss on trade receivables, contract assets and other receivables	44	42
	43,451	57,611
Decrease in inventories	2,067	13,682
(Increase) decrease in trade receivables	(8,672)	12,060
Decrease in contract assets	3,791	2,265
(Increase) decrease in other receivables, deposits and prepayments	(20,910)	1,035
Decrease in trade payables	(2,019)	(7,895)
(Increase) decrease in accruals and other payables	(1,517)	5,165
Decrease in contract liabilities	(356)	(14,448)
Cash generated from operations	15,835	69,475
Interest received	9,218	10,147
Income tax paid	(3,038)	(7,548)
Net cash generated from operating activities	22,015	72,074
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,843)	(7,513)
Proceeds from sale of property, plant and equipment	–	168
Net cash used in investing activities	(8,843)	(7,345)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
FINANCING ACTIVITIES		
Dividend paid	(44,749)	–
Principal elements of lease liabilities	(48)	(809)
Interest paid on lease liabilities	(6)	(131)
Net cash used in financing activities	(44,803)	(940)
Net (decrease) increase in cash and cash equivalents	(31,631)	63,789
Cash and cash equivalents at beginning of year	317,258	253,573
Effect of foreign exchange rate changes	868	(104)
Cash and cash equivalents at end of year	286,495	317,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL

Fourace Industries Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 29 March 2019 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of home electrical appliances. The ultimate shareholders of the Group are Mr. Li Shu Yeh (“**Mr. Li**”) and Ms. Sit Hor Wan (“**Ms. Sit**”).

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is the functional currency of the Company and its major subsidiaries.

The consolidated financial statements for the year ended 31 March 2026 were approved and authorised for issue by the board of directors of the Company on 29 June 2026.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) which are effective for the Group’s financial year beginning on 1 April 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: 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 Accounting Standards	Annual Improvements to HKFRS Accounting Standards-Volume 11 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

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

HKFRS 18 — Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provides disclosures on management-defined performance measures in the notes to the consolidated financial statements and improves aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

New and amendments to HKFRS Accounting Standards issued but not yet effective (Continued)

HKFRS 19 — Subsidiaries without Public Accountability: Disclosures

HKFRS 19 allows eligible entities to elect to apply its 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, 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. HKFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply HKFRS 19.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

3.2 Material accounting policy information

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assume performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations give rise to a net asset or net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if consideration received (or an amount of consideration is due) from the customer exceeds the measure of the remaining unsatisfied performance obligations.

Contract assets relating to the sales of moulds and tools are the Group's right to consideration in exchange for goods that the Group has transferred to the customer. The contract assets are transferred to trade receivables when the right to bill the customer has been established and receipt of the consideration is conditional only upon the passage of time.

For details of the Group's revenue recognition policies are as follows:

Revenue is measured at the fair value of the consideration received or receivable, and represents amount for the sale of goods in the ordinary course of the Group's activity. Revenue is shown net of returns and after eliminating sales within the Group. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customers and the payment by the customers exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

(a) *Sales of original equipment manufacturer ("OEM")/original design manufacturer ("ODM") products*

The Group manufactures and sells home electrical appliances and spare parts in the wholesale market and provide toolings and moulds to certain corporate customers. Sales of goods transferred at a point in time are recognised when control of the goods has transferred, being when the Group has delivered the products to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The Group generally offer warranty period of up to 24 months for our products.

Some contracts (or combined contracts) with customers include multiple deliverables, such as the sales of home electrical appliances and provision of related toolings and moulds. The provision of related toolings and moulds are integrated with the production of the home electrical appliances. They are therefore accounted for as a single performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Contract assets and contract liabilities (Continued)

- (a) *Sales of original equipment manufacturer ("OEM")/original design manufacturer ("ODM") products (Continued)*

Contracts for sales of home electrical appliances and contracts for provision of related toolings and moulds entered into at or near the same time with the same customers (or related parties of the customers) are combined and accounted for the contracts as a single contract as both promises are regarded as a single performance obligation.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Assets are recognised when costs are incurred to fulfil a contract if the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify, the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future and the costs are expected to be recovered. Otherwise, contract costs are recognised as expenses as incurred.

The Group offers retrospective volume rebate based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the return, rebate and sales discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that is highly probable that a significant reversal will not occur. Sales are made with credit terms ranging from 30 to 120 days.

Receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rental income from investment property

Rental income from investment property is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leasing

Definition of a lease

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

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract or modification date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

The lease liability is presented as a separate line in the condensed consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies HKAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, HKFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into presentation currency (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (and attributed to non-controlling interests as appropriate).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

Employee Benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave taken by the employees.

Pension obligation

(a) Hong Kong

The Group participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("**MPF Scheme**") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income up to a maximum of HK\$1,500 per employee per month. The assets of this pension scheme are held separately from those of the Group in independently administered funds. Other than the contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees in Hong Kong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Employee Benefits (Continued)

Pension obligation (Continued)

(b) *The People's Republic of China ("the PRC")*

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in a defined contribution retirement benefit plan organised by the relevant provincial government in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The provincial government undertakes to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plan described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group's contributions to the defined contribution retirement schemes are recognised as employment costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

(a) Equity-settled share awards

The fair value of the employee services received in exchange for the grant of the share awards is recognised as an employee benefits expense. The total amount to be expensed is determined by reference to the fair value of the share awards granted:

- including any market performance conditions (for example, the Company's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

When the awards are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

(b) Share-based payment transactions for its employees of its subsidiaries

The Company grant award shares over its equity instruments to its employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investment property

Investment properties include those portions of a leasehold land and buildings that are held for long-term rental yields or for capital appreciation. Investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation of the investment properties is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The estimated useful life of these investment properties is as follows:

—	Land portion	Remaining lease term of the land
—	Building portion	40 years

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written off to the profit or loss. The cost of maintenance, repairs and minor improvements is charged to the profit or loss when incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

In the consolidated statement of cash flow, cash and cash equivalents include cash in hand and deposits held at call with banks with original maturity of three months or less. Pledged bank deposits represent the amounts of cash pledged as collateral to banks for the bank facilities and a bank guarantee granted.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

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.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The Group's financial assets at amortised cost include trade and other receivables, deposits, and cash and bank balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Interest income is recognised in profit or loss and is included in the "Finance income, net" line item.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, deposits and cash and bank balances), and other items (contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables and contract assets. The provision matrix is determined based on consolidated observed default rates over the expected life of the trade receivables and contract assets with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the consolidated observed default rates are updated and changes in the forward-looking estimates are analysed.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with contract and the cash flows that the Group expects to receive, discounted at the effective interest date determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

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

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other gains and losses" line item as part of the net foreign exchange gains and losses;

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities and equity instruments

Financial liabilities at amortised cost

The Group's financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other gains and losses" line item in the profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment and right-of-use assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Research and development

Research and development expenditure arising from research phase shall be recognised as an expense when it is incurred. Research and development expenditure arising from development phase that are directly attributable to the design and testing of identifiable and unique intangible asset controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the software will generate probable future economic benefits; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of 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.

(a) Provision for slow moving inventories

The Group makes provision for slow moving inventories based on assessing the needs and reasonableness of provision for slowing moving inventories at each period end. The identification of slow moving inventories requires the use of judgements and key assumptions which take into consideration of historical sales pattern, ageing and expectation of future sales orders. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and provision for inventories in the period in which such estimate has been changed. The carrying amount of inventories as at 31 March 2026 is approximately HK\$20,885,000 (31 March 2025: HK\$22,888,000).

(b) Current and deferred income tax

The Group is subject to income taxes in different jurisdictions. Judgement is required in determining the provision for income taxes in different jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. The Group operates mainly in Hong Kong and the PRC and has transactions with customers and suppliers in different countries. The Group's intercompany transactions and cross-border business arrangements during the ordinary course of business may impose inherent uncertainty over the Group's profit allocation and its respective tax position across different jurisdictions. The tax treatments of these transactions or arrangements may be subject to the interpretation by respective tax authorities in different countries. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax and income tax expense in the year in which such estimates are changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(c) Loss allowance of receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical default rates, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group recognised lifetime expected credit loss for trade receivables carried at amortised cost based on individual assessment. The identification of impairment of receivables requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivables recognised in the periods in which such estimates have been changed.

(d) Leasehold improvements and factories and buildings on a leased land

The Group holds a land in the PRC for land use rights of 45-50 years where the Group's leasehold improvements and factories and buildings situated in which was without land use rights certificates and property ownership certificates. Without the certificates, the existing factories and buildings might be ordered for demolition or confiscated. The directors are of the opinion, based on the advice from the Group's external legal adviser that the Group has proper right to the occupancy of the leased land and legal entitlement to the constructions thereon and the probability of being evicted on the ground on an absence of land use rights certificates and property ownership certificates was remote. As at 31 March 2026, the carrying amount of the related leaseholds improvements, factories and buildings and right-of-use asset is approximately HK\$52,832,000 (31 March 2025: HK\$56,311,000).

(e) Estimated useful lives of property, plant and equipment

The Group's property, plant and equipment are depreciated based on their estimated useful lives and estimated residual values. The estimate is based on the expected utility of the asset to the Group and management experience in similar assets, and involve management's judgement. Actual economic lives may differ from estimated useful lives, and changes in measurement estimate could result in changes in depreciable lives and therefore depreciation expense in future periods. The carrying amount of property, plant and equipment as at 31 March 2026 is approximately HK\$82,734,000 (31 March 2025: HK\$93,084,000).

5. SEGMENT INFORMATION AND REVENUE

The executive directors of the Company have been identified as the chief operating decision-maker of the Group who review the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The Group principally engages in the manufacturing and selling of home electrical appliances. The chief operating decision-maker assesses the performance of the Group's business based on a measure of operating results and considers the Group's business in a single operating segment. Information reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one operating segment — manufacturing and trading of home electrical appliances.

During the year ended 31 March 2026 and 2025, all of the Group's revenues are from contracts with customers and are recognised at a point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION AND REVENUE (CONTINUED)

(a) An analysis of revenue

Geographical segments

The Group's revenue by geographical locations, which is determined by the location where the goods were delivered and utilised, is as follows:

	2026 HK\$'000	2025 HK\$'000
Japan	84,570	157,515
United States	59,081	92,150
Europe	14,274	11,878
Others (Note)	11,379	10,769
	169,304	272,312

Note: Others mainly include the PRC and other countries within the Asia Pacific region.

The Group's non-current assets (excluding deferred tax assets) by geographical location, which is determined by the location in which the asset is located, is as follows:

	2026 HK\$'000	2025 HK\$'000
Hong Kong	3,805	2,082
The PRC	85,963	94,329
	89,768	96,411

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2026 HK\$'000	2025 HK\$'000
Customer A	63,762	93,947
Customer B	73,194	92,451
Customer C	–	66,360
	136,956	252,758

The five largest customers accounted for approximately 98.8% of the revenue of the Group for the year (2025: 99.6%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. SEGMENT INFORMATION AND REVENUE (CONTINUED)

(a) An analysis of revenue (Continued)

Product categories

The Group's revenue by product categories, is as follows:

	2026 HK\$'000	2025 HK\$'000
Personal care electrical appliances		
Hair styling series	148,401	253,818
Grooming series	14,751	12,442
Beauty care series	1,059	1,175
Sub-total	164,211	267,435
Others (Note)	5,093	4,877
	169,304	272,312

Note: Others mainly represented revenue from sales of moulds and tools and spare parts.

(b) Contract assets and liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	2026 HK'000	2025 HK'000
Contract assets	1,311	5,102
Less: Allowance for impairment losses	(1)	(5)
	1,310	5,097

	2026 HK'000	2025 HK'000
Contract liabilities	2,172	2,528

Notes:

- (i) For the year ended 31 March 2026, reversal of provision for allowance for impairment losses on contract assets amounted to HK\$4,000 (2025: provision for allowance for impairment losses amounted to HK\$3,000) was charged to "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.
- (ii) Contract assets relating to sales of moulds and tools decreased as at 31 March 2026 due to the decrease in number of orders under different contracts.
- (iii) Contract liabilities represent advance payments received from customers for goods that have not yet been transferred to the customers. As at 31 March 2026, the contract liabilities mainly included the advance payments received from sale of electrical appliances. The contract liabilities fluctuate during the year due to fluctuation in sales with advance payments.
- (iv) During the year ended 31 March 2026 and 2025, all brought-forward contract liabilities at the beginning of the financial year were fully recognised as revenue.
- (v) All contracts entered by the Group are for periods of one year or less. The Group has applied the practical expedient as permitted by HKFRS 15 and the transaction price allocated to the remaining performance obligations is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

6. OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Rental income	336	112
Government grants (<i>Note</i>)	4,366	766
Sales of scrap materials	122	150
Sundry income	277	524
	5,101	1,552

Note: The government grants for the year ended 31 March 2026 mainly represented subsidies received from the government of Hong Kong under the Dedicated Fund on Branding, Upgrading and Domestic Sales ("**BUD Fund**") (2025: subsidies received from the Chinese Government for encouraging research and development activities and employee support subsidies). There are no unfulfilled conditions or other contingencies relating to these grants.

7. OTHER GAINS AND LOSSES

	2026 HK\$'000	2025 HK\$'000
Exchange (losses)/gains, net	(2,230)	2,781
Net losses on disposal of property, plant and equipment	–	(1,861)
Gain from compensation for variation of lease agreements, net (<i>Note (a)</i>)	21,979	–
Gain arising on lease modifications (<i>Note (b)</i>)	–	251
	19,749	1,171

Note:

- (a) During the year ended 31 March 2026, certain property, plant and equipment and right-of-use assets situated on the leasehold land in the Chinese Mainland were subject to the government's redevelopment plan. In December 2025, the Group entered into a land acquisition compensation agreement with the relevant authorities in respect of the reduction in the leased areas under the lease agreements for certain land use rights. The net gain arising from the compensation was arrived at netting of the related tax expenses and the carrying amounts derecognised for the relevant property, plant and equipment and right-of-use assets. The compensation was fully settled in June 2026.
- (b) During the year ended 31 March 2025, the Group agreed with its lessor of its leased office for early termination of the relevant lease contract. On the date of lease modification, the Group derecognised right-of-use assets of approximately HK\$2,132,000 and lease liabilities of approximately HK\$2,383,000, and recognised a gain arising on lease modification of approximately HK\$251,000 in "other gains and losses".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

8. FINANCE INCOME, NET

	2026 HK\$'000	2025 HK\$'000
Finance income		
— Bank interest income	9,218	10,334
Finance cost		
— Interest on lease liabilities	(6)	(131)
Finance income, net	9,212	10,203

9. INCOME TAX EXPENSES

	2026 HK\$'000	2025 HK\$'000
Current tax		
— Hong Kong Profits Tax	2,373	6,800
— PRC Enterprise Income Tax	—	1,746
	2,373	8,546
— (Over)/under-provision in respect of prior years	(52)	65
	2,321	8,611
Deferred taxation (note 25)	384	1,797
Income tax expense	2,705	10,408

(i) Hong Kong profits tax

In accordance with the two-tiered profits tax rates regime effective from 1 January 2018, Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000, and 16.5% on the remaining balance of the estimated assessable profits of an operating subsidiary for the years ended 31 March 2025 and 2026. The profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

(ii) PRC Enterprise Income Tax ("EIT")

Under the Enterprise Income Tax Law of the PRC (the "EIT Law"), the applicable income tax rate for the Group's subsidiaries in PRC are 25% (2024: 25%) on estimated assessable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. INCOME TAX EXPENSES (CONTINUED)

(iii) Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules

Amendments to HKAS 12 International Tax Reform — Pillar Two Model Rules provide a mandatory temporary relief from the requirement to recognise and disclose deferred taxes arising from the jurisdictional implementation of the OECD Pillar Two model rules (“**Pillar Two Model Rules**”), and provide disclosure requirements for the affected entities to facilitate understanding of the exposure to these rules.

Under the international tax reform, governments are expected to implement a new global minimum tax framework on multinational enterprises (Pillar Two Model Rules). At the date of this report, the Hong Kong government has announced to implement the rules for income years commencing on or after 1 January 2025 while PRC government has not announced the rules yet. The Group assessed the impact in Hong Kong is immaterial. The Group continues to monitor the local legislation for Hong Kong and development of Pillar Two Model Rules in other jurisdictions the Group operates in and assess its potential impact.

The tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the Group entities as follows:

	2026 HK\$’000	2025 HK\$’000
Profit before income tax	39,289	52,113
Tax calculated at domestic tax rates applicable to profits in respective countries	3,405	9,236
Income not subject to tax	(1,612)	(1,703)
Expenses not deductible for tax purpose	666	583
Super deduction from research and development expenses (<i>Note</i>)	(812)	(550)
Tax losses not recognised	799	2,442
Provision for withholding tax on undistributed earnings of subsidiaries	311	335
(Over)/under-provision of current tax in respect of prior years	(52)	65
Income tax expense	2,705	10,408

Note: According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that was effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10. PROFIT FOR THE YEAR

	2026 HK\$'000	2025 HK\$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration		
— Audit Service	720	741
Cost of inventories included in cost of sales	71,543	116,479
Provision for impairment of inventories	902	422
Provision of allowance for ECL on trade receivables, contract assets and other receivables	44	42
Depreciation of property, plant and equipment	12,270	11,894
Depreciation of investment properties	35	35
Depreciation of right-of-use assets	123	997
Directors' emoluments:		
— Fees	756	756
— Salaries, other allowances and benefits	3,326	3,326
— Discretionary bonus	610	610
— Retirement benefit contributions	36	36
— Share-based payments	—	254
Other staff costs		
— Wages, salaries and bonus	37,238	47,744
— Retirement benefit contributions	4,680	5,111
— Share-based payments	—	447
Total staff costs	46,646	58,284

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

2026

	Fees HK\$'000	Salaries, other allowances and benefits HK\$'000	Discretionary bonus HK\$'000	Share-based payment HK\$'000	Employer's contributions to retirement benefit scheme HK\$'000	Total HK\$'000
Executive directors:						
Mr. Li Shu Yeh (Chairman) (note (i))	—	1,500	250	—	—	1,750
Ms. Li Sen Julian (Chief executive officer) (note (ii))	—	1,146	216	—	18	1,380
Ms. Tang Suk Yee	—	680	144	—	18	842
Independent non-executive directors:						
Mr. Man Yun James	252	—	—	—	—	252
Mr. Liu Kai Yu Kenneth	252	—	—	—	—	252
Mr. Leung Wai Chuen	252	—	—	—	—	252
	756	3,326	610	—	36	4,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

2025

	Fees HK\$'000	Salaries, other allowances and benefits HK\$'000	Discretionary bonus HK\$'000	Share-based payment HK\$'000	Employer's contributions to retirement benefit scheme HK\$'000	Total HK\$'000
Executive directors:						
Mr. Li Shu Yeh (Chairman and chief executive officer) (note (i))	–	1,500	250	–	–	1,750
Ms. Li Sen Julian	–	1,146	216	127	18	1,507
Ms. Tang Suk Yee	–	680	144	127	18	969
Independent non-executive directors:						
Mr. Man Yun James	252	–	–	–	–	252
Mr. Liu Kai Yu Kenneth	252	–	–	–	–	252
Mr. Leung Wai Chuen	252	–	–	–	–	252
	756	3,326	610	254	36	4,982

Note:

- (i) Mr. Li Shu Yeh resigned as the chief executive officer of the Group on 3 March 2026.
- (ii) Ms. Li Sen Julian was appointed as the chief executive officer of the Group on 3 March 2026.

The emoluments paid or payable to the executive directors and chief executive officer shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year.

No amount was paid or payable during the financial year to directors or the chief executive officer as an inducement to join or upon joining the Group.

No compensation was paid or payable during the financial year to directors, past directors or the chief executive officer for the loss of office as a director or the chief executive officer of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group distinguishing between contractual payments and other payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the year ended 31 March 2026, the five individuals whose emoluments were the highest in the Group consisted of three (2025: three) directors. Their emoluments are reflected in the analysis presented in note 11. The employee benefit expenses in relation to the remaining two (2025: two) highest-paid individuals are as follows:

(a) Five highest paid individuals

Of the five individuals with highest emoluments in the Group, three (2025: three) were the directors of the Company whose emoluments are included in the disclosure in note 11 above. The emoluments of the remaining two (2025: two) highest-paid individuals were as following:

	2026 HK\$'000	2025 HK\$'000
Salaries, commissions, other allowances and benefits in kind	1,559	1,559
Discretionary bonuses	254	252
Employer's contribution to retirement benefit scheme	36	36
Share-based payment expenses	–	81
	1,849	1,928

The emoluments of the above individuals fell within the following bands during each of the years ended 31 March 2026 and 2025:

	2026 Number of individuals	2025 Number of individuals
Emolument bands		
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	1	1

No amount was paid or payable to the five highest paid employees during the financial year as an inducement to join or upon joining the Group. No compensation was paid or payable to the five highest paid employees during the financial year for the loss of any office in connection with the management of the affairs of any member of the Group distinguishing between contractual payments and other payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

13. EARNINGS PER SHARE

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

The Company did not have any potential ordinary shares outstanding during the years ended 31 March 2026 and 2025, thus diluted earnings per share equals to the basic earnings per share.

	2026 HK\$'000	2025 HK\$'000
Profit attributable to owners of the Company (HK\$'000)	36,584	41,705
Number of total shares ('000)		
Weighted average number of ordinary shares in issue	1,278,563	1,278,563
Basic and diluted earnings per share attributable to the owners of the Company (expressed in HK cents per share) (Note)	2.9	3.3

Note: Diluted earnings per share for the years ended 31 March 2026 and 2025 were the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during both years.

14. DIVIDENDS

	2026 HK\$'000	2025 HK\$'000
2025 Final dividend recognised as distribution to ordinary shareholders during the year	19,178	–
2025 Special dividend recognised as distribution to ordinary shareholders during the year	25,571	–
	44,749	–
Proposed final dividend of HK0.5 cent (2025: HK1.5 cents) per share (Note (i))	6,393	19,178
Proposed special dividend of HK1.0 cent (2025: HK2.0 cents) per share (Note (i))	12,785	25,571
	19,178	44,749

Note:

- (i) For the year ended 31 March 2026, the Board of Directors proposed to declare a final dividend of HK0.5 cent per share and a special dividend of HK1.0 cent per share, which are subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These dividends are not accounted for as dividend payables in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Factories and buildings HK\$'000	Office equipment HK\$'000	Motor vehicle HK\$'000	Plant and machinery HK\$'000	Moulds and tools HK\$'000	Total HK\$'000
At 31 March 2025 and 1 April 2025							
Cost	52,419	63,885	2,951	5,720	76,046	14,496	215,517
Accumulated depreciation and impairment	(23,824)	(29,897)	(2,422)	(4,969)	(50,540)	(10,781)	(122,433)
Net carrying amount	28,595	33,988	529	751	25,506	3,715	93,084
Year ended 31 March 2026							
Opening net carrying amount	28,595	33,988	529	751	25,506	3,715	93,084
Additions	1,817	-	6	413	1,070	1,920	5,226
Disposals/written off	(407)	(4,948)	-	-	(201)	(86)	(5,642)
Depreciation (note 10)	(2,555)	(1,314)	(209)	(135)	(5,688)	(2,369)	(12,270)
Exchange alignment	1,087	185	13	44	982	25	2,336
Closing net carrying amount	28,537	27,911	339	1,073	21,669	3,205	82,734
At 31 March 2026							
Cost	54,288	55,941	3,015	5,355	79,167	14,967	212,733
Accumulated depreciation and impairment	(25,751)	(28,030)	(2,676)	(4,282)	(57,498)	(11,762)	(129,999)
Net carrying amount	28,537	27,911	339	1,073	21,669	3,205	82,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements HK\$'000	Factories and buildings HK\$'000	Office equipment HK\$'000	Motor vehicle HK\$'000	Plant and machinery HK\$'000	Moulds and tools HK\$'000	Total HK\$'000
At 31 March 2024 and 1 April 2024							
Cost	50,861	65,415	4,041	5,873	74,319	13,704	214,213
Accumulated depreciation and impairment	(22,365)	(28,945)	(3,115)	(5,277)	(47,545)	(10,269)	(117,516)
Net carrying amount	28,496	36,470	926	596	26,774	3,435	96,697
Year ended 31 March 2025							
Opening net carrying amount	28,496	36,470	926	596	26,774	3,435	96,697
Additions	3,443	–	161	270	5,676	2,298	11,848
Transfer to investment property (note 17)	–	(584)	–	–	–	–	(584)
Disposals/written off	(424)	(520)	(173)	(10)	(796)	(106)	(2,029)
Depreciation (note 10)	(2,534)	(1,330)	(377)	(93)	(5,711)	(1,849)	(11,894)
Exchange alignment	(386)	(48)	(8)	(12)	(437)	(63)	(954)
Closing net carrying amount	28,595	33,988	529	751	25,506	3,715	93,084
At 31 March 2025							
Cost	52,419	63,885	2,951	5,720	76,046	14,496	215,517
Accumulated depreciation and impairment	(23,824)	(29,897)	(2,422)	(4,969)	(50,540)	(10,781)	(122,433)
Net carrying amount	28,595	33,988	529	751	25,506	3,715	93,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) Depreciation expenses have been charged to the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK\$'000	2025 HK\$'000
Cost of sales	10,623	10,194
Administrative expenses	1,647	1,700
	12,270	11,894

As at 31 March 2026 and 2025, the Group leased a land in the PRC for land use rights of 45-50 years where the Group's leasehold improvements and factories and buildings situated were without land use rights certificate and property ownership certificates. Without the certificates, the existing factories and buildings might be ordered for demolition or confiscated. The directors are of the opinion, based on the advice from the Group's external legal adviser, that the Group has proper right to the occupancy of the leased land and legal entitlement to the constructions thereon and the probability of being evicted on the ground on an absence of land use rights certificates and property ownership certificate. The aggregate carrying amounts of the related leaseholds improvements, factories and buildings and right-of-use assets are HK\$52,832,000 as at 31 March 2026 (2025: HK\$56,311,000).

(b) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives or in the case of leasehold improvements, the shorter lease term as follows:

Leasehold improvements	Shorter of the lease terms or 20 years
Factories and buildings	Shorter of the lease terms or 50 years
Office equipment	5 years
Motor vehicle	5 to 10 years
Plant and machinery	10 years
Moulds and tools	3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16. LEASES

The Group as a lessee

(a) Amounts recognised in the consolidated statement of financial position:

	2026 HK\$'000	2025 HK\$'000
Right-of-use assets		
— Land use rights	1,165	1,511
— Office	—	22
	1,165	1,533
Lease liabilities payable:		
Within one year	—	48
Within a period of more than one years but not more than five years	—	—
	—	48
Less: Amount due for settlement within 12 months shown under current liabilities	—	(48)
Amount due for settlement after 12 months shown under non-current liabilities	—	—

The Group leases various land use rights and offices to operate its business in the PRC and Hong Kong. Lease contracts are entered into for fixed terms of 45 years to 50 years of land use rights and for fixed terms of 2 years for office premises.

As at 31 March 2026, the Group's right-of-use assets in the PRC with carrying amount of HK\$1,165,000 (2025: HK\$1,511,000), represented a leased land where the Group did not have a proper land use rights certificate. In the opinion of the directors, based on the advice from the Group's external legal adviser, the absence of the land use rights certificates does not impair its carrying value to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Amount recognised in consolidated statement of profit or loss and other comprehensive income

	2026 HK\$'000	2025 HK\$'000
Depreciation charge of right-of-use assets		
Land use rights	75	75
Office	48	922
	123	997
Interest expense (included in finance costs)	6	131

Total cash outflow for leases during the year ended 31 March 2026 were approximately HK\$54,000 (2025: HK\$940,000).

(c) Movements of right-of-use assets are as follows:

	Land use rights HK\$000	Office HK\$000	Total HK\$000
At 1 April 2024	1,586	3,103	4,689
Lease modifications	–	(2,132)	(2,132)
Depreciation (<i>note 10</i>)	(75)	(922)	(997)
Exchange alignment	–	(27)	(27)
At 31 March 2025	1,511	22	1,533
Lease modifications	(271)	–	(271)
Depreciation (<i>note 10</i>)	(75)	(48)	(123)
Exchange alignment	–	26	26
At 31 March 2026	1,165	–	1,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17. INVESTMENT PROPERTY

	HK\$000
As at 31 March 2024 and 1 April 2024	
Cost	–
Accumulated depreciation	–
Net carrying amount	–
Year ended 31 March 2025	
Opening net carrying amount	–
Transfer from property, plant and equipment (<i>note 15</i>)	584
Depreciation (<i>note 10</i>)	(35)
Net carrying amount	549
As at 31 March 2025	
Cost	584
Accumulated depreciation	(35)
Net carrying amount	549
Year ended 31 March 2026	
Opening net carrying amount	549
Depreciation (<i>note 10</i>)	(35)
Net carrying amount	514
As at 31 March 2026	
Cost	584
Accumulated depreciation	(70)
Net carrying amount	514

During the year ended 31 March 2025, the Group held the property amounted to approximately HK\$549,000 for leasing purposes, and thus reclassified it from property, plant and equipment to investment property. Depreciation expense has been included in administrative expenses.

During the year ended 31 March 2026, the Group held the property amounted to approximately HK\$514,000 for leasing purposes. Depreciation expense has been included in administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17. INVESTMENT PROPERTY (CONTINUED)

Amounts recognised in the consolidated statement of profit and loss and other comprehensive income for investment property are shown below:

	2026 HK\$'000	2025 HK\$'000
Rental income	336	112
Other direct operating expenses from property that generated rental income	(54)	(18)
	282	94

18. INTERESTS IN SUBSIDIARIES

The following is a list of subsidiaries held by the Company as at 31 March 2026 and 2025:

Name of subsidiary	Place, date of incorporation and kind of legal entity	Particulars of issued share capital	Proportion of ownership interest				Principal activities	Place of operations
			Held by the Company		Indirectly held			
			2026	2025	2026	2025		
Fourace Industries Group Limited	The British Virgin Islands ("BVI"); 11 April 2019; Limited liability company	United State dollars ("US\$") 3 (2025: US\$3)	100%	100%	–	–	Investment holdings	Hong Kong
Profits Praise Enterprises Limited	The BVI; 20 February 2023; Limited liability company	US\$1 (2025: US\$1)	100%	100%	–	–	Investment holdings	Hong Kong
Witty Mind Enterprises Limited	The BVI; 20 February 2023; Limited liability company	US\$1 (2025: US\$1)	–	–	100%	100%	Investment holdings	Hong Kong
Profit Brilliant Limited ("英益有限公司")	Hong Kong; 24 February 2023; Limited liability company	HK\$1 (2025: HK\$1)	–	–	100%	100%	Inactive	Hong Kong
Fourace Industries Limited ("科利實業有限公司")	Hong Kong; 18 August 1987; Limited liability company	HK\$2,500,000 (2025: HK\$2,500,000)	–	–	100%	100%	Sales and marketing of electrical appliances	Hong Kong
Regal Silver Limited ("銀雄有限公司")	Hong Kong; 3 February 2023; Limited liability company	HK\$1 (2025: HK\$1)	–	–	100%	100%	Sales and marketing of electrical appliances	Hong Kong
Shenzhen Fourace Electrical Appliances Limited* ("深圳科利電器有限公司")	The PRC; 22 May 2015; Limited liability company	HK\$44,000,000 (2025: HK\$44,000,000)	–	–	100%	100%	Manufacturing and supplying of electrical appliances	the PRC
Shenzhen Tian Hao Regal Silver Technology Limited* ("深圳天浩銀雄科技有限公司")	The PRC; 13 April 2023; Limited liability company	HK\$30,000,000 (2025: HK\$30,000,000)	–	–	100%	100%	Manufacturing and supplying of electrical appliances	the PRC

* The English name is for identification purpose only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Raw materials	10,891	10,695
Work-in-progress	4,033	5,296
Finished goods	5,961	6,897
	20,885	22,888

The costs of inventories recognised as cost of sales amounted to approximately HK\$71,543,000 for the year ended 31 March 2026 (2025: HK\$116,479,000).

For the year ended 31 March 2026, inventory provision amounted to HK\$902,000 (2025: HK\$422,000) was charged to "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

20. TRADE RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	50,230	41,535
Less: Allowance for impairment losses	(76)	(48)
	50,154	41,487

For the year ended 31 March 2026, provision for allowance for impairment losses on trade receivables amounted to HK\$28,000 (2025: HK\$39,000) was charged to "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

The Group generally allows a credit period of 30 to 120 days to its customers. The ageing analysis of trade receivables based on invoice date is as follows:

	2026 HK\$'000	2025 HK\$'000
Up to 3 months	23,351	28,755
3 to 6 months	26,803	12,732
	50,154	41,487

The Group applies the general approach to provide credit losses prescribed by HKFRS 9, which taken into account the probability of default and loss given default with reference to the historical delinquency ratio of credit rating of customers and current and forward-looking information on macroeconomic factors. Based on the assessment, provision for expected credit loss of trade receivables amounted to HK\$76,000 (2025: HK\$48,000) was provided.

The maximum exposure to credit risk as at 31 March 2026 and 2025 was the carrying amounts of the trade receivables. The Group did not hold any collateral as security. The carrying amounts of trade receivables approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. TRADE RECEIVABLES (CONTINUED)

The carrying amounts of trade receivables are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
US\$	50,140	41,474
Renminbi ("RMB")	3	–
HK\$	11	13
	50,154	41,487

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026 HK\$'000	2025 HK\$'000
Non-current:		
Deposits for purchase of property, plant and equipment	5,355	1,245
Current:		
Deposits	52	122
Prepayments	4,588	4,675
Interest receivables	1,497	1,725
Other receivables	975	1,100
Amount due from e-commerce platforms	44	146
Value-added tax recoverable	1,563	2,041
Compensation receivables (Note)	27,605	–
	36,324	9,809
	41,679	11,054

Note: As at 31 December 2025, the Group recognised gross compensation receivables of approximately HK\$27,605,000 in respect of certain property, plant and equipment and right-of-use assets situated on the leasehold land in the Chinese Mainland. These receivables remained outstanding as at 31 March 2026.

The compensation, net of the related tax expenses and the carrying amounts derecognised for the relevant property, plant and equipment and right-of-use assets amounted to RMB21,979,000 was recognised in profit or loss and included in the "other gains and losses" line item (note 7). The compensation receivables were fully settled in June 2026.

The carrying amounts of other receivables, deposits and prepayments are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
RMB	39,683	8,388
HK\$	513	962
US\$	1,483	1,704
	41,679	11,054

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For the year ended 31 March 2026

22. CASH AND BANK BALANCES

	2026 HK\$'000	2025 HK\$'000
Cash at banks	286,465	317,228
Cash in hand	30	30
	286,495	317,258

Cash and bank balances are denominated in the following currencies.

	2026 HK\$'000	2025 HK\$'000
US\$	265,929	291,311
RMB	11,176	15,674
HK\$	9,367	10,249
EURO	12	11
Japanese Yen	11	13
	286,495	317,258

As at 31 March 2026, cash and bank balances of approximately HK\$4,799,000 (2025: HK\$7,064,000) were held in the PRC banks and were subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the PRC, other than through normal dividends.

23. TRADE PAYABLES

The ageing analysis of the Group's trade payables based on invoice date is as follows:

	2026 HK\$'000	2025 HK\$'000
Within 1 month	5,238	5,806
1–2 months	3,703	6,262
2–3 months	2,676	3,135
Over 3 months	3,740	2,958
	15,357	18,161

The credit terms of trade payables granted to the Group are usually cash on delivery and from 30 to 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

23. TRADE PAYABLES (CONTINUED)

Trade payables are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
US\$	27	197
HK\$	84	300
RMB	15,246	17,664
	15,357	18,161

The carrying amounts of the trade payables approximate their fair values.

24. ACCRUALS AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Accrued expenses		
— Staff costs	2,346	2,727
— Others	1,625	2,084
Provision for employees' benefit	481	417
Government grant	1,757	3,892
Other payables	4,922	3,735
	11,131	12,855

The carrying amounts of accruals and other payables are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
US\$	2,398	203
RMB	5,255	6,503
HK\$	3,478	6,149
	11,131	12,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority on the same taxable entity.

The balances shown in the consolidated statement of financial position, after appropriate offsetting, are as follows:

	2026 HK\$'000	2025 HK\$'000
Deferred tax assets	2,579	2,423
Deferred tax liabilities	(9,697)	(9,244)
Net deferred tax liabilities	(7,118)	(6,821)

The movements in the net deferred tax assets, without taking into consideration the offsetting of balances with the same tax jurisdiction are as follows:

Deferred tax assets	Decelerated Depreciation allowances HK\$'000	Lease liabilities HK\$'000	Unrealised profit in inventories HK\$'000	Provision for inventory HK\$'000	Share-based payments HK\$'000	Total HK\$'000
At 1 April 2024	319	792	68	327	1,435	2,941
(Charged) credited to profit or loss	197	(784)	25	(33)	142	(453)
Exchange difference	–	–	–	(6)	(59)	(65)
At 31 March 2025 and 1 April 2025	516	8	93	288	1,518	2,423
(Charged) credited to profit or loss	(47)	(8)	48	94	–	87
Exchange difference	–	–	–	13	56	69
At 31 March 2026	469	–	141	395	1,574	2,579

As at 31 March 2026, the Group had unutilised tax losses of approximately HK\$37,443,000 (2025: HK\$32,600,000). No deferred tax asset has been recognised in respect of the tax losses of approximately HK\$37,443,000 (2025: HK\$32,600,000) due to the unpredictability of future profits streams. It comprised with tax losses HK\$7,114,000 (2025: HK\$5,284,000) that can be carried forward against future taxable income with no expiry date, and tax losses amounted to HK\$30,329,000 (2025: HK\$27,316,000) that will expire up to and including 2031 (2025: 2030).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. DEFERRED TAX (CONTINUED)

The movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax liabilities	Accelerated tax depreciation HK\$'000	Right-of-use assets HK\$'000	Withholding tax HK\$'000 (Note)	Total HK\$'000
At 1 April 2024	(3,867)	(792)	(3,021)	(7,680)
(Charged) credited to profit or loss	(1,793)	784	(335)	(1,344)
Exchange difference	(220)	–	–	(220)
At 31 March 2025 and 1 April 2025	(5,880)	(8)	(3,356)	(9,244)
(Charged) credited to profit or loss	(168)	8	(311)	(471)
Exchange difference	18	–	–	18
At 31 March 2026	(6,030)	–	(3,667)	(9,697)

Note: Pursuant to the relevant PRC enterprise income tax rules and regulations, withholding tax is imposed at 5% (2025: 5%) on dividends declared in respect of profits earned by subsidiaries established in the PRC from 1 January 2008 onwards.

26. SHARE CAPITAL

	Number	Amount HK\$
<i>Authorised:</i>		
At 31 March 2025, 1 April 2025 and 31 March 2026	10,000,000,000	100,000,000
<i>Issued and fully paid:</i>		
Ordinary shares of HK\$0.01 each		
At 31 March 2025, 1 April 2025 and 31 March 2026	1,278,562,500	12,785,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

27. RESERVES

- (a) On 5 June 2019, the entire issued shares of Fourace Industries Limited ("**Fourace HK**") were transferred to Fourace Industries Group Limited ("**Fourace BVI**") in exchanges of the Company crediting as fully paid at par the two nil-paid shares held by the immediate shareholders of to Ace Champion Inc. and Forever Golden Inc. respectively. HK\$2,500,000 was credited to capital reserve, representing the excess of net assets value of Fourace HK over the nominal value of the two nil-paid shares of the Company.
- (b) The PRC laws and regulations require companies registered in PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profits after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

28. SHARE-BASED PAYMENTS

During the years ended 31 March 2026 and 2025, share-based payment expenses recognised in the consolidated statement of profit or loss and other comprehensive income included:

	2026 HK\$'000	2025 HK\$'000
Share-based payments	–	701

On 28 June 2021, the Company resolved to grant a total of 28,562,500 award shares as approved by the Board of Directors. Accordingly, 20,937,500 shares and 7,625,000 shares were granted to certain employees and directors on 28 June 2021 and 9 August 2021, respectively. The purpose of the share award is to (a) two directors and twenty-four employees, in order to recognise their contributions, and (b) drive the continuous business operation and development of the Group.

The award shares are subscribed by the issuance of new shares of the Company to the employees and directors in Hong Kong and the PRC on 12 October 2021 and 22 December 2021, respectively. From the date of issue and allotment of the award shares, there are three years of lock-up period. During the lock-up period, sell, assign, transfer or otherwise dispose of any interest in any award shares is not allowed. As at 31 March 2026 and 2025, all award shares have been vested.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

29. COMMITMENTS

Capital commitments

	2026 HK\$'000	2025 HK\$'000
Commitments for acquisition of property, plant and equipment contracted but not provided for	1,509	450

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	2026 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investment in a subsidiary	185,226	185,226
Current assets		
Other receivables, deposits and prepayments	270	281
Amounts due from subsidiaries (note i)	97,440	95,287
Cash and bank balances	1,883	2,890
	99,593	98,458
Current liabilities		
Accruals and other payables	574	576
Net current assets	99,019	97,882
Net assets	284,245	283,108
EQUITY		
Share capital	12,786	12,786
Reserves (note ii)	271,459	270,322
Total equity	284,245	283,108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Notes:

- (i) The amounts are unsecured, non-interest bearing and repayable on demand as at 31 March 2026 and 2025.
- (ii) Reserve movement of the Company

	Share premium HK\$'000	Share-based payments HK\$'000	Accumulated profits (losses) HK\$'000	Total HK\$'000
At 1 April 2024	264,982	6,649	229	271,860
— Loss for the year	—	—	(2,239)	(2,239)
Total comprehensive expense for the year	—	—	(2,239)	(2,239)
Transaction with owners				
— Share-based payments	—	701	—	701
At 31 March 2025 and 1 April 2025	264,982	7,350	(2,010)	270,322
— Profit for the year	—	—	45,886	45,886
Total comprehensive income for the year	—	—	45,886	45,886
Transaction with owners				
— Dividend Paid	—	—	(44,749)	(44,749)
At 31 March 2026	264,982	7,350	(873)	271,459

31. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

In addition to the related party transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following significant transactions and balances with related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Name and relationship with related parties

Name of related parties	Relationship
Mr. Li Shu Yeh	Ultimate shareholder and executive director of the Company
Ms. Sit Hor Wan	Ultimate shareholder of the Company
Ms. Li Sen Julian	Executive director of the Company
Ms. Tang Suk Yee	Executive director of the Company

(b) Compensation to key management personnel of the Group

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	2026 HK\$'000	2025 HK\$'000
Wages and salaries and bonuses	5,627	5,621
Discretionary bonuses	957	959
Share-based payments	–	389
Retirement benefits — defined contribution plans:		
— Hong Kong	72	72
— PRC	41	39
	6,697	7,080

32. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2026 and 2025.

For the year ended 31 March 2026

(a) Category of financial statements

The directors of the Company considers the carrying values of financial instruments approximate their fair values.

The Group's major financial instruments include trade receivables, other receivables and deposits, cash and bank balances, trade payables and other payables. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Foreign exchange risk

As at 31 March 2026 and 2025, certain of the Group's trade and other payables and cash and cash equivalent are denominated in RMB other than the functional currency of the relevant group entities. If HK\$ has weakened/strengthened by 5% against RMB, with all other variables held constant, the profit after income tax for the year would have been approximately HK\$389,000 higher/lower, respectively (2025: HK\$392,000 higher/lower).

As at 31 March 2026 and 2025, certain of the Group's intercompany balances in its PRC subsidiaries are denominated in US\$ other than the functional currency of these subsidiaries. If RMB has strengthened/weakened by 5% against US\$, with all other variables held constant, the profit after income tax for the year would have been approximately HK\$309,000 lower/higher, respectively (2025: HK\$264,000 lower/higher).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Since HK\$ is pegged with US\$, there are no significant foreign currency exposure for US\$ dominated financial assets and liabilities. The remaining assets and liabilities of each entity within the Group are mainly dominated in their respective functional currencies. The directors are of the opinion that the volatility of the Group's profits against changes in exchange rates of foreign currencies arising from these assets and liabilities would not be significant. Accordingly, no sensitivity analysis is performed.

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets or liabilities except for bank balances.

The Group's income and operating cash flows are less dependent on changes in market interest rates. Accordingly, management are of the opinion that our Group does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.

(d) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The credit risk of the Group's financial assets and other assets, which comprise cash and cash equivalents, trade receivables, contract assets, and other receivables and deposits, with a maximum exposure equal to the carrying amounts of these instruments.

(i) Credit risk of cash and cash equivalents

The Group expects that there is no significant credit risk associated with cash and cash equivalents since the Group only places its deposits in reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions.

(ii) Credit risk of trade receivables and contract assets

For trade receivables and contract assets, the debtors have an appropriate credit history. Management considers the credit risk is not high. For new customers, the Company will conduct credit assessment based on credit history and credit information of the customers from overseas affiliated companies. Customers are requested to pay in advance or at delivery if the credit assessment for new customers is unsatisfactory. For existing customers, the Company will conduct ongoing credit assessment and based on the results of the assessment to determine whether the credit limit granted should be revised or not. The Company considered that the expected credit risks of the existing customers are minimal in view of the history of cooperation with them.

The Group has policies in place to ensure that the credit terms made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers, taking into account their financial position, past experience and other factors. The Group's credit sales are on credit terms ranged from 30 to 120 days. Normally the Group does not require collaterals from trade debtors. As at 31 March 2026, the Group's top five debtors accounted for 99.5% (2025: 99.9%) of the Group's total trade receivables with the largest debtor represents 68.7% (2025: 53.8%). All existing debtors have no significant default in the past. The directors considered that the expected credit risks of these debtors are not high in view of the history of cooperation with them, good payment history and forward looking factors. As at 31 March 2026, provision for ECL on trade receivables and contract assets amounted to approximately HK\$76,000 (2025: HK\$48,000) and HK\$1,000 (2025: HK\$5,000), respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (Continued)

(ii) Credit risk of trade receivables and contract assets (Continued)

The following table presents the balances of gross carrying amounts and the loss allowance in respect of trade receivables assessed on individual basis:

Internal credit rating	Average loss rate %	Gross carrying amount HK\$'000	Impairment loss allowance HK\$'000
2026			
A3 to Aaa	0.04	7,304	(3)
B3 to Baa1	0.17	42,926	(73)
		50,230	(76)
2025			
A3 to Aaa	0.02	5,757	(1)
B3 to Baa1	0.13	35,778	(47)
		41,535	(48)

(iii) Credit risk of other receivables and deposits

The management of the Group considers the probability of default upon initial recognition of other receivables and deposits and whether there has been significant increase in credit risk on an ongoing basis during the financial year. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of the third party;
- significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayable demanded.

A default on a financial asset is when the counterparty fails to make contractual payments/repayable demanded within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a loan or receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 90 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (Continued)

(iii) Credit risk of other receivables and deposits (Continued)

Based on past experience, majority of the other receivables and deposits were settled shortly upon maturity. Based on past experience and forward-looking estimates, the counterparties have a strong financial ability to repay the amount, and therefore, the expected credit loss is immaterial.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Company accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the expected credit loss rates, the Group considers consolidated loss rates for each category of receivables, and adjusts for forward looking macroeconomic data.

No significant changes to estimation techniques or assumptions were made during the year.

As at 31 March 2026, the expected credit losses of these collectively assessed other receivables and deposits were HK\$20,000 (2025: nil) based on expected credit loss rates approximately to 2% (2025: nil) applied on counterparties' sectors.

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for additions of property, plant and equipment, and payments for purchases, operating expenses and dividend. The Group mainly finances its working capital requirements through internal resources.

The Group monitors and maintains a level of cash and cash equivalents considered adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In the opinion of the directors, the Company does not have any significant liquidity risk.

The Group had the following banking facilities with banks:

	2026 HK\$'000	2025 HK\$'000
Banking facilities available	34,500	34,500
Banking facilities utilised	–	–
	34,500	34,500

As at 31 March 2026, the Group had unutilised banking facilities of approximately HK\$34,500,000 (2025: HK\$34,500,000) and are secured by (i) a legal charge over an industrial property of the Group held for its own use in Hong Kong with carrying value amounted to approximately HK\$3,197,000 (2025: HK\$3,344,000); (ii) a legal charge over an industrial property of the Group originally held for own use in Hong Kong, but now changed to earning rental income with carrying value amounted to approximately HK\$514,000 (2025: HK\$549,000); and (iii) corporate guarantee by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Liquidity risk (Continued)

The table below analyses the Company's financial liabilities and lease liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Where the loan agreement contains a repayment on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	Within 1 year to 2 years HK\$'000	Within 2 years to 5 years HK\$'000
2026					
Trade payables	15,357	15,357	15,357	–	–
Other payables	4,922	4,922	4,922	–	–
	20,279	20,279	20,279	–	–
	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	Within 1 year to 2 years HK\$'000	Within 2 years to 5 years HK\$'000
2025					
Trade payables	18,161	18,161	18,161	–	–
Other payables	3,735	3,735	3,735	–	–
Lease liabilities	48	50	50	–	–
	21,944	21,946	21,946	–	–

34. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, retain capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

35. CASH FLOW INFORMATION

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flow as cash flows from financing activities.

	Lease liabilities HK\$'000
At 1 April 2024	3,240
Financing cash flows	
Lease payments (including interest paid)	(940)
Non-cash items:	
— Lease modifications	(2,383)
— Interest accrued	131
At 31 March 2025 and 1 April 2025	48
Financing cash flows	
Lease payments (including interest paid)	(54)
Non-cash items:	
— Interest accrued	6
At 31 March 2026	—

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the Company's annual reports, is set out below.

RESULTS

	2026 HK\$'000	Year ended 31 March			
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	169,304	272,312	268,024	365,561	473,390
Profit before income tax	39,289	52,113	48,821	76,290	72,291
Income tax expenses	(2,705)	(10,408)	(10,105)	(12,085)	(12,570)
Profit for the year	36,584	41,705	38,716	64,205	59,721
Profit for the year attributable to equity holders of the Company	36,584	41,705	38,716	64,205	59,721

ASSETS AND LIABILITIES

	As at 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Assets					
Non-current assets	92,347	98,834	110,468	112,755	123,087
Current assets	398,146	398,333	365,448	344,024	346,947
Total assets	490,493	497,167	475,916	456,779	470,034
Equity and liabilities					
Total equity	452,136	454,331	414,111	405,364	364,783
Non-current liabilities	9,697	9,244	10,070	6,053	5,648
Current liabilities	28,660	33,592	51,735	45,362	99,603
Total liabilities	38,357	42,836	61,805	51,415	105,251
Total equity and liabilities	490,493	497,167	475,916	456,779	470,034



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