金安智能
JSMART

Jsmart Technologies Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00567)

(formerly known as Daisho Microline Holdings Limited)

ANNUAL REPORT 2025/2026

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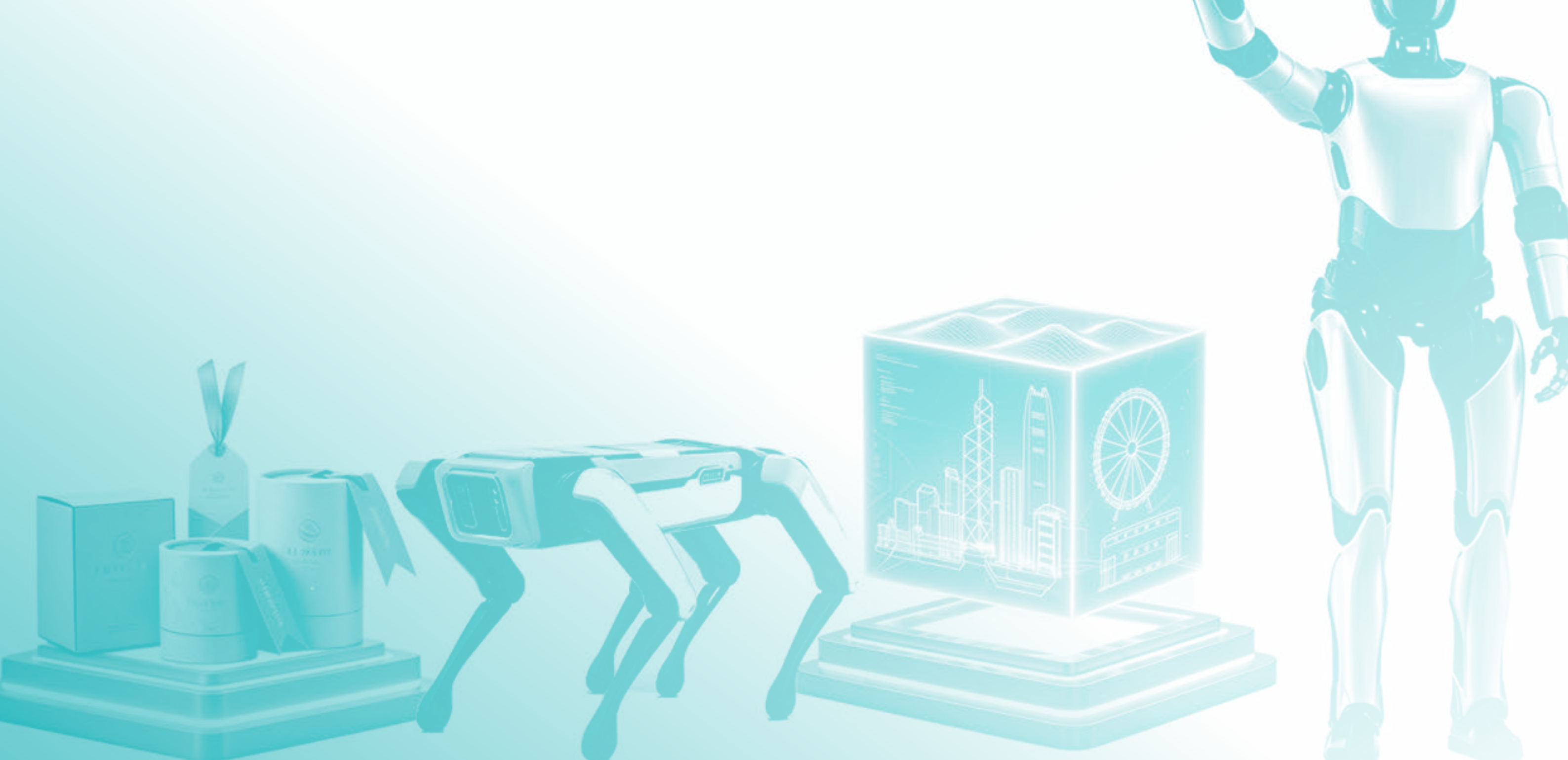


CORPORATE INFORMATION AND FINANCIAL CALENDAR

Board of Directors

Executive Directors

Mr. Lee Man Kwong *(Chairman)*
Dr. Sun Jingan *(Appointed on 20 April 2026)*

Non-executive Directors

Mr. Yau Pak Yue
Mr. Wong Siu Hung, Patrick *(Resigned on 20 April 2026)*

Independent Non-executive Directors

Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming
Ms. Lin Ying

Audit Committee

Ms. Lin Ying *(Chairlady)*
Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming
Mr. Yau Pak Yue

Remuneration Committee

Ms. Lin Ying *(Chairlady)*
Mr. Lee Man Kwong
Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming

Nomination Committee

Mr. Lee Man Kwong *(Chairman)*
Ms. Lin Ying
Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming

Company Secretary

Mr. Ng Yu Ho

Principal Bankers

Bank of China Limited
Bank of Communications Co., Ltd.
China Merchants Bank Co., Ltd.
Chiyu Banking Corporation Limited
Nanyang Commercial Bank, Limited
OCBC Bank (Hong Kong) Limited
CMB Wing Lung Bank Limited

Auditor

Prism Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 1903A-1905, 19/F
8 Observatory Road, Tsim Sha Tsui
Kowloon, Hong Kong

Legal Adviser as to Hong Kong Law

Michael Li & Co.

Legal Adviser as to Bermuda Law

Appleby

Registered Office

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Head Office and Principal Place of Business

Suite 22C, 22/F
228 Electric Road
North Point, Hong Kong

Principal Registrar

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

Branch Registrar in Hong Kong

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

Stock Code

0567

Company Website

www.jsmartech.hk

Financial Calendar

Interim Results:
20 November 2025

Annual Results:
18 June 2026

Annual General Meeting

25 September 2026

Dividends

Interim dividend:	Nil
Proposed final dividend:	Nil

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Jsmart Technologies Group Limited (formerly known as Daisho Microline Holdings Limited) (the "Company"), it is my pleasure to present to you the annual report of the Company and its subsidiaries (together the "Group") for the financial year ended 31 March 2026 (the "Year").

Throughout the year of 2025, the global economy maintained a steady growth trajectory but was overwhelmed with downside risks, such as trade barriers, inflationary pressure and geopolitical conflicts. Since the outbreak of war in the Middle East in February 2026, the oil price surged and caused inflationary pressures on all energy-related products and services. This interrupted the global economic recovery. According to World Economic Outlook Report April 2026, the global growth is projected to be at 3.1 percent in 2026, revised downward by 0.2 percent.

However, the economic growth has been supported by the recent artificial intelligence ("AI") driven investments, which could ultimately enhance the productivity gains. The Group is now actively undergoing strategic expansion into AI and robotics industries. This new strategic development could diversify the existing revenue streams and open doors to high-growth markets that were previously inaccessible. To provide a more appropriate and refreshed corporate image, the Group proposed to change the Company's name to Jsmart Technologies Group Limited in April 2026, which will help enhance the Group's brand recognition, align with our strategic development, and is in the best interests of the Group and the Company's shareholders (the "Shareholder(s)") as a whole.

Printed Circuit Boards Business Segment

The Group's Printed Circuit Boards Business is principally engaged in the manufacturing and trading of printed circuit boards (the "PCB"). The PCB products are mainly applied in smart residential buildings, commercial building central control system, consumer electronic products and cloud computing. With over two decades of industry experience, this segment has cultivated a highly skilled technical and quality control team. Looking ahead, the business segment will try to capitalize on the surging demand for digital innovation and new energy vehicles, while scaling up the application of our technologies to empower the embodied intelligence sector.

The macroeconomic environment remained challenging with unpredictable trade barriers and geopolitical risk. The demand for the PCB products was under pressure as it mainly applied in the consumer products and closely related to the macroeconomic environment. The Group remains committed to rigorous cost-management through supplier management.

Printing Business Segment

The Group's Printing Business is principally engaged in the manufacturing and trading of printing and packaging products. The business segment focuses on deep client collaboration with an experienced production team delivering high-quality printing and packaging products, and a sales team leveraging close customer relationships to meet their exact requirements.

The global economic recovery remained sluggish, leading to the weak downstream demand in consumer markets. The industry competition also intensified. Consequently, the revenue of the printing business segment dropped during the Year.

The business segment will continue to maintain longstanding relationship with the existing customers, and at the same time to improve the product mix and expand the client base. Under the globally uncertain economic environment, the business segment will maintain a prudent strategy, and continue to implement cost control measures, optimize inventory management and operating efficiency.

CHAIRMAN'S STATEMENT

Smart Healthcare Business Segment

During the Year, the Group invested in a healthcare company established in the PRC, which provides health management and health consultation services. In addition, on 7 April 2026, the Group, together with Beijing Jsmart Embodied Intelligent System Co., Ltd. (北京金安具身智能系統有限公司) and Beijing Wayon Yining Health Care Management Group Co., Ltd (北京偉航奕寧健康管理集團有限公司), jointly established a subsidiary which is principally engaged in the commercial application and development of AI and intelligent robotics in the fields of healthcare, rehabilitation, and elderly care.

The Group believes that these investments represent excellent opportunities for business growth and maximizing capital returns for the Group. It is expected that those investments will help diversify revenue streams, strengthen the Group's financial position, and maximize the Shareholders' value.

Business Outlook

Looking forward, the Group will undergo strategic expansion into AI and robotics industries and explore the opportunities in the high growth market. For the existing business, the Group will continue to adopt a prudent business strategy under the globally complex and volatile economic environment. The Group will continue to explore business growth opportunities and strengthen its existing businesses, which are benefit to the Group and with a view to maximizing the Shareholders' value.

On behalf of the Board, I would like to express my sincere appreciation to all of our staff, Shareholders, business partners, and customers for their continuous support.

Lee Man Kwong
Chairman

Hong Kong
18 June 2026

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Lee Man Kwong ("Mr. Lee"), aged 71, has been appointed as the chairman (the "Chairman") of the board (the "Board") of directors (the "Director(s)") of the Company since 16 October 2020. He has been redesignated as an executive Director since 1 June 2018. He was appointed as an independent non-executive Director on 14 December 2016 and re-designated as a non-executive Director on 1 March 2017. Mr. Lee has been appointed as the Chairman, a member of the remuneration committee of the Company (the "Remuneration Committee") and the Chairman of the nomination committee of the Company (the "Nomination Committee") since 16 October 2020. Mr. Lee is also a director of various subsidiaries of the Company. He was admitted as a solicitor in Hong Kong in 1983, and is also a solicitor qualified in England and Wales and Singapore. Mr. Lee is the senior partner of Messrs. Chan, Lau & Wai, Solicitors, a Hong Kong law firm established in 1980. Mr. Lee was an executive director of CCT Fortis Holdings Limited, a company listed on the main board ("Main Board") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 138) from 1996 to 1997, an independent non-executive director of Mei Ah Entertainment Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 391) from 1993 to 2003, an independent non-executive director of Uni-Bio Science Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 690) from 2001 to 2005, an independent non-executive director of Asia Standard Hotel Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 292, which was delisted from listing with effect from 22 October 2024) from 2000 to 2003, the chairman and executive director of Neo Telemedia Limited, a company listed on the Main Board of the Stock Exchange (stock code: 8167, which was delisted from listing with effect from 17 July 2025) from 2004 to 2007, and an executive director of Sau San Tong Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 8200) from 2006 to 2008.

Sun Jingan ("Dr. Sun"), aged 52, has been appointed as the executive Director since 20 April 2026. He obtained a bachelor's degree in investment economics from Shandong University of Finance and Economics in 1996, and a master's degree and a doctoral degree in finance from Renmin University of China in 1999 and 2006, respectively. Dr. Sun is also a Chartered Financial Analyst (CFA) charterholder.

Dr. Sun is a multi-disciplinary expert in the fields of technological innovation and capital operation, with over 25 years of experience in corporate strategic planning, commercialization of cutting-edge technologies, and corporate governance. In 2024, he founded Jsmart Technologies Limited and serves as a director, focusing on the research and development and commercialisation of robotics and embodied AI technologies. Dr. Sun is committed to the deep integration of cutting-edge technology and innovative business models, and has demonstrated outstanding vision and leadership in the market-oriented application of intelligent robotics, technology asset operations, and industrial chain mergers, acquisitions and integration. Prior to this, from 1999 to 2021, Dr. Sun held senior management positions in a number of renowned financial and investment institutions, accumulating profound experience in global strategy and business management. His principal work experience includes serving as director and general manager of CITIC Capital (Qingdao) Investment Management Co., Ltd., director and general manager of Value Partners Private Equity Fund, investment director of China Shipping Fund, vice president of CITIC Capital Holdings Limited, and manager at China CITIC Bank and China CITIC Bank (International) Limited.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Non-Executive Director

Yau Pak Yue ("Mr. Yau"), aged 57, has been appointed as a non-executive Director and a member of the Audit Committee of the Company (the "Audit Committee") since 3 September 2020. He obtained his Bachelor of Commerce (majoring in Accountancy) from the University of Wollongong in Australia. He was the chief knowledge officer of Guangzhou Chengfa Capital Company Limited, a state-owned fund management company, from May 2015 to January 2017. Prior to that, he was a partner at one of the big four international accounting firms from 2005 to 2012. He has more than 30 years of experience in mergers and acquisitions transaction supports and financial due diligence. Mr. Yau is currently the director of Ewin Advisory Company Limited.

Mr. Yau is also a certified public accountant in Hong Kong and a fellow certified practising accountant in Australia. He currently served as an independent non-executive director of Domaine Power Holdings Limited (formerly known as Hifood Group Holdings Co., Limited), a company listed on the Main Board of the Stock Exchange (stock code: 442) since May 2021, an independent non-executive director of Xinhua News Media Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 309) since July 2021, and an independent non-executive director of China Metal Resources Utilization Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1636) since 26 June 2026.

Mr. Yau was an independent non-executive director of KEE Holdings Company Limited (currently renamed as Gilston Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 2011) from July 2017 to November 2019, Ascent International Holdings Limited (currently renamed as China International Development Corporation Limited), a company listed on the Main Board of the Stock Exchange (stock code: 264) from September 2017 to August 2018, Fullsun International Holdings Group Co., Limited (currently renamed as Vision Synergy Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 627) from December 2020 to July 2023 and Huscoke Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 704) from 16 June 2025 to 18 June 2026. Mr. Yau was an executive director of Freeman FinTech Corporation Limited (currently renamed as Arta TechFin Corporation Limited), a company listed on the Main Board of the Stock Exchange (stock code: 279) from July 2020 to October 2021. Mr. Yau was a non-executive director of Peking University Resources (Holdings) Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 618) from October 2021 to December 2021, and a non-executive director of DreamEast Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 593, which was delisted from listing with effect from 27 January 2026) from July 2023 to January 2024. Mr. Yau was an independent non-executive director of Jiayuan International Group Limited ("Jiayuan"), a company listed on the Main Board of the Stock Exchange (stock code: 2768, which was delisted from listing with effect from 29 October 2024) from June 2024 to December 2024. He was appointed as the independent non-executive director of Jiayuan (in liquidation) in June 2024 by the liquidators to assist Jiayuan in the implementation of its restructuring plan. There was no wrongful act or mismanagement on his part leading to the liquidation of Jiayuan.

Independent Non-Executive Directors

Chan Yau Ching, Bob ("Dr. Chan"), aged 63, has been an independent non-executive Director, and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee since 3 September 2018. He is a holder of a Doctorate degree in Finance. Dr. Chan graduated from the Chinese University of Hong Kong and obtained a Bachelor's degree in Business Administration in 1984. He further obtained a Master degree in Business Administration from the University of Wisconsin-Madison, the United States of America ("US") in 1986, and a Doctorate degree in Finance from Purdue University, US in 1994. Dr. Chan is a member of the Chartered Financial Analyst Institution and the Hong Kong Society of Financial Analysts.

Since April 2009, Dr. Chan has been a licensed representative/responsible officer engaging in type 4 (advising of securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Dr. Chan was appointed as an executive director and the chief strategic officer of Celestial Asia Securities Holdings Limited ("Celestial"), a company listed on the Main Board of the Stock Exchange (stock code: 1049) from August 2002 to February 2005, and later as the investment director from November 2005 to July 2010, where he was mainly responsible for strategic investment projects and asset management.

Dr. Chan was appointed as a managing director of Carnival Group International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 996, formerly known as Pricerite Group Limited, which was delisted from listing with effect from 7 December 2023) from November 2003 to November 2004, which primarily engaged in the retail of furniture and household products. During 2005 to 2007, Dr. Chan was appointed as the chief financial officer of Moli Group Limited (摩力集團有限公司) ("Moli"), Shanghai, the People's Republic of China (a wholly-owned subsidiary of Celestial), which was a developer, operator and distributor of online games, where he was mainly responsible for building accounting, finance and control procedures and policies and in charge of the human resources. Dr. Chan was later appointed as the chief executive officer of Moli from July 2010 to October 2012, where he was mainly responsible for the re-focusing of Moli's business covering online and mobile entertainment.

Dr. Chan was appointed as the deputy chief executive officer and an executive director of Celestial from October 2012 to August 2013, and later as the director of investments and corporate development from August to November 2013, where he was mainly responsible for the overall business development and the design and development of algorithm trading strategies respectively.

Since January 2002, Dr. Chan has been appointed as an independent non-executive director of Lee's Pharmaceutical Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 950), which principally engaged in the research, development, manufacturing and distribution of biopharmaceutical drugs in China.

Since March 2014, Dr. Chan has been appointed as a managing director of KBR Capital Limited, where he is mainly responsible for asset management, advising on capital market transactions and investment management. Dr. Chan is currently a managing director and a responsible officer of KBR Fund Management Limited, which is a licensed corporation carrying out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

Dr. Chan had been appointed as an independent non-executive director of China High Speed Transmission Equipment Group Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 658) from 1 December 2016 to 16 January 2026, which principally engaged in the design, manufacturing and distribution of transmission systems for wind powered generators with customers globally.

Dr. Chan had been appointed as an independent director of Hangzhou Huaxing Chuangye Communication Technology Co., Ltd. (杭州華星創業通信技術股份有限公司) (stock code: 300025) from December 2018 to December 2020, the shares of which are listed on ChiNext of the Shenzhen Stock Exchange.

Leung Hoi Ming ("Dr. Leung"), aged 58, has been appointed as an independent non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee since 30 April 2021. He has extensive knowledge and experience in risk management of financial instruments, treasury business and financial derivative products. He has served DBS Bank Ltd for eight years and was Senior Vice President in the Treasury and Markets Division upon his departure from the bank on 22 May 2009. Dr. Leung started his career in the finance industry in 1996 with Citibank as quantitative analyst in the Equity Derivatives Asia Department. He had served a few other financial institutes before joining DBS Bank Ltd as a financial product specialist as well and had held various roles in business development, trading and risk management.

Dr. Leung holds a Bachelor (First Class Honours) degree of Science from the Chinese University of Hong Kong in 1990. Also, he holds a Master degree of Science in Mathematics in 1993 and a Doctor degree of Philosophy in Mathematics in 1996 both from the California Institute of Technology, and a Master degree of Science in Investment Management from the Hong Kong University of Science and Technology in 1999.

He is currently an independent non-executive director of Yuan Heng Gas Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 332) since 19 January 2010. Dr. Leung was an independent non-executive director of Fresh Express Delivery Holdings Group Co., Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1175, which was delisted from listing with effect from 9 February 2023) from July 2013 to December 2021.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Lin Ying ("Ms. Lin"), aged 50, has been an independent non-executive Director, a member of the Nomination Committee and the chairlady of each of the Audit Committee and the Remuneration Committee with effect from 20 September 2024.

Ms. Lin is a member of the Chinese Institute of Certified Public Accountants (CICPA). She obtained a bachelor degree of economics with major in taxation from Guangdong Commercial College of Guangdong University of Finance & Economics in 1998.

Ms. Lin has been serving as a director of Shandong Rio Culture & Technology Co., Ltd., a global leading cultural and entertainment technology service provider, since August 2013. She has been appointed as an independent non-executive director of Domaine Power Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 442) since 1 September 2024 and an independent non-executive director of Yuan Heng Gas Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 332) since 16 December 2024. Ms. Lin previously served as a financial controller of Guangzhou Rio Visual Technology Co., Ltd. from August 2011 to October 2013; a senior associate and manager of Deloitte & Touche Financial Advisory Services Limited from March 2005 to December 2009; a finance manager of Global Market Group (Guangzhou) Co., Ltd. from April 2003 to August 2004; a senior accountant of PricewaterhouseCoopers Zhongtian Certified Public Accountants in Guangzhou office from July 2002 to April 2003; senior accountant of Arthur Andersen•Hua Qiang Certified Public Accountants in Guangzhou office from July 2000 to June 2002; and a staff consultant of Arthur Andersen (Shanghai) Business Consulting Co., Ltd. in Guangzhou office from July 1998 to June 2000.

Ms. Lin has over 20 years of professional experience in audit, tax and transaction supports.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors, as notified to the Company, for the year ended 31 March 2026 and up to the date of this annual report are set out below:

Directors	Details of Changes
Dr. Chan Yau Ching, Bob	With effect from 16 January 2026, resigned as an independent non-executive director of China High Speed Transmission Equipment Group Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 658).
Mr. Yau Pak Yue	With effect from 18 June 2026, resigned as an independent non-executive director of Huscoke Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 704).
	With effect from 26 June 2026, appointed as an independent non-executive director of China Metal Resources Utilization Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1636).

Save as disclosed above, there is no change in Directors' information required to be disclosed.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Senior Management

Ou Zhong, aged 50, is the chief executive officer of a major subsidiary of the Company in Mainland China. He graduated from Guangdong University of Technology in Mainland China with a bachelor's degree in automation. Mr. Ou is a senior manager in the electronic technology industry and possesses more than 23 years of experience in the fields of corporate operations management, research and development of electronic products and market development. He has held senior positions in a number of state-owned enterprises and has a remarkable track record. He joined the Group in June 2017.

Ye Xian Bang, aged 55, is the production manager of a major subsidiary of the Company in Mainland China. He graduated from Huizhou University with a Bachelor's degree. He possesses more than 13 years of experience in the printing and packaging industry and has held senior management positions in a number of large Hong Kong-owned enterprises. He joined the Group in September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

During the Year, the Group's total revenue was approximately HK$43.4 million, representing a decrease of approximately 18.3% as compared with approximately HK$53.1 million for the last year. The decrease in total revenue was mainly due to (i) the decrease in revenue by approximately HK$6.1 million of the manufacturing and trading of printing and packaging products business (the "Printing Business") from approximately HK$33.8 million for the last year to approximately HK$27.7 million this year; and (ii) the decrease in revenue by approximately HK$3.6 million of the manufacturing and trading of printed circuit boards (the "PCB") business from approximately HK$19.3 million for the last year to approximately HK$15.7 million this year.

The Group recorded a revenue of approximately HK$27.7 million from the Printing Business during the Year, representing a decrease of 18.0% as compared with the revenue of approximately HK$33.8 million in last year. The decrease in revenue was mainly due to the weakened downstream demand caused by the trade barrier as well as geopolitical uncertainty that have disrupted the global economic recovery. As a result, the Group's Printing Business recorded a segment loss of approximately HK$12.6 million as compared with a segment loss of approximately of HK$11.0 million in last year. The increase in segment loss was mainly due to (i) the decrease in other income for this business by approximately HK$2.5 million mainly caused by the decrease in exchange gain; and (ii) the increase in administrative expenses by approximately HK$0.7 million net off with (iii) the increase in gross profit for this business by approximately HK$0.7 million mainly caused by the decrease in staff costs.

The Group recorded a revenue of approximately HK$15.7 million from the PCB business during the Year, representing a decrease of 18.7% as compared with the revenue of approximately HK$19.3 million in last year. The decrease in revenue was mainly due to weakened consumer sentiment caused by the disrupted global economic recovery. The Group's PCB business recorded a segment loss of approximately HK$1.6 million as compared with a segment loss of approximately HK$1.2 million for the last year. Such increase in segment loss was mainly attributable to (i) the decrease in gross profit for this business by approximately HK$1.4 million as a result of the decrease in revenue net off with (ii) the decrease in selling and distribution expenses for this business by approximately HK$0.5 million.

Due to the suspension of the Group's trading of petroleum and energy products and related business, there has been no revenue generated from this business segment since 2019. The business segment did not record any segment gain/loss this year.

During the Year, Noricap Fund G.P. Limited ("Noricap Fund") invested in a company which is principally engaged in the provision of automated trading platform service for cryptocurrency ("Investee"). Details are set out under the sub-headed section "Investments in Funds Business Segment" under "Outlook" below.

The Group's gross profit margin was approximately 21.9%, representing an increase as compared with approximately 19.3% in last year.

The Group recorded a total net loss of approximately HK$21.3 million for the Year as compared to the total net loss of approximately HK$21.1 million for the last year. The increase in the net loss for the Year was mainly due to the following factors: (1) decrease in other income by approximately HK$2.5 million as compared with the last year mainly caused by the decrease in exchange gain; (2) decrease in gross profit by approximately HK$0.7 million as compared with the last year due to the decrease in revenue net off with (3) a loss on disposal of subsidiaries of approximately HK$3.1 million last year, while no such loss was recorded for this year

The Group's equity attributable to the owners of the Company decreased from approximately HK$72.5 million as at 31 March 2025 to approximately HK$49.8 million as at 31 March 2026, which was mainly due to the reported loss for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gearing ratio (defined as interest-bearing borrowings and lease liabilities, divided by total capital) as at 31 March 2026 was 8.6% (2025: 2.8%). The increase in the gearing ratio was mainly due to the increase in interest-bearing borrowings by approximately HK$3.2 million. The Group's current ratio (defined as total current assets divided by total current liabilities) as at 31 March 2026 and 2025 was 1.19 times and 1.80 times, respectively. The decrease in the current ratio was mainly due to the decrease in cash and cash equivalents by approximately HK$16.7 million.

As at 31 March 2026, the Group's total cash and bank balances were approximately HK$3.2 million (2025: approximately HK$19.9 million).

Capital Structure

The capital structure of the Group during the year ended 31 March 2026 is summarised as follow:

Interest-bearing Borrowings

As at 31 March 2026, the balance of the interest-bearing borrowings was approximately HK$3.2 million (2025: Nil).

Foreign Exchange Exposure

The Group's transaction and monetary assets are principally denominated in RMB, HKD and USD. The Group did not experience any difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the Year. The Group did not enter into any foreign exchange derivative contracts to manage the currency translation risk of RMB against USD, USD against HKD during the Year, but the Group reviews its foreign exchange exposure regularly and considers using financial instruments to hedge against foreign exchange exposure at appropriate time.

Litigations

Except for those disclosed litigations as set out in Note 36 to the consolidated financial statements, the Group is not a party to any other significant legal proceedings.

Contingent Liabilities

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

Capital Commitments

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

Pledge of Assets

There were no borrowings secured by assets of the Group as at 31 March 2026 (2025: Nil).

Employees and Remuneration Policy

As at 31 March 2026, the Group had 204 (2025: 226) employees, including the Directors, working mainly in Hong Kong and the PRC. For the Year, the Group's total staff costs including Directors' emoluments were approximately HK$21.9 million (2025: approximately HK$24.5 million).

The Group actively recruits skilled and qualified personnel in local markets through various channels, such as internal referrals and advertisement on the internet. The Group believes that employees are important assets to the Group and the core of its competitive advantage. Therefore, we are dedicated to improving our employment system in order to attract, cultivate and retain talents and believe that this will contribute significantly to the Group's success. It provides competitive remuneration packages and fringe benefits, including basic salary, different types of leave (annual, sick, maternity, funeral, injury and breast-feeding), insurance, housing provident fund, allowance, subsidy and bonus to its employees.

The Company has also adopted a share option scheme as an incentive to, inter alia, the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme" below.

Under the applicable PRC laws and regulations, the Group is subject to social insurance contribution plans. The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all employees in Hong Kong.

The Group believes that development and training are crucial for employees to discharge their duties more effectively and efficiently. To nurture talents and support continuous development of employees, the Group has established the "Training Management Policy" in its "Employee Handbook" to regulate the processes of training planning, preparation, execution, evaluation and feedback.

Share Option Scheme

A share option scheme (the "Share Option Scheme") was approved and adopted by the passing of an ordinary resolution at a special general meeting of the Company held on 22 November 2016 (the "Date of Adoption") and further approved by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 June 2017, under which, options may be granted by the Company to any eligible participants (including executive, non-executive and independent non-executive Directors) to subscribe for shares of the Company (the "Share(s)"), subject to the terms and conditions as stipulated in Share Option Scheme. The Share Option Scheme shall be valid and effective for a period of 10 years after the Date of Adoption. An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant. An offer of grant of an option may be accepted by an eligible person within 28 days from the date of the offer of grant of the option.

The scheme mandate limit under the Share Option Scheme was refreshed by the passing of an ordinary resolution at the annual general meeting of the Company held on 23 September 2022 (the "2022 AGM"), following which the maximum number of Shares that may be issued by the Company upon exercise of all the share options granted under the Share Option Scheme is 161,328,757 Shares, representing 10% of the total number of issued shares of the Company as at the date of the 2022 AGM. The details of the refreshment of the scheme mandate limit under the Share Option Scheme are set out in the circular of the Company dated 27 July 2022.

During the Year and the year ended 31 March 2025, no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme. As at 31 March 2026, there were no outstanding share options under the Share Option Scheme.

As at 31 March 2026 and up to the date of this report, the total number of share options available for grant by the Company under the Share Option Scheme was 161,328,757, representing 10% of the Shares in issue.

Final Dividend

The Board does not recommend the payment of a final dividend for year ended 31 March 2026 (2025: Nil).

Significant Investment

Subscription

On 28 March 2025, the Group, through its indirect wholly-owned subsidiary, Guangzhou Jiasheng Electronic Trading Company Limited* (廣州嘉升電子貿易有限公司) ("Guangzhou Jiasheng"), entered into a capital injection agreement, and conditionally agreed to subscribe for approximately 15.12% of the enlarged registered capital of Beijing Weihang Yining Health Management Group Company Limited* (北京偉航奕寧健康管理集團有限公司) ("Weihang Yining"). The total amount of subscription is RMB28,500,000 (equivalent to approximately HK$30,495,000), of which RMB1,781,300 was injected as registered capital, and the remaining balance of RMB26,718,750 was injected to Weihang Yining's capital reserves ("Capital Injection"). The principal activity of Weihang Yining is operation of artificial intelligence medical system with assisting high-end medical resource integrated health management platform. The completion of the Capital Injection has taken place during the Year. The investment in Weihang Yining shall be classified as an associated company of the Group and accounted for using equity method in the consolidated financial statements of the Group. The financial results of an associated company will not be consolidated into the consolidated financial statements of the Group. The share of loss of an associate of the Group for the Year was approximately HK$0.7 million. The carrying amount of the investment was HK$29.8 million as at 31 March 2026 and represented approximately 32.7% of the total assets of the Group. No impairment loss was recognised in relation to the investment in an associate.

Further details of the subscription are set out in the announcement dated 28 March 2025 and the supplemental announcement dated 30 May 2025 published by the Company.

Future Plan for Material Investments and Capital Assets

The Group does not have any concrete plans for material investments or capital assets acquisitions for the coming 12 months.

Outlook

PCB Business Segment

The PCB products are primarily used in the consumer products such as smart residential buildings, commercial building central control system and consumer electronic products, and they are closely tied to the macroeconomic environment. Geopolitical conflicts imposed downside risk and disrupted the global economic recovery. Consumer sentiment has been affected across the overall market. Although downstream demand remains under pressure, surging demand for digital innovation and new energy vehicles could help alleviate the situation. The Group will continue to implement cost control measures and further advance the application of technologies in the embodied intelligence sector.

Printing Business Segment

The trade barrier and geopolitical uncertainty continue to affect the business unit. Customers tend to source the products from different countries to diversify the risk, which is affecting demand for this business segment. We expect the sales will remain under pressure. The Group will continue to expand its customer base and the product mix while implementing cost control measures and optimizing inventory management.

Investments in Funds Business Segment

The Group, through Digital Mind Investments Limited ("Digital Mind"), entered into a joint venture agreement in July 2022, in relation to the subscription of the 40% of equity interests in Noricap Fund which is engaged in investment holdings and subscription and management of a special purpose fund ("SP Fund") or making other investments as agreed with the joint venture partners. The Group provided a loan of approximately HK$19.8 million with the terms stipulated in the joint venture agreement to Noricap Fund for making temporary investments with stable return.

On 29 July 2024, Noricap Fund entered into a sale and purchase agreement with an independent third party, pursuant to which Noricap Fund has conditionally agreed to invest in a company which is principally engaged in the provision of automated trading platform service for cryptocurrency ("Investee"). The Investee has already obtained the licenses from the Securities and Futures Commission ("SFC") and other requisite licenses necessary to conduct the key business. The transaction was completed during the Year, and Noricap Fund paid out the amount of approximately HK$18.1 million and indirectly acquired approximately 0.86% of the equity shares of the Investee.

On 30 June 2025, Digital Mind and LBG Equity Investments (HK) Co., Limited ("LBG") mutually agree to terminate the joint venture agreement as LBG had not fulfilled its obligations in relation to the agreed provision of shareholder's loan. On the same day, Digital Mind entered into a new joint venture agreement with HKFA Clearing Limited ("HKFA") with the terms based on the original one. Further details are set out in the announcement dated 30 June 2025.

The Board is of the view that the provision of the shareholder's loan for the purpose of making other investments as agreed by the joint venture partners will present an investment opportunity to maximise return of the Group's fund and allow the Group to diversify its business and sources of income.

MANAGEMENT DISCUSSION AND ANALYSIS

Smart Healthcare Business Segment

As detailed in the section "Subscription" under "Significant Investment" above, the Group, through Guangzhou Jiasheng, entered into an agreement on 28 March 2025, and subscribed for the capital of the Weihang Yining. The Board is of the view that such investment will enable the Group to diversify the scope of its operations. It is in line with the Group's strategy to strengthen its financial performance as the investment will enable the Group to diversify its income stream.

Meanwhile, on 7 April 2026, the Group jointly established a subsidiary with Weihang Yining and Beijing Jsmart Embodied Intelligent System Co., Ltd.*(北京金安具身智能系統有限公司), which is principally engaged in the commercial application and development of artificial intelligence ("AI") and intelligent robots in the fields of medical treatment, rehabilitation and elderly care.

Other Businesses and Historical Litigation Matters

As advised by our legal advisers, the Group had fully disposed of the relevant former subsidiaries (Pacific Dragon (HK) Energy Limited, etc.) during the year ended 31 March 2025, with no residual joint and several compensation liability. The cases were concluded upon the disposal of the subsidiaries. Detailed accounting records are set out in Note 36 to the consolidated financial statements.

In the era of rapid technological advancement, AI and robotics technology are profoundly reshaping global industries. The Group is currently actively pursuing a strategic expansion into the AI and robotics industries. This new strategic development will enable the Group to diversify its revenue sources and tap into high-growth markets that were previously out of reach.

In order to present a more appropriate and refreshed corporate image, the Group also proposed to change its name to Jsmart Technologies Group Limited (金安具身智能科技集團有限公司) in April 2026, which was further approved at a special general meeting of the Company held on 22 May 2026. Further details are set out in the announcements published by the Company on 24 April 2026 and 22 May 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Events after the Reporting Year

Change of Substantial Shareholders

On 2 April 2026, the Board has been informed that Spring Global Enterprises Limited ("Spring Global"), a substantial shareholder of the Company (the "Substantial Shareholder") (as defined under the Listing Rules) that it, as a vendor, has entered into a sale and purchase agreement with Jsmart Technologies Limited ("Jsmart") as the purchaser in relation to the sale and purchase of 280,000,000 Shares, representing approximately 17.36% of the entire issued share capital of the Company as at 7 April 2026 (the "Transfer"). Completion of the Transfer took place on 7 April 2026. Following the completion of the Transfer, Jsmart became the Substantial Shareholder holding 17.36% shareholding interest in the Company and Dr. Sun, who is the Director, is the sole director of Jsmart and Jsmart is jointly owned by two shareholders, Dr. Sun and his spouse, Ms. Ma Ying. As such, Dr. Sun and Ms. Ma Ying are deemed to be interested in the 280,000,000 Shares held by Jsmart within the meaning of Part XV of the SFO. Also, Spring Global has ceased to hold any Shares and has ceased to be a Substantial Shareholder and a Shareholder. In the meantime, Mr. Ng Man Chan, who is the sole shareholder of Spring Global, remains as the beneficial owner of 120,068,000 Shares, representing approximately 7.44% of the entire issued share capital of the Company, and in addition, continues to hold 25,960,000 Shares, representing approximately 1.61% of the entire issued share capital of the Company, jointly with Ms. Li Mi Lai, the spouse of Mr. Ng Man Chan. Details have been disclosed in the announcements of the Company dated 30 March 2026, 31 March 2026 and 7 April 2026 respectively.

Change of the Company's Address of Principal Place of Business in Hong Kong

The Company's address of principal place of business in Hong Kong has been changed to Suite 22C, 22/F, 228 Electric Road, North Point, Hong Kong with effect from 15 May 2026. Details have been disclosed in the announcement of the Company dated 15 May 2026.

Change of the Company's Name

Pursuant to (1) a special resolution passed by the Shareholder on 22 May 2026, (2) the certificate of change of name and the certificate of secondary name issued on 1 June 2026 by the Registrar of Companies in Bermuda with effective date of 28 May 2026, and (3) the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company issued by the Registrar of Companies in Hong Kong on 12 June 2026 under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the name of the Company has been changed from "Daisho Microline Holdings Limited"to"Jsmart Technologies Group Limited", and the Chinese name "金安具身智能科技集團有限公司" has been registered as the secondary name to replace the former Chinese name "大昌微綫集團有限公司", which was for identification purpose only.

Change of Stock Short Name of the Company

The stock short name of the Shares for trading on the Stock Exchange has been changed from "DAISHOMICROLINE" to "JSMART TECH" in English and from "大昌微綫集團" to "金安智能" in Chinese with effect from 25 June 2026. The stock code of the Company on the Stock Exchange remains unchanged as "00567".

Change of the Website of the Company

The Company's website has been changed from "www.irasia.com/listco/hk/daisho" to "www.jsmartech.hk" with effect from 25 June 2026.

Save as disclosed elsewhere in the consolidated financial statements, there were no significant events occurred after the Year and up to the date of the consolidated financial statements.

REPORT OF THE DIRECTORS

The Directors present herewith their report and the audited consolidated financial statements of the Company and its subsidiaries for the Year.

Principal Activities

The principal activity of the Company is investment holding. The Group operates its business mainly through four segments: (i) the PCB segment engages in the manufacturing and trading of PCB; (ii) the Printing Business segment engages in the manufacturing and trading of printing and packaging products; (iii) the trading of petroleum and energy products and related business segment; and (iv) investments holding. The principal activities of the principal subsidiaries are set out in Note 16 to the consolidated financial statements.

Results and Dividends

The Group's results for the Year are set out in the consolidated statement of profit or loss on page 89 of this report.

The Board does not recommend the payment of any dividends in respect of the Year (for the year ended 31 March 2025: Nil).

Business Review

Further discussion and analysis of the principal activities of the Group as required by Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622), including a fair review of the Group's business and a discussion of the principal risks and uncertainties facing by the Group, an indication of likely future development in the Group's business, a discussion on the Company's environmental policies and performance, and key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends, can be found in the "Chairman's Statement" section on pages 3 to 4, the "Management's Discussion and Analysis" section on pages 10 to 15, this Report of the Directors, the "Environmental, Social and Governance Report" section on pages 26 to 64, the "Corporate Governance Report" section on pages 65 to 82 and Note 35 to the consolidated financial statements on pages 156 to 163 of this annual report, all of which forms part of this Report of the Directors.

An analysis using financial key performance indicators is provided in the section of "Summary Financial Information" in this Report of the Directors and "Management Discussion and Analysis" on pages 10 to 15 of this annual report.

Compliance with Laws and Regulations

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the Year.

For more details, please refer to the Environmental, Social and Governance Report on pages 26 to 64 of this annual report.

REPORT OF THE DIRECTORS

Summary Financial Information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the consolidated financial statements, is set out below.

Results

	Year ended 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue					
Continuing operations	**43,426**	53,097	85,584	83,758	106,471
Discontinued operation	**–**	–	–	–	2,767
	43,426	53,097	85,584	83,758	109,238
Loss before income tax from continuing and discontinued operations	**(21,285)**	(21,285)	(11,873)	(25,868)	(29,149)
Income tax (expense)/credit from continuing and discontinued operations	**14**	159	–	(149)	21
Loss for the year	**(21,271)**	(21,126)	(11,873)	(26,017)	(29,128)
Loss attributable to:					
Owners of the Company	**(21,271)**	(21,126)	(11,873)	(26,017)	(29,128)

Assets and Liabilities

	As at 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**44,991**	48,409	46,896	49,930	50,543
Current assets	**46,107**	56,505	78,213	94,673	125,065
Assets classified as held for sale	**–**	–	–	–	–
Current liabilities	**(38,792)**	(31,395)	(31,282)	(38,376)	(42,801)
Liabilities associated with assets classified as held for sale	**–**	–	–	–	–
Net current assets	**7,315**	25,110	46,931	56,297	82,264
Non-current liabilities	**(2,529)**	(1,000)	(14)	(313)	(146)
Total equity	**49,777**	72,519	93,813	105,914	132,661

Donations

During the Year, the Group made charitable and other donation in the total amount of HK$Nil (2025: HK$Nil).

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 12 to the consolidated financial statements.

Share Capital

Details of the Company's authorised and issued share capital are set out in Note 29 to the consolidated financial statements.

Share Option Scheme

Pursuant to the Company's special general meeting on the date of adoption of share option scheme (the "Date of Adoption"), an ordinary resolution was passed to approve and adopt the share option scheme (the "Share Option Scheme") which was further subject to approval by the Listing Committee of the Stock Exchange (the "Listing Committee") of granting the listing approval (the "Listing Approval"). On 23 June 2017, the Listing Approval was confirmed by the Listing Committee.

The scheme mandate limit under the Share Option Scheme was refreshed by the passing of an ordinary resolution at the 2022 Annual General Meeting of the Company ("2022 AGM"), following which the maximum number of Shares that may be issued by the Company upon exercise of all the share options granted under the Share Option Scheme is 161,328,757 Shares, representing 10% of the total number of issued Shares as at the date of the 2022 AGM. The details of the refreshment of the scheme mandate limit under the Share Option Scheme are set out in the circular of the Company dated 27 July 2022.

The purpose of the Share Option Scheme is to provide the incentives or rewards to the eligible persons for their contribution to, and continuing efforts to promote interests of, the Company and to enable the Group to recruit and retain high-calibre employees. Eligible persons of the Share Option Scheme include (i) any Director (whether executive or non-executive, including independent non-executive Director) or employee (whether full time or part time) of the Company or any of its subsidiaries or associated companies; (ii) consultant, adviser, supplier or customer of the Company or any of its subsidiaries or associated companies; and (iii) any other group of classes of participants which the Board may, from time to time in its absolute discretion, consider appropriate on basis of such participants' contribution or potential contribution to the development, growth or benefit of the Company or any of its subsidiaries or associated companies. The Share Option Scheme will remain in force for 10 years from the Date of Adoption, unless otherwise terminated or altered. As at 31 March 2026, the remaining life of the Share Option Scheme is approximately 8 months. An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant. An offer of grant of an option may be accepted by an eligible person within 28 days from the date of the offer of grant of the option. The Board may in its absolute discretion impose any condition(s) as it deems appropriate with respect to the grant of the option to the eligible persons, including the vesting period (if any).

Upon refreshment of the scheme mandate limit, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not exceed 10% of the total number of Shares in issue as at the date of the 2022 AGM i.e. 161,328,757 Shares (the "10% Limit") or the date of any Shareholders' meeting in refreshing the 10% Limit, if applicable. Unless approved by the Shareholders in accordance with the Listing Rules, the maximum number of shares issued and issuable to each eligible person under the Share Option Scheme in any 12-month period shall not exceed 1% of the total number of Shares in issue as at proposed grant date. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting of the Company. Before the refreshment and as at the beginning of the Year, the total number of options available for grant under the Share Option Scheme was 9,624,000 shares which represented approximately 0.60% of the total number of ordinary Shares in issue. After the refreshment and as at the end of the Year, the total number of options available for grant under the Share Option Scheme was 161,328,757 Shares which represented 10% of the total number of ordinary Shares in issue as at the date of this report.

As at 31 March 2026, there was no service provider sublimit adopted under the Share Option Scheme; and no share options were issued to service providers under Rule 17.03(3) of the Listing Rules.

Share options granted to a Director, chief executive or substantial Shareholder, or to any of their associates, are subject to approval by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of such options). In addition, any share options granted to an independent non-executive Director or a substantial Shareholder, or to any of their associates, in excess of 0.1% of the total number of Shares in issue at any time and with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK$5,000,000 within any 12-month period, are subject to Shareholders' approval in advance in a general meeting of the Company.

The offer of a grant of share options may be accepted upon payment (with no deadline specified) of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board and commences from the date on which the offer of share options is duly accepted by the grantee in accordance with the Share Option Scheme.

The exercise price of share options is determined by the Board, and shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation on the date of the offer of the share options; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer of the share options; and (iii) the nominal value of the Shares. During the Year, no share options were granted, exercised, lapsed or cancelled, and there were no outstanding share options under the Share Option Scheme as at 1 April 2025 and 31 March 2026.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-Laws (the "Bye-Laws") or the laws of Bermuda which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

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 were in existence during the Year.

Equity-Linked Agreements

Save for the Share Option Scheme as disclosed in this report, no equity-linked agreements were entered into by the Company or subsisted at any time during the Year.

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year (including sale of treasury shares). As at the end of the Year, no treasury shares were held by the Company.

Distributable Reserves

As at 31 March 2026 and 31 March 2025, the Company did not maintain any reserve available for distribution to Shareholders, calculated under the provisions of the Companies Act 1981 of Bermuda.

The Company's share premium account may be distributed in the form of fully paid bonus shares. Details of movements in the reserves of the Company and the Group during the Year are set out in Note 30 to the consolidated financial statements and in the consolidated statement of changes in equity on page 93 of this annual report, respectively.

Major Suppliers and Customers

The percentages of the Group's purchases and sales for the Year attributable to the largest and five largest suppliers and customers of the Group respectively are as follows:

a.	Percentage of purchases attributable to the:	
	– Largest supplier	14%
	– Five largest suppliers	35%
b.	Percentage of sales attributable to the:	
	– Largest customer	31%
	– Five largest customers	73%

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest suppliers and customers.

Directors

The Directors who held office during the Year and up to the date of this report were:

Executive Directors:

Mr. Lee Man Kwong *(Chairman)*
Dr. Sun Jingan *(Appointed on 20 April 2026)*

Non-executive Directors:

Mr. Yau Pak Yue
Mr. Wong Siu Hung, Patrick *(Resigned on 20 April 2026)*

Independent non-executive Directors:

Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming
Ms. Lin Ying

Dr. Sun Jingan has been appointed as an executive Director and as an authorised representative of the Company under Rule 3.05 of the Listing Rules (the "Authorised Representative") with effect from 20 April 2026.

Mr. Wong Siu Hung, Patrick resigned as a non-executive Director and as an Authorised Representative with effect from 20 April 2026.

Under Bye-Law 99 of the Bye-Laws, at each annual general meeting of the Company, 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 save for a Director holding office as chairman or managing Director, every Director shall be subject to retirement by rotation at least once every three years.

REPORT OF THE DIRECTORS

Under Bye-Laws 102(A) and 102(B) of the Bye-Laws, which provides that the Company may from time to time in general meeting of the Company by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director; or subject to authorisation by the Shareholders in a general meeting of the Company, the Directors shall until and unless such authorisation shall be revoked, have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or (subject to the provisions of the Companies Act) as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company. Hence, any Director be appointed by the Shareholders or Directors to fill a casual vacancy shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

In accordance with Bye-Laws 99 and 102 of the Bye-Laws, Dr. Sun Jingan, Dr. Chan Yau Ching, Bob and Dr. Leung Hoi Ming will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company to be held on Friday, 25 September 2026 (the "AGM").

The Company has received from each of the independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent during the year.

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Company are set out on pages 5 to 9 of this annual report.

Directors' Service Contracts

No Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Emoluments

Details of the remuneration of the Directors on named basis during the Year are set out in Note 10 to the consolidated financial statements.

Litigations

Save as disclosed outstanding litigations set out in Note 36 to the consolidated financial statements, the Group is not a party to any other significant legal proceedings.

Permitted Indemnity Provisions

A permitted indemnity provision for the benefit of the Directors and officers of the Company is currently in force and was in force throughout the Year. Pursuant to the Bye-Laws, the Directors and the officers of the Company 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 may incur or sustain by reasons of any act done, concurred in or omitted in or about the execution of their duties. The Company has maintained liability insurance to provide appropriate cover for the Directors and officers of the Group.

Directors' Interests in Transaction, Arrangements or Contracts of Significance

No 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 the Year.

Related Party/Connected Transactions

The significant related party transactions made during the Year were disclosed in Note 34 to the consolidated financial statements. The transactions set out therein fall within the definition of connected transactions under Chapter 14A of the Listing Rules, but are subject to exemptions under Chapter 14A of the Listing Rules and thus are fully exempt from the independent Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

Directors' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2026, the interests and short positions of the Directors in the Shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, was as follow:

Name of Director	Nature of Interests	Number of Issued Ordinary Shares Held (Long Position)	Approximate Percentage of the Company's Issued Share Capital (Note)
Lee Man Kwong	Beneficial owner	10,000	0.0006%

Note:

The approximate percentage was calculated based on 1,613,287,570 shares in issue as at 31 March 2026.

Save as disclosed above, as at 31 March 2026, none of the Directors had any interest or short position in the Shares and underlying shares of the Company or any of its associated corporations that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Arrangement to Purchase Shares or Debentures

Other than the Share Option Scheme disclosed in this annual report, at no time during the Year and at the end of the Year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 31 March 2026, the interests of the substantial Shareholders and other persons, other than a Director or chief executive of the Company, in the Shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Capacity and Nature of Interest	Number of Issued Ordinary Shares held (Long positions)	Approximate Percentage of the Company's Issued Share Capital (Note 4)
Spring Global Enterprises Limited (Note 1)	Beneficial owner	280,000,000	17.36%
Ng Man Chan (Note 2)	Beneficial owner/interest in controlled corporation/Interests held jointly with another person	426,028,000	26.41%
Li Mi Lai (Note 3)	Interest of spouse/Interests held jointly with another person	426,028,000	26.41%
Apact Consultancy (Hong Kong) Company Limited	Investment manager	103,826,000	6.44%

Notes:

(1) Spring Global Enterprises Limited is wholly-owned by Ng Man Chan. Ng Man Chan is deemed to be interested in all the Shares in which Spring Global Enterprises Limited is interested under Part XV of the SFO.

(2) 426,028,000 Shares comprise 120,068,000 Shares directly held by Ng Man Chan, 280,000,000 Shares held through Spring Global Enterprises Limited and 25,960,000 Shares jointly held with his spouse, Li Mi Lai.

(3) Li Mi Lai is the spouse of Ng Man Chan. By virtue of Part XV of the SFO, Li Mi Lai is deemed to be interested in the same number of Shares in which Ng Man Chan is deemed to be interested under Part XV of the SFO. Li Mi Lai also holds 25,960,000 Shares jointly with her spouse, Ng Man Chan.

(4) The approximate percentages were calculated based on 1,613,287,570 Shares in issue as at 31 March 2026.

Save as disclosed above, as at 31 March 2026, no other persons had any interest or short position in the Shares or underlying shares of the Company that was required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

REPORT OF THE DIRECTORS

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public throughout the Year and as at the date of this report.

Directors' Interest in a Competing Business

During the Year and up to the date of this report, no Directors is considered to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Corporate Governance

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 65 to 82 of this annual report.

Events after Reporting Period

Change of Substantial Shareholders

On 2 April 2026, the Board has been informed that Spring Global Enterprises Limited ("Spring Global"), a substantial shareholder of the Company (the "Substantial Shareholder") (as defined under the Listing Rules) that it, as a vendor, has entered into a sale and purchase agreement with Jsmart Technologies Limited ("Jsmart") as the purchaser in relation to the sale and purchase of 280,000,000 Shares, representing approximately 17.36% of the entire issued share capital of the Company as at 7 April 2026 (the "Transfer"). Completion of the Transfer took place on 7 April 2026. Following the completion of the Transfer, Jsmart became the Substantial Shareholder holding 17.36% shareholding interest in the Company and Dr. Sun, who is the Director, is the sole director of Jsmart and Jsmart is jointly owned by two shareholders, Dr. Sun and his spouse, Ms. Ma Ying. As such, Dr. Sun and Ms. Ma Ying are deemed to be interested in the 280,000,000 Shares held by Jsmart within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Also, Spring Global has ceased to hold any Shares and has ceased to be a Substantial Shareholder and a Shareholder. In the meantime, Mr. Ng Man Chan, who is the sole shareholder of Spring Global, remains as the beneficial owner of 120,068,000 Shares, representing approximately 7.44% of the entire issued share capital of the Company, and in addition, continues to hold 25,960,000 Shares, representing approximately 1.61% of the entire issued share capital of the Company, jointly with Ms. Li Mi Lai, the spouse of Mr. Ng Man Chan. Details have been disclosed in the announcements of the Company dated 30 March 2026, 31 March 2026 and 7 April 2026 respectively.

Change of the Company's Address of Principal Place of Business in Hong Kong

The Company's address of principal place of business in Hong Kong has been changed to Suite 22C, 22/F, 228 Electric Road, North Point, Hong Kong with effect from 15 May 2026. Details have been disclosed in the announcement of the Company dated 15 May 2026.

Change of the Company's Name

Pursuant to (1) a special resolution passed by the Shareholder on 22 May 2026, (2) the certificate of change of name and the certificate of secondary name issued on 1 June 2026 by the Registrar of Companies in Bermuda with effective date of 28 May 2026, and (3) the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company issued by the Registrar of Companies in Hong Kong on 12 June 2026 under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the name of the Company has been changed from "Daisho Microline Holdings Limited" to "Jsmart Technologies Group Limited", and the Chinese name "金安具身智能科技集團有限公司" has been registered as the secondary name to replace the former Chinese name "大昌微綫集團有限公司", which was for identification purpose only.

REPORT OF THE DIRECTORS

Change of Stock Short Name of the Company

The stock short name of the Shares for trading on the Stock Exchange has been changed from "DAISHOMICROLINE" to "JSMART TECH" in English and from "大昌微綫集團" to "金安智能" in Chinese with effect from 25 June 2026. The stock code of the Company on the Stock Exchange remains unchanged as "00567".

Change of the Website of the Company

The Company's website has been changed from "www.irasia.com/listco/hk/daisho" to "www.jsmartech.hk" with effect from 25 June 2026.

Save as disclosed events after reporting period set out above and in Note 39 to the consolidated financial statements, there were no significant events affecting the Company that have occurred since the end of the Year.

Auditor

The consolidated financial statements of the Group for the Year have been audited by Prism Hong Kong Limited, *Certified Public Accountants*, who will retire and, being eligible, offers itself for re-appointment and a resolution for its re-appointment as independent auditor of the Company will be proposed at the AGM.

Environmental, Social and Governance

The Environmental, Social and Governance ("ESG") exercise for the Year have been undertaken by a third party consultant which enables the Company to present a succinct and balanced account of our ESG related matters to our stakeholders in a transparent manner which are set out in the ESG Report on pages 26 to 64 of this annual report.

On behalf of the Board

Lee Man Kwong
Chairman

Hong Kong
18 June 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Report Overview

Jsmart Technologies Group Limited (formerly known as Daisho Microline Holdings Limited) ("**Jsmart Technologies**" together with its subsidiaries, collectively known as the "**Group**", "**We**"), is pleased to present our Environmental, Social and Governance Report (the "**ESG Report**" or the "**Report**") to our stakeholders. This Report describes the ESG activities, challenges and measures taken by the Group from 1 April 2025 to 31 March 2026 (the "**Reporting Period**", the "**Year**" or "**2026**").

Reporting Scope

The reporting scope is consistent with the annual report and covers all the continuing operations that are the principal source of revenue of the Group, which includes the head office in Hong Kong, PCB business and printing business operated in Hong Kong and the People's Republic of China (the "**PRC**") and has no significant changes compared to last year. The Group will continue to assess the major ESG aspects of different businesses to determine whether to expand the scope of reporting.

Reporting Framework

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") as set out in Appendix C2 of the Rules Governing the Listing Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Exchange**"). During the preparation for this Report, the Group applied the reporting principles stipulated in the ESG Reporting Code as follows:

Materiality: A high priority is given to issues important to the Group and its stakeholders. Throughout the interaction with internal management, employees and external stakeholders, the Group has identified various material sustainability issues that need to be addressed. The preparation of this Report was based on these material issues. Please refer to the Stakeholder Engagement and Materiality Assessment sections for further details.

Quantitative: Quantitative information is provided so that a measurable target can be set and the ESG performance can be evaluated objectively. Additional clarifications have been added to the quantitative data in this Report to explain any standards, methodologies and conversion factors used in calculating emissions and energy consumption.

Balance: In this Report, the Group provides an unbiased picture of its ESG performance by reviewing and disclosing the achievements, areas for improvement, and plans.

Consistency: This Report's scope and preparation are substantially consistent with the previous year, and explanations regarding data with a change in the scope of disclosure and calculation methodologies are provided.

Forward-looking Statements

This Report contains forward-looking statements based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it and its subsidiaries operate. The forward-looking statement is not a guarantee of future performance and is subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ from the assumptions and statements in this Report.

Contact Us

We welcome stakeholders to provide opinions and suggestions. You are welcome to provide valuable feedback on this ESG Report or our sustainability performance at:
Email: info@jsmartech.hk

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

Board Statement

The Board is pleased to present the ESG initiatives, strategies, plans and performance of the Group, and demonstrate its commitment to sustainable development in this ESG Report. Sustainability affects every part of our business. The Group uses both top-down and bottom-up approaches to engage employees and stakeholders in long-term sustainable development. The Board oversees making sure our risk management and internal control systems work effectively. We have created an ESG governance framework to align our sustainability efforts with our strategic growth and to integrate ESG principles into our daily operations.

The diagram below provides an illustration of our governance infrastructure, on the decision-making level and the management and implementation level:

Board-Decision Making Level

- Oversee all ESG related approaches, strategies and policies
- Assess ESG critical issues, climate-related risks and opportunities
- Set goals and specific indicators and oversee the Group's sustainable development performance

ESG Working Group-Management and Implementation Level

- Identify and report on major ESG issues, risks and opportunities
- Implement sustainable development initiatives, review related policies, evaluate and make recommendations on governance and strategy issues
- Evaluate sustainable development performance and progress based on goals

The Board

The Board is responsible for overseeing all ESG issues of the Group. It holds the ultimate responsibility for monitoring the Group's ESG performance, management strategies, and policies. To improve our ESG efforts and spot potential risks and opportunities, the Board regularly works with the ESG Working Group to assess important ESG issues based on stakeholder feedback.

The Board sets long-term, Medium-term and short-term sustainability goals to inspire and encourage innovation. We have strong support for our policies and frameworks that guide us on our sustainability journey.

ESG Working Group

Duties of the ESG Working Group include ESG data collection and data analysis for the ESG report. The ESG Working Group is also responsible for monitoring and evaluating the ESG performance to ensure regulations are fully complied. Regular meetings are carried out to assess the effectiveness of the current policies for ongoing improvements.

The ESG Working Group discusses material ESG topics in a timely manner and integrated ESG concerns into strategy development for risk management and opportunities optimisation. Through analysis and discussion, the ESG Working Group sets out different ESG initiatives as part of the sustainable development process, turning the identified threats into opportunities through policy formulation and implementation.

STAKEHOLDER ENGAGEMENT

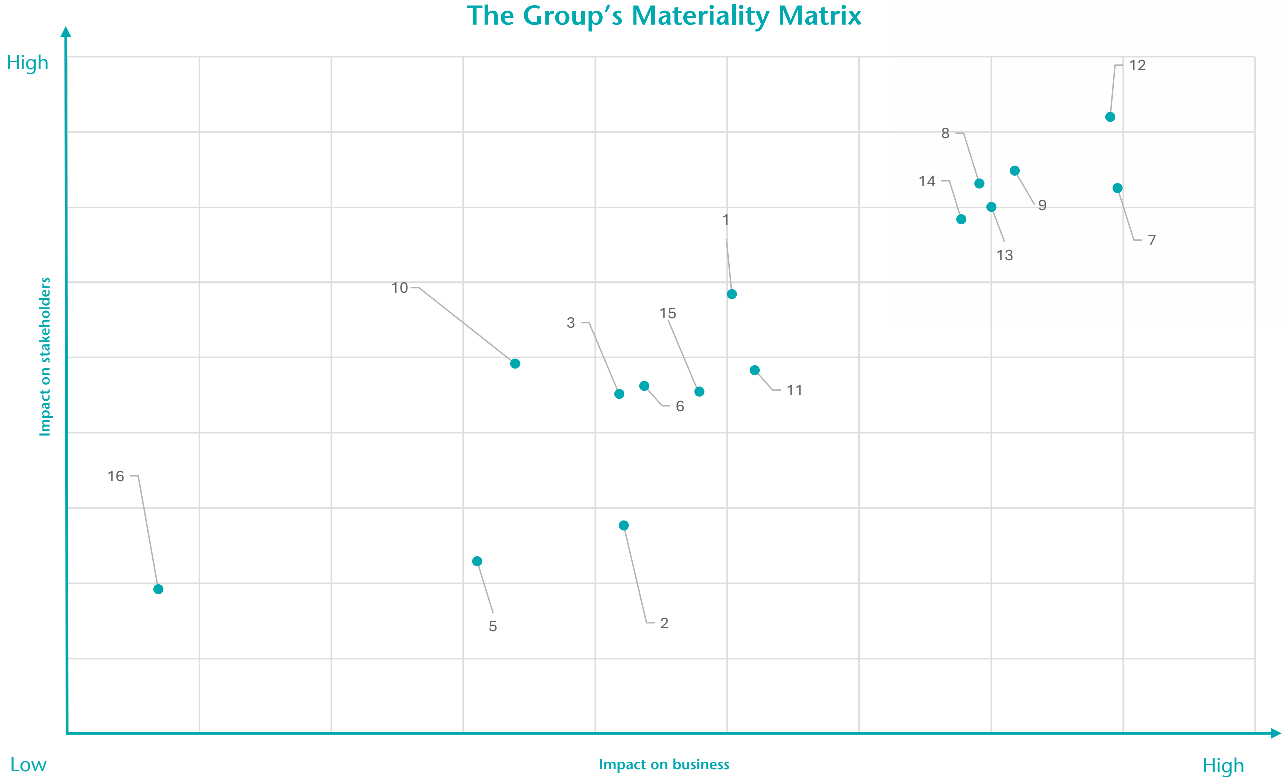
The Group recognises the importance of stakeholder feedback regarding its sustainable development efforts. To foster better communication, we actively encourage stakeholders to share their feedback on the Group's strategy through various channels. We are dedicated to understanding and meeting stakeholders' evolving expectations, aiming to enhance our ESG performance and create more value for the broader community.

Stakeholders	Key communication channels	Concerns
Shareholders and Investors	• General meetings (annual and special general meetings) • Interim and annual reports • Announcements and circulars	• Complying with relevant laws and regulations • Disclosure of latest corporate information in due course • Financial results • Corporate sustainability
Customers	• Emails • Customer meetings • After-sales services	• Product and service responsibility • Customer information and privacy protection
Employees	• Staff appraisals • Regular meetings • Emails and telephone calls • Employee handbook • Customised trainings	• Health and safety • Equal opportunities • Remuneration and benefits • Career development
Government and regulatory authorities	• Company website • Legal counsel • Meetings, emails and telephone	• Business ethics • Complying with relevant laws and regulations
Community	• ESG reports • Press releases and announcements • Interim and annual reports	• Giving back to society • Environmental protection • Compliant operations

MATERIALITY ASSESSMENT

Through the materiality review, the ESG Working Group has identified and assessed 16 relevant ESG issues based on the Group's businesses based and circumstances. They are categorised as follows, and the results in the materiality analysis were reviewed and endorsed by the Board.

The Group's Materiality Matrix



1. Emission Control	2. Energy Consumption and Management	3. Packaging Material Usage	4. Waste and Wastewater Management
5. Conservation of Natural Environment	6. Employment Practices	7. Occupational Health and Safety	8. Employee Training and Development
9. Labour Standards	10. Diversity and Equality Relations	11. Supply Chain Management	12. Product and Service Quality
13. Intellectual Property Protection	14. Privacy Protection	15. Anti-Corruption	16. Community Investment

RESPONDING TO CLIMATE CHANGE

Climate Governance

The Board bears overall oversight responsibilities for climate-related risks and opportunities, with its authority, roles and accountabilities in relation to ESG and climate governance clearly defined under the Group's corporate governance framework.

The Board considers a broad spectrum of climate-related risks and opportunities in setting the Group's strategic direction, and ensures these factors are fully integrated into its oversight of strategy, major transactions, and policies. ESG considerations and stakeholder expectations are fully embedded in decision making by regularly assessing whether proposed transactions, and controls and mitigation measures align with the Group's climate commitments. The Board balances short-term financial implications with long-term resilience to support informed, forward-looking decisions that enable sustainable performance.

The ESG Working Group reports to the Board at least annually on climate-related risks and opportunities. In addition to the annual formal report, the Board receives ad-hoc updates on material climate-related events, regulatory changes and emergency risks as they arise, and holds dedicated climate strategy sessions at least annually. The Board further oversees the development of climate-related targets, ensuring they are grounded in credible data, aligned with strategic priorities, and supported by clear execution plans. It reviews progress against these targets on a regular basis and raises queries where gaps or delays arise. Although climate-related performance indicators have not yet been incorporated into remuneration policies, the Group's commitment to achieving its climate objectives remains fully intact.

The day-to-day management of climate-related risks and opportunities is delegated to the ESG Working Group, which is chaired by a member of the Group's senior management and comprises representatives from different departments. The ESG Working Group reports directly to the Board, which reviews its climate goal performance annually.

Internal controls and review mechanisms are integrated into the operations of business units. These include periodic climate-related risks assessments, as well as cross-functional reviews of regulatory and market developments.

To support the implementation of the Group's climate-related strategies, the skills and competencies of the Board and members in the ESG Working Group are regularly assessed against market standards to ensure that they remain sufficient and up-to-date over time. All Directors and members of the ESG Working Group are briefed on sustainability matters through updated materials as appropriate. The Board is kept informed of emerging ESG developments, including energy policies, regulatory updates, and evolving market best practices. Relevant ESG materials and insights are made available to support Directors and senior management in updating their related knowledge.

Strategy

The Group continuously monitors global and local policy trends and action progress in addressing climate change. Drawing on internationally mainstream climate scenario analysis frameworks, it identifies, assesses and addresses climate-related risks and opportunities that may affect business operations and the value chain.

We integrate climate-related considerations into corporate strategy and business planning and clearly define the scope of impacts across three time horizons: short-term (1–5 years), medium-term (6–10 years) and long-term (over 10 years). This ensures that climate risk management is aligned with the Group's sustainable development strategy.

short-term (1–5 years) → **medium-term (6–10 years)** → **long-term (over 10 years)**

We screen and identify climate-related risks and opportunities by comprehensively considering the Group's business model and value chain, industry practices, and outcomes of stakeholder engagement. We clarify the concentration of such risks and opportunities across the Group's own operations and value chain, establish a risk and opportunity inventory, and conduct ongoing monitoring and management efforts.

Managing Climate-related Risks and Opportunities

Climate change presents both risks and opportunities. We take a balanced approach that considers potential positive and negative impacts, enabling us to maximise value while minimising adverse effects on our business.

Physical Risks, Transition Risks and Opportunities

We categorise climate-related impacts into physical risks, transition risks and opportunities that are reasonably expected to affect our cash flows, access to finance, or cost of capital.

- **Physical risks:** These include acute events – such as extreme heat, rainfall, storms and other natural disasters – that may disrupt our supply chain and infrastructure, as well as chronic changes like rising sea levels and shifting climate patterns that could affect long term business viability.

- **Transition risks:** They stem from the global shift toward a low carbon economy, including more stringent laws and regulations on environmental protection, carbon emission and waste generation. Technological developments and changing market preferences for green companies may require adjustments to our business model and operations. These changes may lead to increased risks of regulatory non-compliance resulting in legal, technological, market and reputational risks.

- **Opportunities:** The transition to a low-carbon business model may bring us opportunities. Growing ESG awareness among consumers gradually shapes the market as preferences shift toward more responsible businesses. Efforts to improve energy efficiency and reduce waste not only lower operating costs in the short-term but also help streamline and optimise operations over the medium term. Emerging low-carbon markets are expected to mature within the next three to ten years, creating new opportunities for growth and innovation. By actively disclosing ESG performance and taking concrete action, we can enhance our reputation, attracting new capital and customers.

Effects on Business Model and Value Chain

The ESG Reporting Code's implementation reliefs have been applied in this section:

	Reasonable Information Relief	Commercial Sensitivity Relief	Financial Effects Relief
Current financial effects			Yes
Anticipated financial effects	Yes	Yes	Yes
Metrics in cross-industry categories	Yes		

The Group has identified the following risks and opportunities on its business model and value chain:

<table>
<tr><th>Risk Type</th><th>Description</th><th>Effects on Business Model</th><th>Effects on Value Chain</th><th>Qualitative Financial Impact</th></tr>
<tr><td colspan="5">Physical Risks</td></tr>
<tr><td>Acute Risk
Time Horizon:
Short to long term</td><td>Increased severity of extreme weather</td><td rowspan="2">• Damages manufacturing plant and catering premises assets in areas affected by extreme weather
• Increases in need for air-conditioning and energy use
• Sharp rise in energy costs for PCB manufacturing (high-precision temperature control) and printing operations (drying processes)</td><td rowspan="2">• Disrupts cross-border supply chains for PCB raw materials (copper, laminates), printing paper and petroleum products
• Reduces availability of insurance on assets in risks exposed areas
• Risks of counterparty default in energy trading due to climate-related operational failures of suppliers/buyers</td><td>Financial Impact: Inventory write-downs, equipment repair costs

The impact is low considering our location of operation.</td></tr>
<tr><td>Chronic Risk
Time Horizon:
Mid-to-long term</td><td>Variability in climate and precipitation patterns

• Changing climate patterns</td><td>Financial Impact: Sustained margin pressure

The impact is low considering our location of operation.</td></tr>
</table>

Risk Type	Description	Effects on Business Model	Effects on Value Chain	Qualitative Financial Impact
Transition Risks				
Regulatory Risks **Time Horizon: Mid-to-long term**	• Increased carbon pricing • Mandatory reporting obligations • New regulations on hazardous materials in PCB manufacturing	• Increases regulatory requirements on carbon pricing • Retires existing assets early due to policy changes • Changes in energy efficiency standards • Risk of early obsolescence of non-sustainable printing materials and high-emission PCB production processes	• Induces structural changes in compliance throughout the value chain • Increased counterparty risk from non-compliant suppliers (PCB raw materials, paper, petroleum) failing to meet new environmental standards	Financial Impact: Operating cost (e.g., energy efficiency upgrades, carbon-related levies) The impact is low to medium considering our industry. The cost of compliance may grow with time.
Market Risks **Time Horizon: Mid-to-long term**	• Changing consumer behaviour • Unpredictable market demand • Changes in competitive landscape	• Volatile sales for PCB business (e.g. legal and compliance expenses) • Reduced competitiveness in petroleum trading if unable to adapt to energy transition trends	• Disruptions to existing supplier partnerships as procurement shifts toward eco-certified PCB materials, sustainable paper, and low-carbon energy sources	Financial Impact: Revenue The impact is low to medium considering our industry. The cost of compliance may grow with time.
Reputational Risks **Time Horizon: Mid-to-long term**	• Criticism of industry sector • Negative stakeholder feedback	• Increases the difficulty of factory and catering workforce retention and workforce planning • Lowers ability to attract capital	• Reduced demand for traditional petroleum products as renewable energy adoption grows	Financial Impact: Brand value The impact is low considering our industry.

Opportunity Type	Description	Effects on Business Model	Effects on Value Chain	Qualitative Financial Impact
Efficiency Gains **Time Horizon: Short to long term**	• More efficient and diverse service offerings • Savings from optimising resources • Energy efficiency improvements in petroleum storage and logistics operations • Use of new technologies	• Improves efficiency from flexible work arrangements during extreme weather • Improves profit margins • Benefits employee health, satisfaction, and productivity • Reduced exposure to volatile fossil fuel prices for manufacturing and logistics operations	• Increases capacity and resource utilisation throughout the value chain • Lower operational costs from upstream supplier collaborations on sustainable practices (eco-friendly PCB materials, FSC-certified paper, low-carbon logistics)	Financial Impact: Operating cost and maintenance savings The impact is low to medium considering the energy alternative options in HK and mainland manufacturing zones is limited.
Market Opportunities **Time Horizon: Short to long term**	• Access to new markets • Opportunity to expand geographically	• Increases revenue source from new markets • Diversifies geographically	• Fosters maturity of the entire value chain via expanded product and service offerings	Financial Impact: Revenue growth from sustainable product sales and services The impact is low in considering our industry.
Consumer Preference **Time Horizon: Short to long term**	• Rising consumer demand for traceable, low-carbon and sustainably sourced electronics (PCB applications), packaging products and energy solutions	• Opens up new revenue streams • Increased market share among ESG-conscious consumers and business client	• Incentives sustainable innovation throughout the value chain, driven by downstream demands	Financial Impact: Stable sales volume and customer loyalty The impact is low in considering our industry.

Strategy and Decision-Making

We have formulated the below adaptation and mitigation measures to tackle physical risk, transition risks, and opportunities:

Type	Adaptation and Mitigation Measures
Physical Acute Risks	• Implement localised disaster mitigation; conduct ≥2 extreme weather drills annually; • Activate flexible work arrangements during extreme weather events; • Issue timely warnings and precautionary guidance to employees; • Upgrade facility ventilation and cooling systems; • Deploy critical equipment in flood/wind-resistant locations; and • Install backup energy systems for business continuity.
Physical Chronic Risks	• Consider flood hazards during office site selection; • Use water-saving equipment and retrofit existing equipment to improve water efficiency; and • Establish emergency backup water sources.
Transition Risks	• Track policies/market trends; update compliance checklist; • Maintain transparency by producing high-quality climate disclosure; • Collaborate with suppliers to promote adoption of low-carbon processes and technologies; and • Consider climate-related risk in products, services, and value chain to ensure market risks are effectively monitored.
Opportunities	• Develop lower-carbon service offerings; • Invest in energy-efficient and low-emission technologies to reduce costs; and • Explore green financing including green bonds.

The Group does not currently have a formal climate-related transition plan or a dedicated budget specifically for climate-related risks and opportunities. Nevertheless, we manage environmental initiatives through our existing operational framework. Resources for energy-saving upgrades and sustainability training are allocated from general operating and capital expenditure budgets on a case-by-case basis. We will continue to monitor the necessity of a formal transition plan and adjust our resource allocation as regulatory requirements and our operational needs evolve.

To actively mitigate climate-related impacts and drive our long-term environmental strategy, during the Reporting Period, the Group achieved a 2% reduction in electricity consumption a 0.02% in water consumption, a 31% in packaging materials consumption, and a 26% reduction in hazardous waste generation compared to the 2025 baseline.

Current and Anticipated Financial Effect

The Group has not disclosed the quantified current and anticipated financial effects of climate-related risks and opportunities, and internal carbon prices are currently not applied in our scenario analysis or decision-making. Given its scale, both current and anticipated financial effects of climate-related risks and opportunities are not considered material to the Group's overall financial position. Furthermore, where effects may exist, the level of measurement uncertainty is high and isolating specific impacts is difficult. The Group is also developing internal capabilities for preparing disclosures on current and anticipated financial effects. Accordingly, the Group has applied the financial effects relief and the capabilities relief (where applicable) as provided under the ESG Reporting Code for disclosure requirements about the current and anticipated financial effects of climate-related risks and opportunities. The Group has also assessed and determined that the combined financial effects of climate-related risks and opportunities would not be useful at this stage.

Climate Resilience and Scenario Analysis

The Group has not conducted a formal climate-related scenario analysis and, accordingly, has not provided a detailed assessment of its climate resilience at this stage. As a small-to-medium enterprise with focused operations, the Group currently lacks specialised internal skills, technical capabilities, and localized data required to perform meaningful quantitative scenario modeling without incurring undue cost or effort. Instead, we manage climate resilience through our existing risk management framework and disaster recovery protocols, particularly regarding physical risks such as extreme weather. The Group will periodically review its capacity and the availability of simplified industry tools to determine when a proportionate scenario analysis can be effectively integrated into our reporting.

Climate Risk Management

The Group has in place a comprehensive risk management framework. Climate-related risk and opportunity identification, assessment, prioritisation, and management are fully integrated into the Group's overall risk management processes. The relevant policy and processes are reviewed annually and updated when necessary.

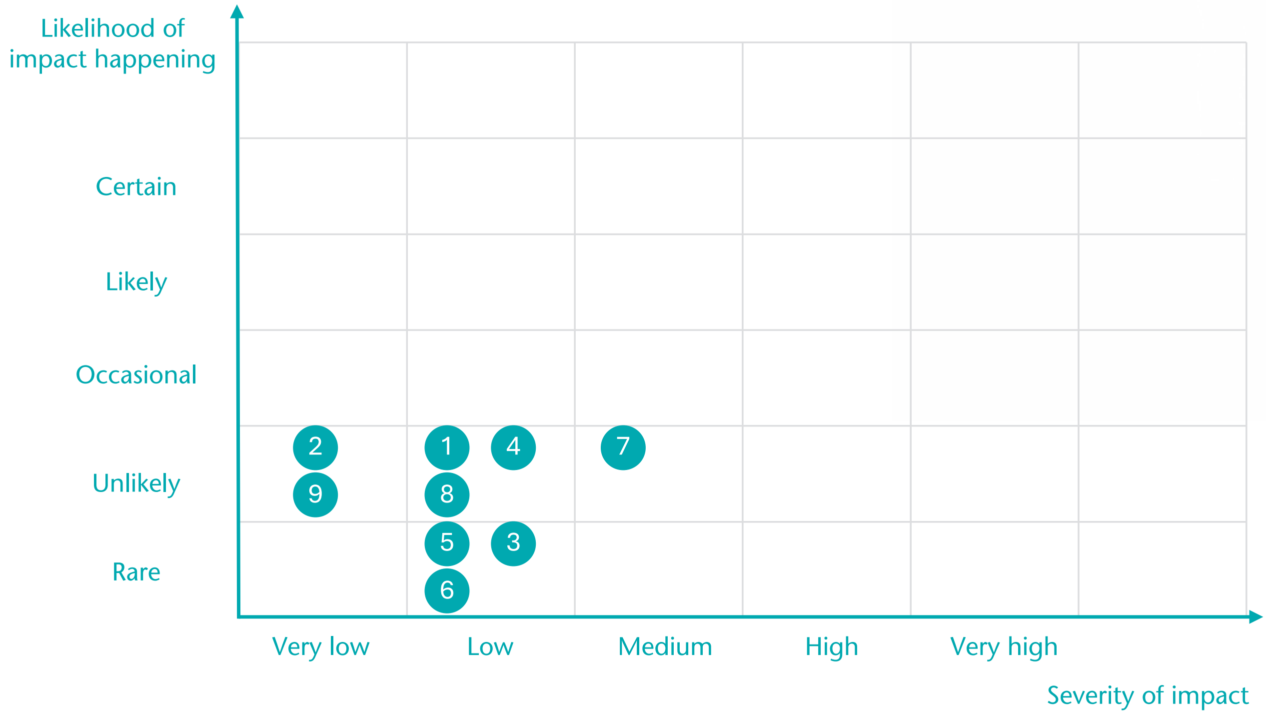
Climate-related risks and opportunities are examined across the Group's operations and value chain using both internal and external data through a coordinated, multi-level process. Strategic direction is set at the top, with the Board providing oversight and regularly reviewing the most significant climate-related issues. At the same time, operational teams contribute detailed, ground-level insights by assessing their own exposures on an annual basis. When a potential risk is identified, the relevant department will design and carry out mitigation actions, followed by ongoing reviews to ensure that the controls remain robust and effective over time.

The Group does not currently incorporate climate-related scenario analysis into its risk identification process. At present, climate-related risks are identified and assessed through qualitative risk management methodologies, leveraging internal operational experience and historical weather data. The Group will continue to monitor the availability of simplified tools and industry data to evaluate the feasibility of integrating scenario analysis into its risk identification framework in the future.

1	2	3	4
Assess the risks from the Group Risk Management Framework and their interactions with climate	Assess the risks from the Group Risk Management Framework and their interactions with climate Identify climate risk drivers and impact on the Group	Assess risk materiality by scoring drivers on likelihood and impact severity	Select priority risks for to evaluate climate resilience

All identified climate-related risks and opportunities play a role in shaping our strategic direction, operational priorities, and internal policies. We evaluate each item based on its potential impact and the likelihood of occurrence using the Group's risk assessment methodologies, creating a clear profile that supports informed decision-making. Risks that score highly on both impact and likelihood are elevated in priority and addressed ahead of lower-rated issues to ensure our resources are focused where they matter most.

Risk Assessment Matrix



1. Infrastructure Reliability
2. Operational Continuity
3. Asset & Facility Value
4. Component & Raw Material Supply Chain Security
5. Data Integrity & Quality Control Systems
6. Regulatory & Carbon Costs
7. Supply Chain Green Compliance Risks
8. Technological & Service Model Disruption
9. Market & Brand Reputation

Identified climate-related risks are monitored quarterly by the ESG Working Group, which tracks the effectiveness of mitigation measures and updates risk assessments as new information becomes available. Material changes in risk profiles are reported to the Board immediately. There were no material changes to the Group's climate-related risk identification, assessment, prioritisation and monitoring processes during the Reporting Period compared to the previous year.

Climate and Nature-related Targets

We are setting long-term climate-related targets across our operations and value chain supported by short-, medium-, and long-term milestones, all measured against a 2025 base year to ensure consistent comparison over time. These targets have taken reference from Hong Kong's long-term decarbonisation pathway and its goal of achieving carbon neutrality, as well as the Paris Agreement, ensuring that our efforts contribute meaningfully to the city's broader climate ambitions.

All quantitative targets are intensity targets, which are appropriate for the Group's service-based business model. The Group develops and regularly reviews its target internally based on its strategic planning and did not apply the Science Based Targets Initiative's Sectoral Decarbonisation Approach. The use of carbon credits to achieve any net targets is currently not considered. Below sets forth the phased targets over our time horizon:

Targets	Descriptions
Energy Consumption Intensity	• Short term: 3 % reduction when compared to 2025 • Medium-term: 10 % reduction when compared to 2025 • Long-term: 15% reduction when compared to 2025
Non-hazardous Waste Intensity	• Short term: 3 % reduction when compared to 2025 • Medium-term: 10 % reduction when compared to 2025 • Long-term: 15 % reduction when compared to 2025
Greenhouse Gas Emission ("GHG") Intensity* (Scope 1 & 2)	• Short term: 3 % reduction when compared to 2025 • Medium-term: 10 % reduction when compared to 2025 • Long-term: 15 % reduction when compared to 2025
Water Consumption Intensity	• Short term: 3 % reduction when compared to 2025 • Medium-term: 10 % reduction when compared to 2025 • Long-term: 15 % reduction when compared to 2025

* The GHG emission target is set on a gross emissions basis.

The Group's GHG emission targets currently cover Scope 1 and Scope 2 emissions. Scope 3 targets will be developed as the Group improves its Scope 3 data collection capabilities.

The Group's climate-related targets and the methodologies used for their setting have not been verified by an independent third party. At present, these targets are reviewed and monitored through the Group's internal management and reporting processes to ensure data consistency and accuracy. The Group will periodically evaluate the necessity of seeking external assurance for its sustainability disclosures as its reporting framework matures. The targets are reviewed annually by the ESG Working Group and approved by the Board. Any material revisions to the targets require Board approval. Target progress is monitored annually using the indicators specified above. There have been no revisions to the Group's climate-related targets during the Reporting Period.

During the Reporting Period, the Group's environmental performance maintained a positive trend with continuous reductions in various intensity indicators. Main key metrics, including GHG emission (Scope 1&2), hazardous waste, non-hazardous waste, and total energy consumption, showed a year-on-year downwards trend in 2026 from 2025. The Group will strengthen ongoing monitoring of environmental indicators to sustain progress.

The use of carbon credits to achieve any net targets is currently not considered. Internal carbon prices are currently not applied in our scenario analysis. The Group has not allocated capital expenditure, financing or investment towards climate-related risks and opportunities. By applying reasonable information relief of the ESG Reporting Code, the Group does not disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks, transition risks and aligned with climate-related opportunities.

GHG Emissions

The Group's GHG emissions are derived from a range of activities. These include direct (Scope 1) emissions such as the combustion of petrol in mobile sources, the combustion of diesel in forklifts, and refrigerant emissions. Indirect emissions consist of energy-related (Scope 2) emissions from purchased electricity, as well as other indirect (Scope 3) emissions from municipal freshwater processing, paper waste disposal at landfills, and business trips (if applicable). By acknowledging and categorising these emissions, the Group is committed to effectively managing and reducing its environmental impact.

The Group's performance[4] of GHG emissions is summarised below:

Scopes of GHG emissions[1]	Unit	2026	2025
Scope 1 Direct emissions	**tCO_2e**	**44.64**	**38.88**
Combustion of petrol for vehicles	tCO_2e	34.08	27.84
Combustion of diesel for forklifts	tCO_2e	–	0.48
Release of refrigerants	tCO_2e	10.56	10.56
Scope 2 Energy indirect emissions	**tCO_2e**	**1,311.95**	**1,355.43**
Purchased electricity-location based[2]	tCO_2e	1,311.95	1,355.43
Total GHG emissions (Scope 1&2)	tCO_2e	1,356.59	1,394.31
Total GHG emission (Scope 1&2) intensity[3]	tCO_2e/m^2	0.10	0.11
Scope 3 Other indirect emissions	**tCO_2e**	**262.93**	**269.66**
Total GHG emissions	tCO_2e	1,619.52	1,663.97
Intensity[3]	tCO_2e/m^2	0.13	0.13

Scope 3 GHG Emissions Details:

Scope 3 Other Indirect GHG Emissions	Units	2026	2025
Category 1: Purchased Goods and Services[5] – fresh water supply	tCO_2e	6.61	11.23
Category 5: Waste Generated in Operations[6]	tCO_2e		
– paper waste treatment		1.22	1.46
– general waste treatment		253.98	256.50
Category 6: Business Travel[7]	tCO_2e	**1.12**	**0.46**

Note(s):

1. The Group's GHG emissions include CO_2, CH_4 and N_2O and are converted to reflect the tonnes of CO_2 equivalent. GHG emissions data is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" and "Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "CLP 2025 Sustainability Report" published by CLP Holdings Ltd and the latest released average carbon dioxide emission factor for national electricity in China, published by the Ministry of Ecology and Environment on December 2025. Scope 3 emissions data is calculated with reference, but not limited to, the International Civil Aviation Organisation ("**ICAO**") and the Department for Energy Security & Net Zero ("**DESNZ**") of the United Kingdom.

2. Scope 2 emissions are calculated using a location-based approach, which considers the average emission intensity of the local electricity grid where the energy is consumed.

3. During the Reporting Period, the total floor area of the Group within the reporting scope was approximately 12,613.00 m^2 (2025: 12,613.00 m^2). These numbers would also be used for calculating other intensity data in the ESG Report.

4. There were no changes to the Group's GHG emission measurement methodologies, input data or assumptions during the reporting period compared to the previous year.

5. GHG Scope 3 Category 1 emissions: The Group utilises a supplier specific method, using emission factor from Water Service Department (WSD).

6. GHG Scope 3 Category 5 emissions: The Group uses waste-specific data multiplied by applicable emission factors such as data from Environment Protect Department ("EPD")

7. GHG Scope 3 Category 6 emissions: The Group uses ICAO calculator for air travel GHG calculation

The total GHG emissions decreased compared with last year. We used less electricity in our office, which resulted in lower Scope 2 emissions. However, the rise in this year's Scope 1 GHG emissions is attributable to more frequent vehicle round trips between Hong Kong and the Chinese Mainland. Longer travel distances and extended operating hours of these vehicles have collectively driven up the Scope 1 GHG output. The Group will actively respond to the government's emission reduction plan and strive to reduce its GHG emissions intensity within the target period. We have adopted the following emission reduction measures actively under "Air Emissions" and "Energy Management" sections.

A. ENVIRONMENTAL

Emissions

The Group is firmly committed to sustainable development as its primary ESG management goal. It proactively incorporates environmental control mechanisms and monitoring measures into its business operations and workplace. Echoing the Paris Agreement of limiting the average global temperature increase to 1.5°C compared to the pre-industrial period, the Group has developed an "Environmental Policy" that provides clear guidelines and measures for resource efficiency and waste management. It regards emissions reduction, and as well as efficient and responsible use of energy, to be the prerequisites for achieving this global ambition. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Relevant laws and regulations include but not are limited to the "Environmental Protection Law of the PRC", the "Atmospheric Pollution Prevention and Control Law of the PRC", the "Water Pollution Prevention and Control Law of the PRC", the "Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes", "Regulation on Urban Drainage and Sewage Treatment", and the "Air Pollution Control Ordinance" and the "Waste Disposal Ordinance" of Hong Kong.

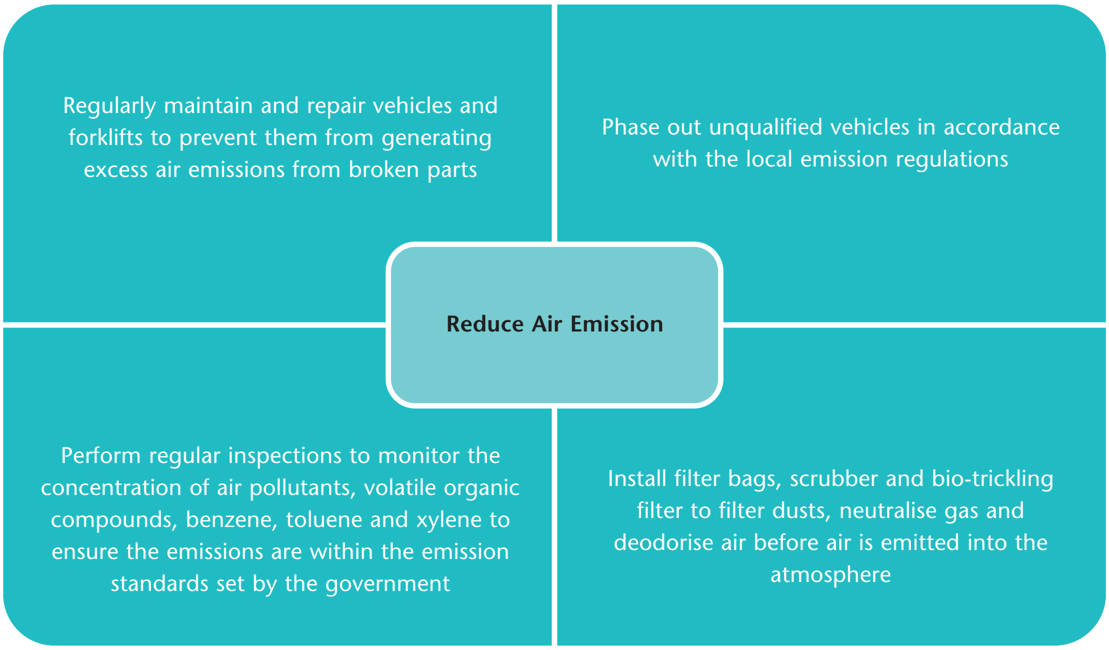
Air Emissions

The primary contributors to the Group's air emissions were the usage of petrol and diesel in vehicles and machinery. The following is an overview of the air emissions performance during the Year:

Types of air emissions	Unit	2026	2025
Nitrogen Oxides (NOx)	kg	7.54	6.42
Sulphur Oxides (SOx)	kg	0.19	0.16
Particulate Matter (PM)	kg	0.56	0.47

The increase in air emissions compared to last year is attributable to more frequent vehicle round trips between Hong Kong and the Chinese Mainland. The Group will progressively deploy additional electric vehicles to phase out fuel-driven transport fleets, alongside route optimisation work, to control the growth of air pollutant outputs in subsequent reporting periods.

To ensure compliance with applicable laws, regulations, and standards, the Group is dedicated to monitoring air emissions closely. Furthermore, the Group has taken proactive steps to implement reduction measures and establish monitoring protocols. These initiatives aim to minimise air emissions and mitigate their environmental impact.



Wastewater Discharge and Treatment

The Group ensures that wastewater is treated properly and has met the standard of the PRC government before discharge. Wastewater treatment processes, including sedimentation, aerobic and anaerobic digestion and pH adjustment, are applied onsite. The Group monitors the wastewater parameters, such as chemical oxygen demand, total suspended solid, pH, nitrogen content, heavy metal content, etc., and ensures that the effluent meets all permitted effluent limits.

Waste Management

- **Hazardous Wastes**

  During production, the Group generates hazardous waste, including used cloths and empty ink cans. To reduce this waste, we follow waste management principles and aim to manage and dispose of waste properly. The Group has created procedures for handling hazardous waste. Waste from the factory is classified according to the National Hazardous Waste List, stored in designated areas, and collected by licensed professionals.

  The Group's performance of hazardous wastes generation is summarised below:

Types of hazardous wastes[8]	Unit	2026	2025
Waste cloths	tonnes	0.19	0.16
Waste ink cans	tonnes	0.09	0.23
Total hazardous wastes	tonnes	0.29	0.39
Intensity[3]	tonnes/m^2	0.00002	0.00003

Note(s):

8. Hazardous waste generation from the Hong Kong office was not significant. Relevant data is only derived from the operations in the PRC.

- **Non-hazardous Wastes**

  The Group's operational activities generate non-hazardous waste, primarily consisting of general waste and paper waste. To ensure proper waste management, the Group takes precautions to prevent the diffusion and leakage of waste, strictly prohibiting any unauthorised disposal. All generated waste is stored in designated areas under strict monitoring. The Group engages licensed collectors to collect and process various types of waste, adhering to regulatory guidelines and maintaining responsible waste management practices.

  The Group's performance of non-hazardous wastes generation is summarised below:

Types of non-hazardous wastes	Unit	2026	2025
Total non-hazardous wastes (Including general wastes & paper wastes)	tonnes	169	172
Intensity[3]	tonnes/m^2	0.013	0.014

  During the Reporting Period, we reduced the amount of non-hazardous waste. The Group will keep following the environmental principle of "3R" (Reduce, Reuse, Recycle) and following measures to minimise waste：

  - Office automation systems are used to replace paper-based approval processes, reducing paper consumption. Notices or brochures are made available in electronic formats and uploaded to the company's intranet or internet for readership.
  - Company publications, including annual reports, interim reports, and quarterly reports, are printed only as needed.
  - Shareholders are encouraged to access the company's corporate communications electronically. This not only saves paper but also provides the most timely, convenient, and effective means of communication with shareholders.
  - Draft documents are created in draft mode, with reduced line spacing and printed in smaller font size. This helps save ink, electricity, and paper.
  - Double-sided printing or copying is encouraged, and office printers are set to default for black and white and double-sided printing.
  - Recycling boxes are placed next to photocopiers to collect single-sided paper for reuse. For example, they can be used for photocopying or cut into notepaper.

Use of Resources

The Group upholds and promotes the principle of efficient use of resources. To optimise resources consumption, the Group has formulated the aforementioned "Environmental Policy" to monitor and manage the consumption of fuel, electricity, water and packaging materials.

Energy Management

Energy consumption of the Group includes petrol consumed by vehicles, and electricity used at the office. We managed our direct energy consumption by optimising fleet routes, despite an increase in cross-border vehicle trips. The Group also closely monitors its energy use to ensure it keeps energy consumption low. The Group's performance in energy consumption is summarised below:

Types of energy	Unit	2026	2025
Petrol	MWh	124.18	101.45
Diesel	MWh	–	1.94
Direct energy consumption	**MWh**	**124.18**	**103.39**
Purchased electricity[9]	MWh	2,472.58	2,525.97
Indirect energy consumption	**MWh**	**2,472.58**	**2,525.97**
Total energy consumption	**MWh**	**2,596.75**	**2,629.35**
Intensity[3]	MWh/m^2	0.21	0.21

Note(s):

9. The unit conversion method of direct energy consumption data is based on the "Energy Statistic Manual" issued by the International Energy Agency.

10. This excluded the electricity consumption in Hong Kong office where the utility expenses were included in the management fee paid and where relevant usage data is not made available.

In line with this principle, the Group has developed the mentioned "Environmental Policy" to effectively monitor and manage the consumption of fuel, electricity, water, and packaging materials. As a tangible outcome of this policy's execution, the Group's total energy consumption has decreased year-on-year this year. The Group targets to optimise resource consumption and minimise waste via the policy, supporting the development of sustainable resource management practices. These measures include, but are not limited to:

- Energy-saving lights and appliances are used in the office premises;
- Corridor lights are not fully turned on, and interval lighting is implemented;
- Unused electrical devices and appliances are unplugged to cut off power supply;
- Computers that are idle or not used within two hours are promptly shut down to ensure power savings;
- During lunch and non-office hours, some lights and air conditioning are turned off;
- Computers are regularly maintained and cleaned to prevent dust accumulation and moisture, reducing electricity consumption;
- Office equipment with energy-efficient features is purchased;

- Before leaving, turn off electric devices such as water dispensers, computers, printers, and air conditioning units, and unplug them to disconnect from the power source;
- Wear lightweight office attire during summer, and maintain room temperature at 26°C; and
- Enable standby or hibernate mode for personal computers.

Water Management

As extreme weather events like droughts and floods become more common and severe, it's important for businesses to adopt sustainable practices and save water. The Group aims to use water more efficiently and support the ecosystems where we operate. To reduce pollution and protect local water quality, we make sure our water discharges are safe and meet local regulations. During the Reporting Period, the Group did not encounter any issue in sourcing water that was fit for purpose due to it's geographic location that its operation located.

The Group's performance of water consumption is summarised below:

Indicators	Unit	2026	2025
Total water consumption[11]	m^3	25,817	25,822
Intensity[3]	m^3/m^2	2.05	2.05

Note(s):

11. This excluded the water consumption in Hong Kong office where the utility expenses were included in the management fee paid and where relevant usage data is not made available.

To actively mitigate water consumption, the Group closely monitors its monthly water usage and implements various initiatives to control consumption. These initiatives aim to promote water conservation and ensure responsible water management practices:

- Extend the drainage pipe of the air conditioning unit into a bucket, which can collect one liter of water every two hours. The saved water can be used for watering plants or mopping the floor;
- In the restroom, use a high-flow flush for solid waste and a low-flow flush for liquid waste, based on the water requirements for flushing; and
- Post water-saving labels as reminders and install automatic water taps.

Use of Packaging Materials

In alignment with its operational requirements, the Group utilises packaging materials such as paper boxes, bubble wrap, and plastic tape to ensure the protection of its products. The Group is actively focused on optimising its packaging methods by selecting the most effective materials while prioritising options that are non-toxic and recyclable. These initiatives are aimed at promoting sustainable packaging practices and reducing the Group's environmental footprint, thereby reinforcing its commitment to sustainability and responsible resource management.

The Group's performance of packaging materials is summarised below:

Types of packaging materials	Unit	2026	2025
Paper box	tonnes	48.89	69.00
Plastic tape	tonnes	5.52	9.86
Total packaging materials consumption	**tonnes**	**54.41**	**78.86**
Intensity[3]	**tonnes/m^2**	**0.0043**	**0.0063**

Acknowledging the environmental impact of packaging materials, the Group strives to improve the sustainability of its packaging in three ways:

Eliminate excessive packaging

Source more recyclable and biodegradable packaging materials

Reuse packaging as much as possible

The Environment and Natural Resources

The Group recognises its responsibility to minimise the negative impact of its operations on natural resources and the environment, aligning with its commitment to sustainable development and long-term value creation. This is achieved through the implementation of the "Environmental Policy," which includes continuous monitoring, risk mitigation measures, and compliance with relevant laws and regulations. By upholding these principles, the Group aims to promote environmental sustainability and fulfill its obligations to the broader community.

B. SOCIAL

Employment

People are essential for the Group's growth. To achieve its goal of focusing on employee management and to help workers reach their full potential, the Group has created various human resources procedures. These procedures cover topics like pay, hiring and firing, promotions, and employee benefits, as outlined in its "Employee Handbook," "Recruitment and Dismissal Regulations," and "Remuneration and Benefits System."

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare that had a significant impact on the Group. Relevant laws and regulations include are but not limited to the "Labour Law of the PRC", the "Labour Contract Law of the PRC" and the "Employment Ordinance" of Hong Kong.

Inclusion and Diversity

Research shows that companies with a mix of genders and ethnic backgrounds tend to do better. The Group understands the value of having different perspectives, experiences, and ideas. Creating a diverse and inclusive workplace boosts employee engagement, which is key to the organisation's growth. The Group aims to build a team that reflects the diversity of its customers.

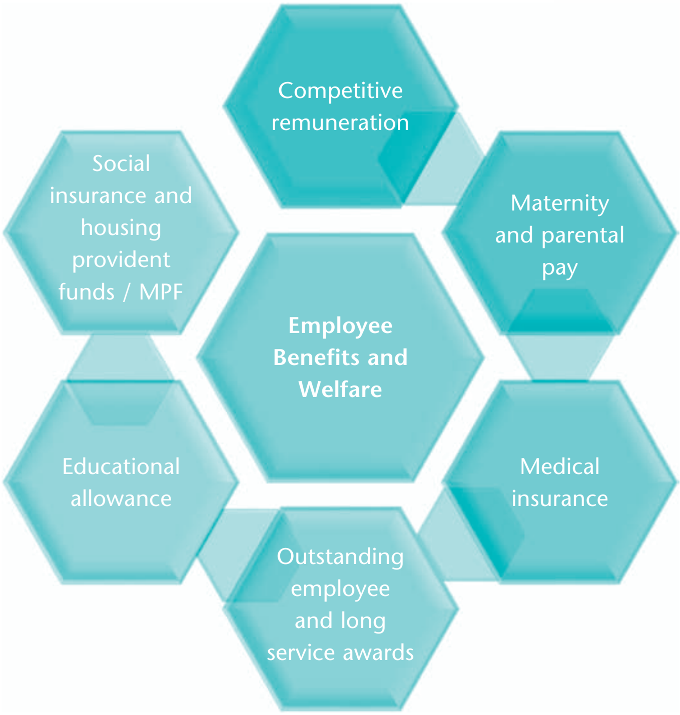
As such, the Group respects individuals of different cultures and backgrounds. As stipulated in the Employee Handbook, the Group has zero tolerance towards discrimination based on race, colour, national or social origin, religion, age, disability, sexual orientation, gender, or any other status. All decisions in talent management, including recruitment, promotions, appraisals and dismissals, are based on the same equality principle. The Group aims to nurture a harmonious workplace culture through strengthening communication and elimination of discrimination.

The table below illustrates the Group's employment structure.

Employee composition	2026	2025
Total	204	226
By gender		
Male	82	83
Female	122	143
By age group		
30 or below	5	7
31-40	38	49
41-50	85	104
51 or above	76	66
By geographical region		
Chinese Mainland	185	209
Hong Kong	19	17
Others	0	0
By employee category		
Senior management	16	16
Middle management	23	30
Frontline and other employees	165	180
By employment type		
Full-time	201	225
Part-time	3	1

Employee Benefits and Welfare

Fair pay and benefits help keep employees happy, boost team spirit, and improve overall performance. The Group provides a comprehensive and competitive pay and benefits package, regularly updating it to keep up with market changes. In line with the laws in the People's Republic of China ("**PRC**"), the Group also follows social insurance contribution requirements. Moreover, all employees in Hong Kong are enrolled in a pension scheme in accordance with the rules and regulations of the Mandatory Provident Fund Schemes Ordinance ("**MPF**"). It offers non-statutory benefits as additional welfare to employees, such as maternity and parental pay, and educational support. Medical insurance, outstanding employee awards, and long-term service awards are also offered. These measures demonstrate the Group's commitment to fostering employee engagement and providing comprehensive benefits and incentives.



To address the needs and concerns of employees and develop a more engaged workforce, the Group maintains flexible work arrangements and provides flexible hours and alternate schedules for applicable employees. Not only do these measures help to increase engagement and productivity, but they also allow the Group to lower overhead costs on recruitment and staff turnover.

With a strong people-oriented culture supported by good employment practices, the Group has noted an increase in employee morale, as well as better employee retention. The summary of employee turnover rate by gender, age group and geographical region is as follows:

Employee turnover rate[12]	2026	2025
Total	19%	19%
By gender		
Male	6%	19%
Female	28%	20%
By age group		
30 or below	60%	71%
31-40	24%	31%
41-50	20%	16%
51 or above	13%	11%
By geographical region		
Chinese Mainland	19%	20%
Hong Kong	16%	18%
Others	–	–

Note(s):

12. Turnover rate (per category) = L(x)/E(x) × 100
    L(x) = Employees in the specified category leaving employment
    E(x) = Number of employees in the specified category

Employee Engagement

The Group recognises the importance of engaging employees by listening to their voices and concerns. It offers various effective communication channels to shape an open work environment that encourages idea sharing, promotes interactions, and inspires innovation. Employees are free to voice out their ideas or register their complaints through a variety of communication channels, including internal mailbox, emails and surveys. Communication mechanisms are regularly evaluated to ensure their effectiveness.

Health and Safety

Providing a healthy and safe work environment is of paramount importance to the Group. The Group has strictly implemented the "Management Regulations on Work-related Injuries and Accidents", which includes procedures for reporting, handling occupational health and safety accidents and providing compensation. To ensure employees strictly observe all safety operation rules, we have also outlined terms of labour protection, working conditions and protection from occupational hazards in the "Employee Handbook".

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to health and safety that had a significant impact on the Group. Relevant laws and regulations include but are not limited to the "Labour Law of the PRC", the "Law of the PRC on the Prevention and Treatment of Occupational Diseases" and the "Occupational Safety and Health Ordinance" of Hong Kong.

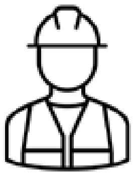
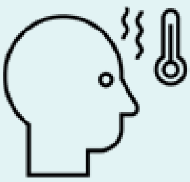
Managing Safety Risk

The Group has established a safety management system to manage safety elements and mitigate the safety risks in the workplace. It strictly complies with corresponding safety requirements during the manufacturing process, identifies safety hazards, conducts regular safety inspections and monitors working procedures.

During the Reporting Period, the Group was not aware of any non-compliance with all relevant laws and regulations that would have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. No work-related fatalities were noted during the past three consecutive years, and the work-related fatality rate was 0%. Benefiting from the comprehensive and effective workplace safety protection measures rolled out across all business units, the Group recorded a remarkable year-on-year reduction in lost days due to work injuries during this Reporting Period.

Health & Safety Indicators	Unit	2026	2025	2024
Work-related fatalities	Numbers	0	0	0
Fatality rate	%	0	0	0
Lost days due to work injury	Days	3	48	40

The Group has implemented additional measures to promote behavioural change and improve employee awareness of the importance of health and safety.

	The Group provides employees with personal protective equipment, such as gloves and safety goggles, and offers training on safety measures for risky tasks, such as hot working and lifting operations.
	The Group ensures good ventilation in the work environment to maintain a suitable and comfortable temperature and humidity.
	For departments that are at a higher risk of occupational hazards, regular medical examinations are provided.
	Smoking and setting off firecrackers are strictly prohibited in the factory.
	Each department is responsible for ensuring that employees switch off electricity supply, close doors and windows, and check fire equipment before leaving the factory.
	Employees should exercise caution when handling heavy objects and seek assistance when necessary.
	In the event of a malfunctioning machine, instrument, or switch, or if an employee feels uncomfortable, gets injured, or becomes infected, they should immediately report to their supervisors.

Development and Training

Structured skills development programmes are in place across the Group for all employees, who play an integral role in operations. The Group's targeted learning activities aim to address the skills development needs of each core business as well as employees' career development aspirations. The content and structure of its learning programmes are continually refreshed to keep pace with market developments and digitalisation requirements.

Training Programmes

The Group understands the pivotal role of development and training in enabling employees to perform their duties with greater effectiveness and efficiency. To foster talent and facilitate ongoing growth, the Group has implemented a comprehensive "Training Management Policy" within its "Employee Handbook." This policy serves as a guideline for various training processes, including planning, preparation, execution, evaluation, and feedback.

To support this commitment, the Group creates an annual training plan that meets the specific needs of employees in different roles. The training includes various methods, such as orientation and on-the-job training, for a well-rounded approach. Topics covered include operational skills, safety practices, and professional knowledge like ISO standards and electrical engineering. These training programmes help employees better understand the Group's goals and operations, enhancing their skills and expertise.

During the Reporting Period, 82% of the Group's employees received training, with an average training hour of 3.90 hours.

	2026		2025	
	Percentage of employee trained[13]	**Average training Hours[14]**	**Percentage of employee trained[13]**	**Average training hours[14]**
Total	82%	3.90	82%	3.88
By gender				
Male	57%	2.79	61%	3.00
Female	99%	4.64	94%	4.39
By employee category				
Senior management	13%	0.63	13%	0.63
Middle management	135%	4.78	100%	3.40
Frontline and other employees	82%	4.09	85%	4.25

Note(s):

13. Percentage of employee trained = number of employees in the specified category who took part in training during the Year ÷ number of employees in the specified category at the end of the Year × 100%.

14. Average training hours = number of training hours received by employees in the specified category during the Year ÷ number of employees in the specified category at the end of the Year.

Labour Standards

The Group maintains a strict stance against any violations of human rights, particularly in relation to forced, bonded, or compulsory labour, human trafficking, and other forms of slavery and servitude. Additionally, the Group has a zero-tolerance policy towards discrimination, harassment, and bullying.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. These laws and regulations include, but are not limited to, the "Regulation on Labour Security Supervision" and the "Provisions on the Prohibition of the Use of Child Labour" in the People's Republic of China (PRC), as well as the "Employment Ordinance" in Hong Kong. The Group remains committed to upholding these regulations and ensuring the protection of human rights within its operations.

Prevention of Child and Forced Labour

The Group has detailed all recruitment procedures and requirements in the "Employee Handbook". No teenagers under the statutory minimum working age will be employed. All new employees are required to provide true and accurate personal identification information. The human resources department is responsible for verifying new employees' identification documents, such as identity cards and academic certificates, to ensure that they are legally entitled to work for the Group. When any irregularities are identified, the Group will immediately carry out investigations and impose punishment.

In addition, Furthermore, the Group adheres to a 40-hour work week, with 8 hours per day for 5 days, excluding rest periods. Overtime work is compensated in terms of additional salary and leave, following the guidelines outlined in the "Employee Remuneration and Compensation Management Procedures." Employees are not required to work overtime in their daily operations, and the "Employee Handbook" has stipulated relevant regulations on overtime working hours. All employees have signed the employment contract and agreed to the stipulated terms and conditions. Any violations will be dealt with accordingly.

Supply Chain Management

We believe that maintaining a responsible and ethical supply chain is crucial for long-term business success, as it not only reduces our environmental impact but also enhances operational resilience and promotes sustainability throughout the business community. The Group's policies have clearly outlined the procurement standards and procedures, as well as the assessment of supplier performance. Suppliers should conduct business ethically, and refrain from providing or accepting bribes and other improper benefits. To achieve this objective, the Group has enhanced its procurement-related policies and procedures. A comprehensive set of policies, including the "Quotation Control Process," "Approval Authority Policy," and "PCB Procurement Management Procedures," have been implemented to standardise and streamline the quotation and procurement processes. These measures ensure consistency and adherence to established guidelines throughout the procurement cycle.

During the supplier selection process, the quality management department, production unit and engineering department arrange on-site audits and review the manufacturing process reports, materials details and test reports of potential suppliers to assess the qualifications of new suppliers and the performance of existing suppliers. Suppliers must comply with regulations such as the Restriction of Hazardous Substances ("**RoHS**") Directive, Waste Electrical and Electronic Equipment ("**WEEE**") Directive, and Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH**"). Only companies who pass all audits are qualified to be the Group's suppliers.

Green Procurement

The Group has set up a "Green Procurement Management System" to prioritise suppliers that use eco-friendly products and services, helping to reduce environmental risks in the supply chain. It also gives priority to suppliers with environmental management system certifications. During the Reporting Period, we cooperated with 125 suppliers in total, 124 suppliers from PRC and 1 supplier from HK (2025: 213 PRC suppliers).

The Group assesses the environmental and social performance of its suppliers to ensure they work in an ethical and responsible manner. For existing suppliers, regular performance evaluations are conducted to manage the potential environmental and social risks along its supply chain. Suppliers are assessed and scored based on their quality management, product price, service and punctuality. The Group only continues to cooperate with qualified suppliers that have passed the supplier assessments.

Besides, suppliers are required to sign agreements such as the Letter of Commitment to Restricted Substances and the DML Green Procurement Standards to demonstrate their commitments to product quality and environmental performance. The Group regularly evaluates and monitors suppliers' compliance with these commitment agreements. If any irregularities are found, the Group will require suppliers to take immediate remedial and corrective measures. To ensure the effectiveness of the supply chain management practices, the Group regularly monitors whether the practices are properly implemented through its enterprise risk management process.

Product Responsibility

We are committed to providing excellent customer experience. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group. Relevant laws and regulations include but are not limited to the "Law of the PRC on the Protection of Consumer Rights and Interests", the "Advertising Law of the PRC", the "Interim Measures for the Administration of Internet Advertising" of the PRC, the "Product Quality Law of the PRC", and the "Trade Descriptions Ordinance" of Hong Kong.

Product Quality Assurance

The Group has embedded its approach of delivering best value to its customers into the way it designs and markets its products and services. Its policies require that products must be fit-for-purpose throughout their lifecycle, meeting regulatory requirements and ethical standards. The Group regularly reviews products to ensure they remain relevant and perform in line with expectations and improve or withdraw products that do not meet our customers' needs or standards.

To this end, the Group has established the "Product Safety and Risk Control Procedures" to standardise procedures for the quality management of products and services. It has also established procedures for quality inspections of raw materials upon their arrival in the warehouse. Different departments within the Group take the lead in fulfilling these responsibilities, with their specific roles outlined below:

Departments	Responsibilities
Engineering and technology department	• Conduct risk analysis and risk management • Provide technical support
Production unit	• Ensure safety production • Perform risk management
Quality management department	• Conduct product safety inspection • Review suppliers' management capabilities regarding product safety
Administrative department	• Provide training on product safety responsibilities for employees

Engaging with Customers

To maintain high standards of customer service, the Group has developed "Customer Service Management Guidance" provide detailed instructions to employees on how to handle product orders, customer inquiries and other related matters. The Group also actively communicates with customers and takes immediate measures to resolve any complaints. We have established the "Customer Satisfaction Evaluation Procedures" to ensure that queries and feedback from customers are answered, rectified, and recorded in a systematic manner.

When a complaint is received, the quality management department conducts an internal investigation and analysis. The Group communicates with the customer and responds to the complaint within a specified period. If necessary, the market department arranges the product return process according to the "Customer Complaints and Product Return Procedures".

During the Reporting Period, there were no products recalled for safety and health reasons (2025: nil). The Group received 0 complaints from customers (2025: 0 complaints). In the event of any future complaints, the Group will promptly conduct internal investigations, communicate with customers, and arrange for product returns or exchanges when necessary, in accordance with our established procedures.

Privacy Protection

Practising good cybersecurity is vital to our business, and we understand the importance of managing the integrity and reliability of our system. To safeguard corporate or customers' personal data, the Group continues to strengthen its information security system and has stipulated the "Personal Data Protection Policies and Procedures Manual". The designated department has been assigned to govern the authorities and accessibility of data. Our risk management process helps to identify and monitor cyber issues, enabling compliance with our cybersecurity policy and applicable regulatory and statutory requirements.

Compliance with the employee confidentiality agreement is mandatory for all employees, any unauthorised access or misuse of such information carries serious consequences, including disciplinary action up to and including termination of employment. Furthermore, the Group strictly prohibits the disclosure of business information, trade secrets, technical details, and other proprietary company secrets. The Group has also installed and updated firewalls to prevent data leakage. The use of pirated and counterfeit software is strictly prohibited. During the Reporting Period, the Group did not receive any substantiated complaints regarding the breach of client privacy, identified leaks, theft, or loss of customer information.

Advertising and Labelling of Products

The Group respects the rights of customers and is committed to providing accurate marketing information to assist them in their purchase decisions. We have established the "Marketing Operational Procedures" to strictly regulate and review advertising materials to protect the interests of our customers. The labelling of our products must be accurate, legitimate, clear, and not misleading to avoid any non-compliance with relevant laws and regulations.

Intellectual Property Rights

The Group is committed to safeguarding intellectual property rights. A dedicated department is responsible for the protection and management of the Group's and its customers' intellectual properties and technical specifications. Employees are strictly prohibited from copying or disclosing any information, such as designs, techniques, and trade secrets, to third parties without the explicit consent of the Group. These measures are in place to ensure the confidentiality and protection of valuable information and to uphold the Group's commitment to intellectual property rights.

Anti-corruption

The Group believes that honesty, integrity and fairness are fundamental elements of the organisation. The Group has formulated the "Commercial Bribery Prevention Management and Whistle-blowing Policy" and "Integrity Policy Management Procedures" to prevent, identify and address any instances of alleged or actual bribery or corruption involving the Group. During the Reporting Period, the Group was not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group. No concluded legal cases regarding corrupt practices have been brought against the Group or its employees during the Year. Relevant laws and regulations include but are not limited to the "Company Law of the PRC", the "Anti-money Laundering Law of the PRC" and the "Prevention of Bribery Ordinance" in Hong Kong. The Group is committed to upholding the highest ethical standards, including business integrity, honesty and transparency across all operations and businesses. We have zero tolerance for any form of fraud or bribery, and are committed to the prevention, deterrence, detection, and investigation of all forms of fraud and bribery. The Group provides employees with guidelines which stipulate the expected behaviour of employees and specify that employees must not engage in acts or activities with conflicts of interest. The Employee Handbook provides proper examples of ethical behaviours.

Training related to anti-corruption is rendered to our directors, management and employees to boost their awareness of the prevention of any kind of unethical behaviour such as bribery, extortion, fraud and money laundering. During the Reporting Period, the Group provides directors and senior management with anti-corruption materials to enhance their awareness, and there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Whistle-blowing Mechanism

The Group actively promotes a culture of transparency and encourages employees and other stakeholders, such as customers, suppliers, creditors, and debtors, to report any suspicions of improprieties, misconduct, or malpractice. To facilitate this, a confidential reporting channel is available for individuals to disclose their concerns.

Under the Whistleblowing Policy, all reported incidents are treated with the utmost confidentiality, and whistleblowers are protected from unfair dismissal, retaliation, or unwarranted disciplinary actions. Incidents involving fraud and corruption are subject to thorough investigation.

The Internal Audit department plays a vital role in reviewing reported incidents. They engage relevant stakeholders, assess the need for detailed investigations, and escalate findings to the Board and the Audit Committee when necessary. This ensures that reported incidents are appropriately addressed and resolved.

Community Investment

The Group considers it as a privilege to have the ability to give back to the community. Community involvement reaffirms the Group's commitment to engaging with stakeholders to make lasting impacts. Through community involvement, the Group can also foster its corporate culture, promote networking and offer employees a platform to positively impact the community. To this end, we have established the "Community Investment Policy" to effectively manage our donation and sponsorship activities.

Community Investment Activities

The Group will keep working with its partners to support community programs that make a positive impact. We are committed to encouraging our employees to take part in volunteer work and charitable activities during work and free time. Through donations and corporate volunteer efforts, we aim to create lasting positive changes in our communities, building a better future together.

CONTENT INDEX OF THE ESG REPORTING CODE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Board Statement and ESG Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Reporting Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emissions
KPI A1.2	Replaced by Responding to Climate Change	Climate and Nature-related Targets – Greenhouse Gas Emission
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Hazardous Wastes
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Non-hazardous Wastes
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Climate and Nature-related Targets; Emissions – Air Emissions, Greenhouse Gas Emission
KPI A1.6	Description of how hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Climate and Nature-related Targets; Emissions – Hazardous Wastes, Non-hazardous Wastes

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate and Nature-related Targets; Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Climate and Nature-related Targets; Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Replaced by Responding to Climate Change.	Responding to Climate Change
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment – Inclusion and Diversity
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Employee Benefits and Welfare
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training – Training Programmes
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training – Training Programmes
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Green Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Green Procurement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility –Engaging with Customers
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility –Engaging with Customers
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Anti-corruption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Climate-related Disclosures	Description	Section/Statement
Governance	Governance	Climate Governance
Strategy	Strategy	Strategy
Risk Management	Risk Management	Climate Risk Management
Metrics and Targets	GHG Emissions	Climate and Nature-related Targets
	Cross-industry Metrics – Climate-related Physical Risks, Transition Risks and Opportunities	Strategy
	Cross-industry Metrics – Capital Deployment	Strategy
	Internal Carbon Prices	Strategy- Current and Anticipated Financial Effect
	Remuneration	Climate Governance
	Industry-based Metrics	The Group has not applied industry based metrics under the industry based Guidance for IFRS S2.
	Climate-related Targets	Climate and Nature-related Targets

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board (the "Board") of directors (the "Director(s)") of the Company is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the shareholders of the Company (the "Shareholders"), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the basis of the Company's corporate governance practices.

Throughout the year ended 31 March 2026 (the "Year"), the Company has complied with the code provisions as set out in the CG Code, except for the code provision C.2.1 of the CG Code as noted hereunder.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as its code of conduct regarding directors' securities transactions. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Year.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises six members, consisting of two executive Directors, one non-executive Director and three independent non-executive Directors. During the Year and up to the date of this annual report, all Directors are named as follows:

Executive Directors:

Mr. Lee Man Kwong *(Chairman)*
Dr. Sun Jingan *(Appointed on 20 April 2026)* (1)

Non-Executive Directors:

Mr. Yau Pak Yue
Mr. Wong Siu Hung, Patrick *(Resigned on 20 April 2026)* (2)

Independent Non-Executive Directors:

Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming
Ms. Lin Ying

The following changes to the Board composition have taken place since the date of the last corporate governance report:

(1) Dr. Sun Jingan has been appointed as an executive Director and as an authorized representative of the Company under Rule 3.05 of the Listing Rules with effect from 20 April 2026. He has obtained legal advice referred in Rule 3.09D to the Listing Rules on 17 April 2026 and has confirmed he understood his obligations as a Director.

(2) Mr. Wong Siu Hang, Patrick resigned as a non-executive Director and as an authorized representative of the Company under Rule 3.05 of the Listing Rules with effect from 20 April 2026.

The biographical information of the Directors are set out on pages 5 to 9 of this annual report.

To the best knowledge of the Directors, there is no other financial, business, family or other material/relevant relationship(s) between the chairman of the Board and among members of the Board.

Pursuant to code provision C.1.5 of the CG Code, the Directors have disclosed to the Company at the time of their appointments and from time to time thereafter the number and nature of offices held in public companies or organisations, other significant commitments, and the identity of the public companies or organisations involved.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Lee Man Kwong is the chairman of the Board (the "Chairman") and the Company has not appointed a chief executive officer. The daily operations of the Group are delegated to the executive Directors and the senior management. The Board is of the view that the current management structure can effectively facilitate the Company's operations and business developments.

BOARD OF DIRECTORS (continued)

Independent Non-Executive Directors

During the Year, the Company has met the requirements of Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

The Company has established mechanisms to ensure independent views and inputs are available to the Board, and ensure the independence of the Board as a critical measure to improve the efficiency of the Board, pursuant to code provision B.1.4 of the CG Code. The mechanisms include but is not limited to Directors' access to external professional advisers to obtain additional information and documents from the management on matters to be discussed at Board meetings. The implementation and effectiveness of such mechanism are annually reviewed by the Board.

Appointment and Re-election of Directors

Code provision B.2.2 of the CG Code states that all Directors including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

All Directors (including the non-executive Director and the independent non-executive Directors) are appointed for a specific term of three years and renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then current term of the appointment.

The procedure and process of appointment, re-election and removal of the Directors are laid down in the Bye-Laws of the Company (the "Bye-Laws"). The nomination committee of the Company (the "Nomination Committee") is responsible for reviewing Board composition, making recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, and assessing the independence of independent non-executive Directors.

Under the Bye-Laws, at each annual general meeting of the Company, 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. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

Under Bye-Laws 102(A) and 102(B) of the Bye-Laws, which provides that the Company may from time to time in general meeting of the Company by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director; or subject to authorisation by the Shareholders in a general meeting of the Company, the Directors shall until and unless such authorisation shall be revoked, have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or (subject to the provisions of the Companies Act) as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company. Hence, any Director be appointed by the Shareholders or Directors to fill a casual vacancy shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

Under the Bye-Laws, Dr. Sun Jingan, Dr. Chan Yau Ching, Bob and Dr. Leung Hoi Ming will retire by rotation from office and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company ("AGM").

The Board and the Nomination Committee have recommended their reappointment at the AGM. The Company's circular regarding the AGM, sent together with this annual report, contains detailed information of the above recommended persons as required by the Listing Rules.

BOARD OF DIRECTORS (continued)

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including the non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations, while the non-executive Director is responsible for scrutinizing the Group's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

The Directors have timely access to the information of the Company as well as the services and advice from the company secretary and senior management of the Company. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to its management team.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs to discuss and review the overall strategy as well as the operation and financial performance of the Group and other duties of the Board. Four Board meetings and an annual general meeting of the Company were held during the Year. The Chairman also during the Year held a meeting with all independent non-executive Directors without the presence of other Directors. The attendance record of Directors are set out in the table herein. For regular Board meetings, notice of at least 14 days is given to all Directors to ensure that all Directors are given an opportunity to attend and to include matters for discussion in the agenda. Agenda and Board papers are normally sent to all Directors at least 3 days before each regular Board meeting to enable them to make informed decisions with adequate data. All Directors have full access to information of the Group and are able to obtain independent professional advice in performing their duties at the expense of the Company in appropriate circumstances or upon their request.

Minutes of all Board and Board committees meetings are kept by the company secretary of the Company (the "Company Secretary"). Draft minutes are circulated to all Directors or Board committee members for review and comment in a timely manner and final version for their records. Minutes are recorded in sufficient detail of the matters considered by the Board and decisions reached. The final versions of minutes/resolutions of the Board and the Board committees are available for inspection by Directors. Any matters which are material and/or substantial Shareholder(s) (as defined in the Listing Rules) or Directors and their close associates (as defined in the Listing Rules) with a material interest in or may cause potential conflicts of interests are discussed at physical Board meetings (instead of by circulating written resolutions of Directors) and relevant Directors will abstain from voting on the resolutions approving such transactions and are not counted in the quorum of the meetings.

BOARD OF DIRECTORS (continued)

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive a formal and comprehensive 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. The induction materials, including directors' manual and legal and regulatory update have been provided to the Directors upon appointment.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors will be arranged and reading materials on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Directors have participated in the following trainings pursuant to code provision C.1.4 of the CG Code during the Year:

Name of Directors	Type of Training
Executive Directors	
Mr. Lee Man Kwong *(Chairman)*	A & B
Dr. Sun Jingan *(Appointed on 20 April 2026)*	N/A
Non-executive Directors	
Mr. Yau Pak Yue	A & B
Mr. Wong Siu Hung, Patrick *(Resigned on 20 April 2026)*	A & B
Independent non-executive Directors	
Dr. Chan Yau Ching, Bob	A & B
Dr. Leung Hoi Ming	A & B
Ms. Lin Ying	A & B

Notes:

Types of trainings

A: Attending training sessions, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

The Board has established three committees, namely, the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to the Shareholders upon request.

As at 31 March 2026 and the date of this annual report, the majority of the members of each committees are independent non-executive Directors and the list of the chairman and members of each Board committee is set out in the below sections.

Audit Committee

The Audit Committee was established in 1999. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The latest terms of reference adopted on 30 December 2022 are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists of three independent non-executive Directors and one non-executive Director, at least one of whom possesses appropriate professional qualifications or accounting or related financial management expertise. During the Year, the arrangement of the Audit Committee fully complied with Rule 3.21 of the Listing Rules. During the Year and up to the date of this annual report, the composition of the Audit Committee is as follows:

Ms. Lin Ying (*Chairlady)*
Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming
Mr. Yau Pak Yue

The main duties of the Audit Committee are to assist the Board in, inter alia, reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment and re-appointment of external independent auditor of the Company (the "Independent Auditor"), and arrangements to enable employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Board has also delegated the responsibility for reviewing the corporate governance related-matters of the Group to the Audit Committee.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS (continued)

Audit Committee (continued)

During the Year, the Audit Committee held two meetings to discharge its responsibilities and review and discuss the following matters:

– interim and annual financial results and reports and significant issues on the financial reporting;

– remuneration, terms of engagement and independence of the Independent Auditor and re-appointment of the Independent Auditor;

– audit and non-audit services and the relevant service fees proposed by the Independent Auditor;

– corporate governance related-matters of the Group;

– effectiveness of the risk management and internal control systems and internal audit function; and

– any other business in accordance with its terms of reference.

The Audit Committee also met the Independent Auditor twice during the Year. There was no disagreement between the Board and the Audit Committee on the selection and re-appointment of the Independent Auditor and they both have agreed to recommend the re-appointment of Prism Hong Kong Limited as the Independent Auditor for the ensuing year at the AGM.

Remuneration Committee

The Remuneration Committee was established in 2005. The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The latest terms of reference adopted on 30 December 2022 are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee currently comprises three independent non-executive Directors and one executive Director. During the Year and up to the date of this annual report, the composition of the Remuneration Committee is as follows:

Ms. Lin Ying *(Chairlady)*
Mr. Lee Man Kwong
Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS (continued)

Remuneration Committee (continued)

The primary functions of the Remuneration Committee include, inter alia, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management as well as the Group's remuneration policy and structure for all Directors and senior management; establishing transparent procedures for developing such remuneration policy structure to ensure that no Director and/or any of his/her associates will participate in deciding his/her own remuneration; and reviewing and/or approving matters relating to the share schemes as stipulated in Chapter 17 of the Listing Rules.

The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

Since there were no shares granted under the Share Option Scheme (as defined in the Report of the Directors), no material matters relating to the Share Option Scheme under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Year.

During the Year, the Remuneration Committee held one meeting to review the remuneration packages of all Directors and senior management, make recommendation to the Board on the Group's remuneration policy and structure and transact any other business in accordance with its terms of reference.

Remuneration Bands of Senior Management

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

Remuneration by Band	Number of Individuals
HK$Nil to HK$1,000,000	5

Details of emoluments of Directors and the five highest paid individuals are set out in Note 10 to the consolidated financial statements for the Year in this annual report.

Details of the Employees and Remuneration Policy of the Group are also set out in the "Employees and Remuneration Policy" section contained in the Management Discussion and Analysis of this annual report.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS (continued)

Nomination Committee

The Nomination Committee was established in 2012. The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The latest terms of reference adopted on 24 June 2025 are available on the websites of the Stock Exchange and the Company.

The Nomination Committee currently comprises one executive Director and three independent non-executive Directors. During the Year and up to the date of this annual report, the composition of the Nomination Committee is as follows:

Mr. Lee Man Kwong *(Chairman)*
Dr. Chan Yau Ching, Bob
Dr. Leung Hoi Ming
Ms. Lin Ying

The principal duties of the Nomination Committee include, inter alia, reviewing the structure, size and composition of the Board, assist the Board in maintaining a board skills matrix, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, considering the selection criteria of Directors and developing procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors and supporting the regular evaluation of the performance of the Board. The Nomination Committee is able to obtain independent professional advice in performing their duties at the expenses of the Company in appropriate circumstances.

In assessing the Board composition, the Nomination Committee would take into account various aspects and factors concerning Board diversity as set out in the Company's Board Diversity Policy (the "Board Diversity Policy"). During the Year, Nomination Committee has discussed and considered the measurable objectives for achieving diversity on the Board.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Nomination Policy of the Company (the "Nomination Policy") that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Year, the Nomination Committee held one meeting to review the structure, size and composition of the Board, the Nomination Policy, the Board Diversity Policy, the contribution by each Director to perform his/her responsibilities, the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors for re-election at the annual general meeting of the Company held on 23 September 2025 and transact any other business in accordance with its terms of reference. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS (continued)

Board Diversity Policy

The Company has adopted the Board Diversity Policy which sets out the approach to achieve diversity on the Board. The Board Diversity Policy is available for viewing on the website of the Company. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

For the purpose of implementation of the Board Diversity Policy, the following are the measurable objectives:

Selection of candidates to the Board will be based on a series of diversity attributes, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merit and contribution that the candidates will bring to the Board. The Board aims at comprising Directors with different diversity attributes and being commensurate with both the nature and scale of business of the Group.

The Nomination Committee reviews the Board Diversity Policy, as appropriate, to ensure its effectiveness. During the Year, the Board, via the Nomination Committee, conducted an annual review of the implementation and effectiveness of the Board Diversity Policy and is satisfied that the Board Diversity Policy has been properly implemented and is effective.

The Nomination Committee will review annually the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile.

In relation to the reviewing and assessing of the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. By adopting such criteria, it facilitates the Company to develop a pipeline of candidates to the Board to achieve gender diversity.

During the Year, the Board composition has been reviewed and is considered to be satisfied, having regard to the independence and the Board Diversity Policy by the Company.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS (continued)

Gender Diversity

The Company values gender diversity. As of 31 March 2026:

At Board level:

The proportion of female Board representation is a measurable objective of the Company in assessing the implementation of the Board Diversity Policy. The Board recognises the importance of the Board gender diversity for enhancing the corporate governance system and strategic decisions in the boardroom.

Ms. Lin Ying was appointed as an independent non-executive Director on 20 September 2024 (the "Appointment"). After the Appointment and as at the date of this annual report, the Board is of the opinion that the Company achieved the diversity requirements under the Listing Rules as the Board is no longer composed of a single gender. The Board will continue to review the implementation and effectiveness of the Board Diversity Policy on an annual basis to ensure its continued effectiveness.

At workforce level:

The Group's overall workforce gender ratio was about 1:1.49 male to female. The higher female ratio is mainly due to the gender availability in the market. While striving to narrow the gender gap of our operations staff, we take into account other factors inclusive of qualifications and skills in determining qualified individual besides gender considerations.

While we believe our future employee recruitment should predominantly be merit-based and do not consider it is appropriate to set any target gender ratio for our workforce, we recognise and embrace the benefits of having a diverse workforce, and will continue to enhance the diversity of our workforce, subject to availability of suitable candidates.

Details of gender ratio of the workforce (including senior management) ,being a measurable objective for gender diversity, have been achieved and are set out in the Environmental, Social and Governance Report for the Year in this annual report.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS (continued)

Nomination Policy

The Board has delegated its responsibilities and authority to the Nomination Committee for identification and selection of candidates to stand for election as Directors. The Company has adopted the Nomination Policy that sets out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment or (ii) the Shareholders for election as a Director.

The Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings of the Company. During the Year, no candidate was nominated for directorship.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness.

ATTENDANCE RECORDS OF DIRECTORS AND BOARD COMMITTEES MEMBERS AT BOARD MEETINGS, BOARD COMMITTEES MEETINGS AND GENERAL MEETINGS

The attendance record of each Director at the Board and Board committee meetings and the annual general meeting of the Company held during the Year is set out in the table below:

	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting held on 23 September 2025
Executive Directors					
Mr. Lee Man Kwong	4/4	N/A	1/1	1/1	1/1
Dr. Sun Jingan *(Appointed on 20 April 2026)*	0/0 (Note 1)	N/A	N/A	N/A	0/0 (Note 2)
Non-executive Directors					
Mr. Yau Pak Yue	4/4	2/2	N/A	N/A	1/1
Mr. Wong Siu Hung, Patrick *(Resigned on 20 April 2026)*	4/4	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Dr. Chan Yau Ching, Bob	4/4	2/2	1/1	1/1	1/1
Dr. Leung Hoi Ming	4/4	2/2	1/1	1/1	1/1
Ms. Lin Ying	4/4	2/2	1/1	1/1	1/1

Notes:

1 There was no Board meeting held during his appointment.

2 There was no annual general meeting of the Company held during his appointment.

The Chairman also held a meeting with all independent non-executive Directors without the presence of the other Directors during the Year.

All independent non-executive Directors attended the annual general meeting of the Company held on 23 September 2025 to develop a balanced understanding of the view of the Shareholders.

CORPORATE GOVERNANCE FUNCTIONS

The Board recognises that corporate governance should be the collective responsibility of Directors and their corporate governance duties include those set out in code provision A.2.1 of the CG Code:

(a) to develop, review and implement the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of the Directors and the senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Year, the Board reviewed and performed the abovementioned corporate governance functions.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks, including environmental, social and governance ("ESG") risks. It is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

REGULAR INTERNAL CONTROL REVIEW

Given the current operation of the Group, no internal audit department has been set up within the Group. The Group's risk management and internal control systems are reviewed once a year by an external independent internal control consultant. During the Year, the Board engaged an external independent internal control consultant (the "Internal Control Consultant") to perform a review of the Group's internal controls (the "Internal Controls Review") and assist the Company to perform a risk assessment of the Group. The scope of work of the Internal Control Consultant was to conduct a gap analysis of the Company's risk management and internal control systems to identify potential areas of improvement, and to perform a high-level Internal Controls Review (through interviews with designated responsible personnel and examined relevant documents) of certain business processes to identify potential internal controls design gaps, and to recommend practical actions to be taken. The Internal Control Consultant adopts a risk-based approach in developing the annual internal audit work plan and reports on Internal Control Review observations to the Audit Committee on an annual basis.

REGULAR INTERNAL CONTROL REVIEW (continued)

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Year.

The Board, as supported by the Audit Committee as well as the management report and the Internal Control Review findings, reviewed the risk management and internal control systems, including the financial reporting and disclosure management, fixed asset management and cash and treasury management, for the Year, and considered that such systems are effective and adequate. The annual review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting functions, as well as those relating to the Group's ESG performance and reporting.

A discussion on the principal risks and uncertainties of the Group are set out in Note 35 to the consolidated financial statements in this annual report.

Whistleblowing procedures are in place to facilitate employees and other stakeholders including but not limited to customers and suppliers of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company conducts its business affairs according to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission. The Company strictly prohibits the unauthorised use of confidential or inside information by Directors, employees and other relevant persons (for example external service providers and project working team members).

The Board is responsible for the handling and dissemination of inside information. In order to ensure the market, Shareholders and stakeholders of the Company are fully and promptly informed about the material developments in the Company's business, the Board has adopted continuous disclosure policy and procedures to handle proper information disclosure. Release of inside information is subject to the approval of the Board. All staff of the Company shall not communicate inside information to any external parties unless with approval from the Board. As such, staff shall not respond to market speculation and rumours unless authorised. In addition, all external presentation materials or publication must be pre-vetted before released.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year.

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 report of the Independent Auditor about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 83 to 88.

AUDITOR'S REMUNERATION

The remuneration paid to the Independent Auditor, Prism Hong Kong Limited, in respect of audit services and non-audit services for the Year were as follows:

	2026 HK$'000
Audit services	750
Non-audit services	50
	800

NATURE OF NON-AUDIT SERVICES

The non-audit services provided by the Independent Auditor for the year ended 31 March 2026 included agreed-upon procedures on interim financial information for the six months ended 30 September 2025.

The Audit Committee is of the view that the Independent Auditor independence was not affected by the provision of non-audit related services.

COMPANY SECRETARY

Mr. Ng Yu Ho ("Mr. Ng"), the company secretary of the Company (the "Company Secretary"), is responsible for providing advice to the Company on corporate governance matters and relevant updates on applicable laws, rules and regulations so as to uphold good corporate governance practices of the Company. All Directors have access to the advice and services of the Company Secretary on corporate governance and Board practices and matters. Mr. Ng has attended not less than 15 hours training as per the requirement under Rule 3.29 of the Listing Rules.

Mr. Ng's primary contact person at the Company is Mr. Lee Man Kwong, being the Chairman and executive Director.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

To safeguard Shareholder's interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings of the Company, including the election of individual Director. All resolutions put forward at general meetings of the Company 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.

SHAREHOLDERS' RIGHTS (continued)

Convening a Special General Meeting

Shareholder(s) holding not less than one-tenth (1/10) of the paid-up capital of the Company can deposit with either the registered office or the head office of the Company a written request to convene a special general meeting ("SGM") of the Company for the attention of the Chairman.

The written request must state the purposes of the SGM, signed by the Shareholders concerned with correspondence details of those Shareholders and may consist of several documents in like form, each signed by one or more of those Shareholders.

If the Board does not within 21 days from the date of the deposit of the written request proceed duly to convene a SGM for a day not more than 28 days after the date on which the notice convening the SGM is given, the Shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of three months from the date of the deposit of the written request.

Putting Forward Proposals at General Meetings

Any number of Shareholders representing not less than one-twentieth (1/20) of the total voting rights of all Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates or not less than 100 Shareholders could make a written request to the Company at the expense of those Shareholders making the written request to give to Shareholders notice of any resolution which may properly be moved and is intended to be moved at an annual general meeting, or to circulate to Shareholders any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at any general meeting.

The written request must be signed by all the Shareholders concerned in one or more documents in like form and deposited at the registered office or the head office of the Company for the attention of the Chairman not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution, and not less than one week before the meeting in the case of any other requisition.

With regard to the procedures for Shareholders to propose a person for election as a Director at any general meeting of the Company, please refer to the document named "Procedures Shareholders can Use to Propose a Person for Election as a Director" as posted on the Company's website at www.jsmartech.hk.

Putting Forward Enquiries to the Board

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

Shareholders may send their enquiries or requests to the following:

Address:	Suite 22C, 22/F 228 Electric Road North Point, Hong Kong (For the attention of the Chairman of the Board)
Email:	info@jsmartech.hk

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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 on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings of the Company. At the annual general meeting of the Company, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

Constitutional Documents

There was no change in the constitutional documents of the Company during the Year.

Policies relating to Shareholders

Shareholder Communication Policy

The Company values communication with its Shareholders and investors. The Company has adopted a shareholder communication policy (the "Shareholders Communication Policy") with an aim to ensure all Shareholders and investors have equal and timely access to the Company information. Principal channels of communication used by the Company during the Year are set out below:

(a) Annual general meeting;

(b) Financial reports and announcements;

(c) Notice of meeting; and

(d) Company's website.

During the Year, the Board conducted a review of the implementation and effectiveness of the Shareholders Communication Policy. Having considered the available channels of communication in place as detailed above, the Board is satisfied that the Shareholders Communication Policy has been properly implemented and is effective.

Dividend Policy

The Company has adopted a dividend policy, which sets out the approach for the declaration and payment of dividend by the Board. Depending on the financial conditions of the Group and the conditions and factors as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

INDEPENDENT AUDITOR'S REPORT

Prism

To the members of **Jsmart Technologies Group Limited**
(incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Jsmart Technologies Group Limited (formerly known as Daisho Microline Holdings Limited) (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 89 to 168, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, the consolidated statement of 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 financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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 financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

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

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Key Audit Matters (continued)

Impairment of property, plant and equipment and intangible assets

Refer to Notes 12 and 13 to the consolidated financial statements and the accounting policies on page 109.

The key audit matter

As at 31 March 2026, the aggregate net carrying amount of the Group's property, plant and equipment and intangible assets relating to the printing and packaging products business segment (the "Printing CGU") amounted to approximately HK$14,218,000.

The management of the Group performed assessment at the end of each reporting period to consider whether there is any indication that the property, plant and equipment and intangible assets relating to the Printing CGU may be impaired. For the purpose of assessing impairment, the Group engaged an independent professional valuer to provide assistance in assessing the recoverable amount of the Printing CGU. The recoverable amount of the Printing CGU was determined by the management with reference to value-in-use calculation using cash flow projections.

Based on the impairment assessment, an impairment loss of approximately HK$4,550,000 was recognised on property, plant and equipment attributes to the Printing CGU for the year ended 31 March 2026.

We have identified the impairment assessment of the property, plant and equipment and intangible assets as a key audit matter because of their significance to the consolidated financial statements and the significant judgement involved in determining assumptions and involved high level of uncertainty.

How the matter was addressed in our audit

Our audit procedures in relation to management's assessment on impairment of property, plant and equipment and intangible assets included the following:

– Assessing the appropriateness of using value-in-use calculation in estimating the recoverable amount of the property, plant and equipment and intangible assets;

– Evaluating the competence, capabilities and objectivity of the independent professional valuer;

– Assessing the appropriateness of the methodologies used by the independent professional valuer;

– Evaluating the reasonableness of key assumptions based on our knowledge of the industry and market and checking arithmetic accuracy of the cash flow forecasts calculation;

– Involving our valuation specialists to assist us in assessing the appropriateness of methodology and reasonableness of significant assumption used in the impairment assessment of the property, plant and equipment and intangible assets; and

– Checking, on a sample basis, the accuracy and relevance of the input data provided by management to the independent professional value.

Key Audit Matters (continued)

Expected credit losses ("ECL") assessment of trade receivables and loan to a joint venture (included in "Interests in a joint venture)

Refer to Notes 14 and 18 to the consolidated financial statements and the accounting policies on pages 103 to 106.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2026, the Group has trade receivables of approximately HK$9,389,000 (net of loss allowance of approximately HK$326,000) and loan to a joint venture of approximately HK$18,882,000 (net of loss allowance of approximately HK$962,000). At each reporting date, the management of the Group estimates the amounts of ECL on trade receivables and loan to a joint venture based on historical data and are adjusted for forward-looking information that are specific to each debtor. The management of the Group has considered reasonable and supportable information that is relevant and available without undue cost and effort for this purpose. Such assessment has taken the quantitative and qualitative historical information and also, the forward-looking analysis. We have identified ECL assessment of trade receivables and loan to a joint venture as a key audit matter because the respective balances were significant to the consolidated financial statements and the ECL assessment of these balances required significant judgement and involved high level of uncertainty.	Our audit procedures in relation to management's assessment on expected credit losses ("ECL") assessment of trade receivables and loan to a joint venture (included in "Interests in a joint venture) included the following: – Understanding of the Group's credit risk management and practices and assessing the Group's impairment provisioning policy in accordance with the requirements of applicable accounting standards; – Assessing the application of impairment methodology of ECL, and checking the assumptions and key parameters to external data sources where available; – Assessing and challenging the reasonableness and relevancy of the external information used by the Group as the forward-looking information; – Involving our valuation specialists to assist us in assessing the appropriateness of methodology and reasonableness of significant assumptions used in ECL assessment of trade receivables and loan to a joint venture; – Checking the aging profile of the trade receivables at the end of the reporting period, on a sample basis, to underlying accounting records and supporting documents; and – Checking the calculation of ECL based on the methodology adopted by the Group and adequacy of the Group's disclosures in relation to credit risk exposed by the Group in the consolidated financial statements.

Other Information

The directors of the Company are responsible for the other information. The other information comprises 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 and Those Charged with Governance 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 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional 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 use of the going concern basis of accounting by the directors of the Company 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 those charged with governance 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance 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 those charged with governance, 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 and 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 Mr. Dai Tin Yau.

Prism Hong Kong Limited
Certified Public Accountants
Dai Tin Yau
Practising Certificate Number: P06318

Hong Kong
18 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	5	**43,426**	53,097
Cost of sales		**(33,897)**	(42,873)
Gross profit		**9,529**	10,224
Other income	7	**960**	3,540
Selling and distribution expenses		**(2,855)**	(3,999)
Administrative expenses		**(21,815)**	(24,517)
Other operating expenses		**(138)**	(2)
(Provision for) reversal of impairment losses on trade receivables, net	35	**(145)**	416
(Provision for) reversal of impairment losses on other receivables	19(b)	**(204)**	406
Reversal of (provision for) impairment loss on loan to a joint venture	14	**165**	(34)
Fair value loss on investments at fair value through profit or loss	20	**(1,479)**	(35)
Impairment losses on property, plant and equipment	12	**(4,550)**	(3,965)
Share of results of an associate	15	**(729)**	–
Share of results of a joint venture	14	**90**	(130)
Loss on disposal of subsidiaries	31	**–**	(3,106)
Finance costs	8	**(114)**	(83)
Loss before taxation	8	**(21,285)**	(21,285)
Income tax credit	9	**14**	159
Loss for the year		**(21,271)**	(21,126)
Loss per share			
Basic (Hong Kong cents)	11	**(1.32)**	(1.31)
Diluted (Hong Kong cents)	11	**(1.32)**	(1.31)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
Loss for the year	**(21,271)**	(21,126)
Other comprehensive expense:		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	**(1,034)**	(168)
Items that will not be reclassified to profit or loss:		
Share of other comprehensive expense of a joint venture	**(437)**	–
Total other comprehensive expense for the year	**(1,471)**	(168)
Total comprehensive expense for the year	**(22,742)**	(21,294)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment	12	**15,159**	22,041
Intangible assets	13	**–**	–
Interests in a joint venture	14	**–**	347
Interests in an associate	15	**29,802**	–
Deposits	19	**30**	26,021
Deposits paid for acquisition of property, plant and equipment	36(b)	**–**	–
		44,991	48,409
Current assets			
Inventories	17	**5,391**	6,091
Trade and bills receivables	18	**9,421**	6,343
Other receivables, deposits and prepayments	19	**8,255**	4,358
Loan to a joint venture	14	**18,882**	18,717
Investments at fair value through profit or loss	20	**924**	1,049
Cash and cash equivalents	21	**3,234**	19,947
		46,107	56,505
Current liabilities			
Trade payables	22	**10,185**	7,385
Other payables and accruals	23	**19,586**	13,418
Lease liabilities	24	**583**	1,046
Amount due to a shareholder	25	**5,378**	7,693
Amount due to a joint venture	26	**1,853**	1,853
Bank and other borrowings	27	**1,207**	–
		38,792	31,395
Net current assets		**7,315**	25,110
Total assets less current liabilities		**52,306**	73,519
Non-current liabilities			
Lease liabilities	24	**471**	969
Bank and other borrowings	27	**2,044**	–
Deferred tax liabilities	28	**14**	31
		2,529	1,000
NET ASSETS		**49,777**	72,519

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Capital and reserves			
Share capital	29	**161,328**	161,328
Reserves	30	**(111,551)**	(88,809)
TOTAL EQUITY		**49,777**	72,519

The consolidated financial statements on pages 89 to 168 were approved and authorised for issue by the Board of Directors on 18 June 2026 and signed on its behalf by

Lee Man Kwong *Director*	**Sun Jingan** *Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2026

		Reserves						
	Share capital HK$'000 (Note 29)	Share premium HK$'000 (Note 30(a))	Contributed surplus HK$'000 (Note 30(b))	Investment revaluation reserve HK$'000 (Note 30(b))	Exchange translation reserve HK$'000 (Note 30(c))	Accumulated losses HK$'000	Sub total HK$'000	Total HK$'000
At 1 April 2024	161,328	134,154	9,379	–	83,830	(294,878)	(67,515)	93,813
Loss for the year	–	–	–	–	–	(21,126)	(21,126)	(21,126)
Other comprehensive expense for the year								
Item that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign operations	–	–	–	–	(168)	–	(168)	(168)
Total comprehensive expense for the year	–	–	–	–	(168)	(21,126)	(21,294)	(21,294)
At 31 March 2025 and 1 April 2025	161,328	134,154	9,379	–	83,662	(316,004)	(88,809)	72,519
Loss for the year	–	–	–	–	–	(21,271)	(21,271)	(21,271)
Other comprehensive expense for the year								
Item that may be reclassified subsequently to profit or loss:								
Exchange difference on translation of foreign operations	–	–	–	–	(1,034)	–	(1,034)	(1,034)
Items that will not be reclassified to profit or loss:								
Share of other comprehensive expense of a joint venture	–	–	–	(437)	–	–	(437)	(437)
Total other comprehensive expense for the year	–	–	–	(437)	(1,034)	–	(1,471)	(1,471)
Total comprehensive expense for the year	–	–	–	(437)	(1,034)	(21,271)	(22,742)	(22,742)
At 31 March 2026	161,328	134,154	9,379	(437)	82,628	(337,275)	(111,551)	49,777

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(21,285)**	(21,285)
Adjustments for:			
Amortisation of intangible assets		**–**	103
Depreciation		**2,668**	4,367
Finance costs		**114**	83
Impairment losses of property, plant and equipment		**4,550**	3,965
Fair value change on investments at fair value through profit or loss		**1,479**	35
Gain on disposal of financial assets at FVTPL		**(56)**	(366)
Gain on termination of lease		**(8)**	–
Interest income		**(199)**	(206)
Loss on disposal of property, plant and equipment, net		**–**	2
Write-off of property, plant and equipment		**138**	–
Loss on disposal of subsidiaries	31	**–**	3,106
Provision for (reversal of) impairment losses on trade receivables, net	35	**145**	(416)
Provision for (reversal of) impairment losses on other receivables	19(b)	**204**	(406)
(Reversal of) provision for impairment loss on loan to a joint venture	14	**(165)**	34
Share of results of an associate	15	**729**	–
Share of results of a joint venture	14	**(90)**	130
Operating cash flows before changes in working capital		**(11,776)**	(10,854)
Changes in working capital:			
Inventories		**700**	(33)
Trade and bills receivables		**(3,235)**	18,887
Other receivables, deposits and prepayments		**(3,435)**	1,638
Trade payables		**2,800**	(8,928)
Other payables and accruals		**6,168**	(950)
Cash used in operations		**(8,778)**	(240)
Income tax refund		**–**	458
Bank interest received		**1**	8
Net cash (used in) generated from operating activities		**(8,777)**	226

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(13)**	(166)
Proceeds from disposal of property, plant and equipment		**–**	–*
Proceeds from disposal of investments at fair value through profit or loss		**303**	394
Deposits paid for the acquisition of an investment	19	**–**	(25,474)
Consideration paid for acquisition of an associate	15	**(5,678)**	–
Purchase of investments at fair value through profit or loss		**–**	(1,084)
Net cash used in investing activities		**(5,388)**	(26,330)
FINANCING ACTIVITIES			
(Repayment of) advance from a shareholder		**(2,315)**	7,693
Advance from a joint venture		**–**	1,853
New bank and other borrowings		**3,251**	–
Repayment for principal of lease liabilities	24	**(1,407)**	(958)
Interest paid		**(114)**	(83)
Net cash (used in) generated from financing activities		**(585)**	8,505
Net decrease in cash and cash equivalents		**(14,750)**	(17,599)
Cash and cash equivalents at the beginning of the reporting period		**19,947**	37,605
Effect of foreign exchange rate changes, net		**(1,963)**	(59)
Cash and cash equivalents at the end of the reporting period	21	**3,234**	19,947

* The balance represents an amount less than HK$1,000.

1. GENERAL INFORMATION

Jsmart Technologies Group Limited (formerly known as Daisho Microline Holdings Limited) (the "Company") is a limited liability company incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and its principal place of business is located at Unit A, 10/F, Fook Hing Industrial Building, 33 Lee Chung Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in investments holding, manufacturing and trading of printed circuit boards, trading of petroleum and energy products and related business and manufacturing and trading of printing and packaging products. The principal activities of its subsidiaries are set out in Note 16 to the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards

In the 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 (the "HKICPA") which are effective for the Group's financial year beginning on 1 April 2025:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

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

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

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

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

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

The directors of the Company anticipate that, except as described below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

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 statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. 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 statement of profit or loss and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements 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 and by the Hong Kong Companies Ordinance.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Allocation of total comprehensive income

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 is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the holding company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset or liability, an associate, a joint venture or others, as appropriate, from the date when control is lost.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, interests in subsidiaries are stated at cost less impairment loss. The carrying amounts of the interests are reduced to their respective recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in associates and joint ventures (continued)

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group reassesses whether it has joint control of an arrangement and whether the type of joint arrangement in which it is involved has changed, if facts and circumstances change.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method, except for the investments classified as held for sale in which case they are accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates and joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates and joint ventures. If the Group's share of losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

If an associate or a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's accounting policies conform to those of the Group when the associate's or joint venture's financial statements are used by the Group in applying the equity method.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired. The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of net investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in associates and joint ventures (continued)

When the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate or joint venture are recognised in consolidated financial statements only to the extent of interests in the associate or joint venture that are unrelated to the Group. The Group's share in the associate's or joint venture's gains or losses resulting from these transactions is eliminated.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. In applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Leasehold improvements	Over the shorter of term of the lease, or 10 years
Machinery and equipment	10 years
Furniture and fixtures	5 years
Motor vehicles	3-5 years
Computers	5 years

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets

Intangible assets acquired in a business combination – customer relationships

Customer relationships acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, the customer relationships acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is calculated using the straight-line method over the expected lives of the customer relationships, which are determined to be 4 years.

The customer relationships are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of the customer relationships, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity investment measured at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets *(continued)*

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) Its contractual terms 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. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and bills receivables, other receivables and deposits, loan to a joint venture (included in interests in a joint venture) and cash and cash equivalents.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability categorised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade payables, other payables and accruals and lease liabilities. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost issued to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) industry of debtors

(iv) geographical location of debtors

(v) external credit risk ratings where available

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Impairment of financial assets *(continued)*

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 the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) 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); or

(ii) there is a breach of financial covenants by the counterpart

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.

Assessment of 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 in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the receivables for which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Impairment of financial assets *(continued)*

Assessment of significant increase in credit risk (continued)

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it 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 fulfil its contractual cash flow obligations.

Bill receivables guaranteed by banks and cash and cash equivalent are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) 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.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

***Impairment of financial assets** (continued)*

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts, if any.

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

(a) Manufacturing and trading of printed circuit boards;

(b) Trading of petroleum and energy products and related business; and

(c) Manufacturing and trading of printing and packaging products.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

***Revenue from contracts with customers within HKFRS 15** (continued)*

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) 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.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sale of goods is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered and title has been passed.

Revenue from other sources

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Hong Kong dollars ("HK$") and majority of its subsidiaries used HK$ as their functional currency, except for the subsidiaries operated in the People's Republic of China (the "PRC") and Singapore, which have Renminbi ("RMB") and United States dollars ("US$") as their functional currency. The consolidated financial statements are presented in HK$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of the reporting period.

- Income and expenses for each statement of profit or loss and other comprehensive income are translated at the average exchange rates.

- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment (including right-of-use assets), intangible assets, interests in a joint venture and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

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 cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment losses is recognised as an income in profit or loss immediately.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account/recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan and the proceeds received.

Leases

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

As lessee

The Group applies the recognition exemption to short-term leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group accounts for each lease component within a lease contract as a lease separately. 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.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset (presented in property, plant and equipment) and a lease liability at the commencement date of the lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

As lessee (continued)

The right-of-use asset is initially measured at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Leased properties	2 to 19.5 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

As lessee (continued)

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease 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.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above;

(b) the Group determines the lease term of the modified contract;

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term;

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss; and

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

As lessor – operating lease

Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on interest in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

A related party is a person or entity that is related to the Group:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management, which is the Group's chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

(i) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets, at the end of each reporting period in accordance with the accounting policies as disclosed in Note 3 to the consolidated financial statements. In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined as the greater of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Owing to inherent risk associated with estimations in the timing and amounts of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from the amount actually received and profit or loss could be affected by accuracy of the estimations.

(ii) *Loss allowance for ECL*

The Group's management estimates the loss allowance for financial assets at amortised cost including trade and bills receivables, other receivables and deposits and loan to a joint venture (included in interests in a joint venture) by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of financial assets at amortised cost.

(iii) *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In cases where the actual future profits generated are different from the original estimate, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such estimate is changed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

(iv) Useful lives of property, plant and equipment and intangible assets

The management determines the estimated useful lives of the Group's property, plant and equipment, and intangible assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(v) Impairment of interests in a joint venture and investment of an associate

The Group assesses annually if interests in a joint venture and the investment in an associate disclosed in Notes 14 and 15 to the consolidated financial statements have suffered any impairment in accordance with HKAS 36. Details of the approach are stated in the accounting policies disclosed in Note 3 to the consolidated financial statements. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of the joint venture and associate would affect the estimation of impairment loss and cause the adjustment of their carrying amounts.

Critical accounting judgement

(i) Classification of a joint arrangement

As disclosed in Note 14 to the consolidated financial statements, the Group invested in Noricap Fund G.P. Limited ("Noricap Fund") during the year ended 31 March 2023.

For the year ended 31 March 2025, the Group has 40% equity interest in Noricap Fund and the key strategic financial and operating decisions in relation to Noricap Fund's operation require the unanimous consent of all board members appointed by all the investors of Noricap Fund. The Group has the right to appoint 1 out of 2 board members of Noricap Fund. The arrangement was classified as jointly controlled.

During the year ended 31 March 2026, the initial joint venture arrangement agreement was terminated on 30 June 2025, and a new shareholders' agreement was executed on the same date. Pursuant to the new agreement, the Group continues to hold a 40% equity interest in Noricap Fund, but its board representation was changed to 1 out of 3 board members. Despite this restructuring, the key strategic financial and operating decisions regarding activities that significantly affect the returns of Noricap Fund (including, but not limited to, changes in the nature of business, major financing, and corporate restructuring) strictly require the unanimous consent of all shareholders.

The directors of the Company assessed whether the Group has control over Noricap Fund based on whether the Group has the practical ability to direct the relevant activities of Noricap Fund unilaterally. After assessment, the directors of the Company concluded that neither the Group nor the joint venture partner has the ability to control Noricap Fund unilaterally and Noricap Fund is therefore considered as jointly controlled by the Group and the joint venture partner. Pursuant to the terms of the contractual arrangement, the Group has the rights to the net assets of Noricap Fund. Accordingly, the investment in Noricap Fund is classified as a joint venture of the Group and accounted for using equity method.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting judgement (continued)

(ii) Classification of an associate

As disclosed in Note 15 to the consolidated financial statements, the Group invested in Beijing Weihang Yining Health Management Group Company Limited* (北京偉航奕寧健康管理集團有限公司) ("Beijing Weihang") during the year ended 31 March 2026. Following the transaction, the Group holds a 15.12% equity interest in Beijing Weihang. Pursuant to the investment agreement, the board of directors of Beijing Weihang comprises four members, and the Group has the right to appoint one director. Furthermore, resolutions regarding major strategic, financial, and operating decisions require the approval of at least two-thirds of the board of directors, which must explicitly include the affirmative vote of the director appointed by the Group. The directors of the Company assessed whether the Group has control over Beijing Weihang based on whether the Group has the practical ability to unilaterally direct its relevant activities. After assessment, the directors of the Company concluded that because the Group holds a veto right over major decisions but cannot direct the relevant activities unilaterally, the Group exercises significant influence over Beijing Weihang rather than control. Accordingly, the investment in Beijing Weihang is classified as an associate of the Group and is accounted for using the equity method.

5. REVENUE

	2026 HK$'000	2025 HK$'000
Revenue from contracts with customers within HKFRS 15		
Manufacturing and trading of printed circuit boards	**15,728**	19,308
Manufacturing and trading of printing and packaging products	**27,698**	33,789
	43,426	53,097

* English name for identification purpose only.

5. REVENUE (continued)

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

Year ended 31 March 2026	**Manufacturing and trading of printed circuit boards HK$'000**	**Manufacturing and trading of printing and packaging products HK$'000**	**Total HK$'000**
Geographical region:			
– Hong Kong	**1,721**	**18,865**	**20,586**
– Europe	**8,193**	**2,550**	**10,743**
– The PRC	**5,348**	**6,283**	**11,631**
– South Korea	**357**	**–**	**357**
– Other countries	**109**	**–**	**109**
	15,728	**27,698**	**43,426**
Timing of revenue recognition:			
– at a point in time	**15,728**	**27,698**	**43,426**
Type of transaction price:			
– fixed price	**15,728**	**27,698**	**43,426**

Year ended 31 March 2025	Manufacturing and trading of printed circuit boards HK$'000	Manufacturing and trading of printing and packaging products HK$'000	Total HK$'000
Geographical region:			
– Hong Kong	2,042	21,221	23,263
– Europe	8,750	5,160	13,910
– The PRC	7,162	7,408	14,570
– South Korea	1,186	–	1,186
– Other countries	168	–	168
	19,308	33,789	53,097
Timing of revenue recognition:			
– at a point in time	19,308	33,789	53,097
Type of transaction price:			
– fixed price	19,308	33,789	53,097

6. SEGMENT INFORMATION

The directors of the Company have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks and returns and the Group's internal financial reporting, the directors of the Company consider that the operating segments of the Group comprise:

(i) Manufacturing and trading of printed circuit boards;

(ii) Trading of petroleum and energy products and related business;

(iii) Manufacturing and trading of printing and packaging products; and

(iv) Investments in funds.

Segment results represent the results before taxation earned by each segment without allocation of certain other income generated, certain administrative expenses and other operating expenses incurred by the corporate office, share of profit of associate, fair value loss on investments at fair value through profit or loss, loss on disposal of subsidiaries and finance costs.

All assets are allocated to reportable segments other than unallocated assets which are mainly cash and cash equivalents and other corporate assets. All liabilities are allocated to reportable segments other than other corporate liabilities.

6. SEGMENT INFORMATION (continued)

In determining the Group's geographical segments, revenue is attributed to the segments based on the location of customers; assets and capital expenditure are attributed to the segments based on the locations of the assets.

(A) By Business Segments

Year ended 31 March 2026

	Manufacturing and trading of printed circuit boards HK$'000	Trading of petroleum and energy products and related business HK$'000	Manufacturing and trading of printing and packaging products HK$'000	Investments in funds HK$'000	Consolidated HK$'000
Segment revenue					
Major customer A	–	–	13,459	–	13,459
Major customer C	–	–	5,016	–	5,016
Major customer D	7,921	–	–	–	7,921
Other customers	7,806	–	9,224	–	17,030
	15,727	–	27,699	–	43,426
Segment results	(1,579)	(4)	(12,582)	284	(13,881)
Unallocated other income					(83)
Unallocated administrative expenses					(4,999)
Unallocated share of profit of associate					(729)
Fair value loss on investments at fair value through profit or loss					(1,479)
Finance costs					(114)
Loss before taxation					(21,285)
Income tax credit					14
Loss for the year					(21,271)

6. SEGMENT INFORMATION (continued)

(A) By Business Segments (continued)

Year ended 31 March 2025

	Manufacturing and trading of printed circuit boards HK$'000	Trading of petroleum and energy products and related business HK$'000	Manufacturing and trading of printing and packaging products HK$'000	Investments in funds HK$'000	Consolidated HK$'000
Segment revenue					
Major customer A	–	–	15,600	–	15,600
Major customer C	–	–	5,695	–	5,695
Major customer D	6,571	–	–	–	6,571
Other customers	12,737	–	12,494	–	25,231
	19,308	–	33,789	–	53,097
Segment results	(1,215)	(1)	(10,997)	10	(12,203)
Unallocated other income					374
Unallocated administrative expenses					(6,232)
Fair value loss on investments at fair value through profit or loss					(35)
Loss on disposal of subsidiaries					(3,106)
Finance costs					(83)
Loss before taxation					(21,285)
Income tax credit					159
Loss for the year					(21,126)

"Major customer" is defined as a customer (including a group of entities under common control) with whom revenue from transactions amounted to 10% or more of the Group's revenue.

6. SEGMENT INFORMATION (continued)

(A) By Business Segments (continued)

An analysis of the Group's assets and liabilities by operating segments is set out below:

At 31 March 2026

	Manufacturing and trading of printed circuit boards HK$'000	Trading of petroleum and energy products and related business HK$'000	Manufacturing and trading of printing and packaging products HK$'000	Investments in funds HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	13,969	2	26,135	19,413	31,579	91,098
Segment liabilities	(13,264)	–	(19,581)	–	(8,476)	(41,321)
Other segment information:						
Depreciation	(585)	–	(1,408)	–	(675)	(2,668)
Reversal of impairment loss on loan to a joint venture	–	–	–	165	–	165
Impairment losses on trade receivables, net	(120)	–	(25)	–	–	(145)
Impairment losses on other receivables	(204)	–	-	–	–	(204)
Written off property, plant and equipment, net	–	–	(138)	–	–	(138)
Impairment losses of property, plant and equipment	–	–	(4,550)	–	–	(4,550)
Share of results of a joint venture	–	–	–	90	–	90
Share of results of an associate	–	–	–	–	(729)	(729)
Fair value gain on investments at fair value through profit or loss	–	–	–	–	(1,479)	(1,479)
Gain on disposal of investment at fair value through profit or loss	–	–	–	–	56	56
Additions to property, plant and equipment (including right-of-use assets)	780	–	–	–	–	780
Interest income	–	–	1	198	–	199

6. SEGMENT INFORMATION (continued)

(A) By Business Segments (continued)

At 31 March 2025

	Manufacturing and trading of printed circuit boards HK$'000	Trading of petroleum and energy products and related business HK$'000	Manufacturing and trading of printing and packaging products HK$'000	Investments in funds HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	37,429	–	46,326	19,397	1,762	104,914
Segment liabilities	(6,364)	–	(21,152)	–	(4,879)	(32,395)
Other segment information:						
Amortisation of intangible assets	–	–	(103)	–	–	(103)
Depreciation	(159)	–	(3,530)	–	(678)	(4,367)
Impairment loss on loan to a joint venture	–	–	–	(34)	–	(34)
Reversal of impairment losses on trade receivables, net	232	–	184	–	–	416
Reversal of impairment losses on other receivables	406	–	–	–	–	406
Impairment losses of property, plant and equipment	–	–	(3,965)	–	–	(3,965)
Loss on disposal of property, plant and equipment	–	–	(2)	–	–	(2)
Share of results of a joint venture	–	–	–	(130)	–	(130)
Loss on disposal of subsidiaries	–	–	–	–	(3,106)	(3,106)
Fair value loss on investments at fair value through profit or loss	–	–	–	–	(35)	(35)
Gain on disposal of investment at fair value through profit or loss	–	–	–	–	366	366
Additions to property, plant and equipment (including right-of-use assets)	1,059	–	505	–	1,338	2,902
Interest income	–	–	–	198	8	206

6. SEGMENT INFORMATION (continued)

(B) Geographical Information

(i) Revenue from external customers

	2026 HK$'000	2025 HK$'000
Hong Kong	**20,586**	23,263
Europe	**10,743**	13,910
The PRC	**11,631**	14,570
South Korea	**357**	1,186
Other countries	**109**	168
	43,426	53,097

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

(ii) Non-current assets

	2026 HK$'000	2025 HK$'000
The PRC	**14,580**	20,600
Singapore	**210**	–
Hong Kong	**369**	1,441
	15,159	22,041

The non-current assets information above is based on the locations of assets and excluded interests in a joint venture, interests in an associate, loan to a joint venture and deposits.

7. OTHER INCOME

	2026 HK$'000	2025 HK$'000
Interest income	**199**	206
Exchange (loss) gain, net	**(2,051)**	513
Rental income	**1,749**	1,972
Government subsidies (Note)	**–**	246
Sales of scrap materials	**983**	219
Gain on disposal of investment at fair value through profit or loss	**56**	366
Gain on early termination of lease contracts	**8**	–
Others	**16**	18
	960	3,540

Note: In the opinion of the directors of the Company, there was no unfulfilled condition or contingency relating to the government subsidies.

8. LOSS BEFORE TAXATION

This is stated after charging:

	2026 HK$'000	2025 HK$'000
Finance costs		
Interest on bank and other borrowings	**34**	–
Interest on lease liabilities	**80**	83
	114	83

	2026 HK$'000	2025 HK$'000
Staff costs (excluding directors' emoluments in Note 10)		
Salaries, allowances and benefits-in-kind	**18,958**	21,495
Contribution to defined contribution plans (Note (i))	**1,563**	1,604
	20,521	23,099
Other items		
Auditor's remuneration		
– Audit services	**750**	750
– Non-audit services	**50**	150
Amortisation of intangible assets (included in administrative expenses)	**–**	103
Cost of inventories (Note (ii))	**33,897**	42,873
Depreciation	**2,668**	4,367
Loss on disposal of property, plant and equipment (included in other operating expenses)	**–**	2
Write-off of property, plant and equipment (included in other operating expenses)	**138**	–
Expenses related to short-term leases	**–**	509

Notes:

(i) For the years ended 31 March 2026 and 2025, there were no forfeited contributions which were available to reduce the Group's existing level of contributions to the relevant defined contribution retirement scheme in Hong Kong and the PRC.

(ii) Cost of inventories includes approximately HK$13,028,000 (2025: HK$15,113,000) relating to aggregate amount of certain staff costs, depreciation and other rental and related expenses, which are included in the respective total amounts disclosed separately above.

9. INCOME TAX

	2026 HK$'000	2025 HK$'000
Current tax		
Hong Kong Profits Tax		
Over-provision in prior years	–	(172)
	–	(172)
Deferred tax (Note 28)	(14)	13
Total income tax credit	(14)	(159)

For the years ended 31 March 2026 and 2025, PRC Enterprise Income Tax ("PRC EIT") has not been provided as (i) certain Group's entities in the PRC incurred a loss for taxation purposes and (ii) the Group's estimated assessable profits for the years were wholly absorbed by unrelieved tax losses brought forward from previous years.

For the year ended 31 March 2026 and 2025, Hong Kong Profits Tax has not been provided as the Group's entities in Hong Kong incurred a loss for taxation purpose.

For the years ended 31 March 2026 and 2025, Singapore CIT has not been provided as the Group's entities in Singapore had no assessable profits for the year.

9. INCOME TAX (continued)

Reconciliation of income tax credit

	2026 HK$'000	2025 HK$'000
Loss before taxation	**(21,285)**	(21,285)
Tax calculated at domestic tax rates applicable to loss in the respective tax jurisdictions	**(4,325)**	(3,852)
Non-deductible expenses	**1,503**	2,340
Tax exempted revenue	**88**	(282)
Unrecognised temporary differences	**611**	(879)
Unrecognised tax losses	**2,060**	2,738
Utilisation of previously unrecognised tax losses	**(118)**	(73)
Over-provision in prior years	**–**	(172)
Share of results of a joint venture	**(15)**	21
Share of results of an associate	**182**	–
Income tax credit	**(14)**	(159)

10. DIRECTORS' EMOLUMENTS AND EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments paid or payable to each of the following directors were as follows:

For the year ended 31 March 2026

	Directors' fees HK$'000	Salaries, allowances and benefits-in-kind HK$'000	Contribution to defined contribution plans HK$'000	Total HK$'000
Executive director:				
Lee Man Kwong	**–**	**300**	**–**	**300**
Non-executive directors:				
Wong Siu Hung, Patrick (Note (i))	**300**	**–**	**–**	**300**
Yau Pak Yue	**300**	**–**	**15**	**315**
Independent non-executive directors:				
Leung Hoi Ming	**150**	**–**	**–**	**150**
Chan Yau Ching, Bob	**150**	**–**	**–**	**150**
Lin Ying (Note (iii))	**150**	**–**	**–**	**150**
	1,050	**300**	**15**	**1,365**

10. DIRECTORS' EMOLUMENTS AND EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' emoluments (continued)

For the year ended 31 March 2025

	Directors' fees HK$'000	Salaries, allowances and benefits-in-kind HK$'000	Contribution to defined contribution plans HK$'000	Total HK$'000
Executive director:				
Lee Man Kwong	–	300	–	300
Non-executive directors:				
Wong Siu Hung, Patrick (Note (i))	300	–	–	300
Yau Pak Yue	300	–	15	315
Independent non-executive directors:				
Leung Hoi Ming	150	–	–	150
Leung King Fai (Note (ii))	71	–	–	71
Chan Yau Ching, Bob	150	–	–	150
Lin Ying (Note (iii))	79			79
	1,050	300	15	1,365

Notes:

(i) On 1 April 2024, Mr. Wong Siu Hung, Patrick was re-designated from an executive director to a non-executive director of the Company. On 20 April 2026, Mr. Wong was resigned as an non-executive director.

(ii) On 20 September 2024, Mr. Leung King Fai, was resigned as an independent non-executive director.

(iii) On 20 September 2024, Ms. Lin Ying, was appointed as an independent non-executive director.

For the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. No directors of the Company waived or agreed to waive any emoluments in respect of the years ended 31 March 2026 and 2025.

10. DIRECTORS' EMOLUMENTS AND EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS (continued)

(b) Emoluments of five highest paid individuals

The five highest paid individuals of the Group for the year included nil (2025: one) director of the Company whose emoluments are reflected in the analysis presented above and five (2025: four) non-director individuals whose emoluments are disclosed as follows:

	2026	2025
	HK$'000	HK$'000
Salaries, allowances and benefits-in-kind	**4,087**	2,675
Contribution to defined contribution plans	**64**	55
	4,151	2,730

The emoluments fell within the following bands:

	Number of individuals	
	2026	2025
Up to HK$1,000,000	**5**	4

For the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to the highest paid individuals as a payment for loss of office or as an inducement to join or upon joining the Group.

For the years ended 31 March 2026 and 2025, no highest paid individuals as set out above waived or agreed to waive any emoluments.

11. LOSS PER SHARE

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

	2026	2025
	HK$'000	HK$'000
Loss:		
Loss attributable to the owners of the Company, used in basic loss per share calculation	**(21,271)**	(21,126)

	2026	2025
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,613,287,570**	1,613,287,570

During the years ended 31 March 2026 and 2025, there were no potential dilutive ordinary shares in issue, and therefore, the diluted loss per share is the same as the basic loss per share for the years ended 31 March 2026 and 2025.

12. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK$'000 (Note 24)	Leasehold improvements HK$'000	Machinery and equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Computers HK$'000	Total HK$'000
Reconciliation of carrying amount – year ended 31 March 2025							
At the beginning of the reporting period	19,332	3,003	4,066	793	279	92	27,565
Additions	2,736	–	134	32	–	–	2,902
Disposals	–	–	(1)	(1)	–	–	(2)
Depreciation	(2,774)	(644)	(589)	(241)	(64)	(55)	(4,367)
Impairment loss recognised	(2,867)	(356)	(609)	(93)	(37)	(3)	(3,965)
Exchange realignment	(8)	(9)	(56)	(14)	(5)	–	(92)
At the end of the reporting period	16,419	1,994	2,945	476	173	34	22,041
Reconciliation of carrying amount – year ended 31 March 2026							
At the beginning of the reporting period	**16,419**	**1,994**	**2,945**	**476**	**173**	**34**	**22,041**
Additions	**767**	**–**	**–**	**13**	**–**	**–**	**780**
Early termination of lease	**(167)**	**–**	**–**	**–**	**–**	**–**	**(167)**
Lease modification	**(187)**	**–**	**–**	**–**	**–**	**–**	**(187)**
Write-off	**–**	**(4)**	**(123)**	**(1)**	**(10)**	**–**	**(138)**
Depreciation	**(2,142)**	**(251)**	**(227)**	**(26)**	**(14)**	**(8)**	**(2,668)**
Impairment loss recognised	**(3,182)**	**(370)**	**(808)**	**(136)**	**(49)**	**(5)**	**(4,550)**
Exchange realignment	**37**	**(3)**	**6**	**7**	**1**	**–**	**48**
At the end of the reporting period	**11,545**	**1,366**	**1,793**	**333**	**101**	**21**	**15,159**
At 31 March 2026							
Cost	**36,258**	**5,235**	**5,246**	**2,134**	**1,069**	**622**	**50,564**
Accumulated depreciation and impairment	**(24,713)**	**(3,869)**	**(3,453)**	**(1,801)**	**(968)**	**(601)**	**(35,405)**
Net carrying amount	**11,545**	**1,366**	**1,793**	**333**	**101**	**21**	**15,159**
At 31 March 2025							
Cost	36,930	5,174	6,340	2,055	1,174	617	52,290
Accumulated depreciation and impairment	(20,511)	(3,180)	(3,395)	(1,579)	(1,001)	(583)	(30,249)
Net carrying amount	16,419	1,994	2,945	476	173	34	22,041

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) In respect of the non-financial assets in relation to the Group's printing and packaging products ("Printing") business, the management of the Group estimated the recoverable amount of the cash-generating unit in respect of Printing business as the higher of fair value less costs of disposal and the value in use of the cash-generating unit based on the valuation report prepared by an independent professional valuer. The cash-generating unit consisted of the Printing business composed of the production line of the Printing business (included in property, plant and equipment) and customer relationships (classified as intangible assets in Note 13) (the "Printing CGU") with aggregate carrying values of approximately HK$14,218,000 (2025: HK$20,303,000) and Nil (2025: Nil), respectively.

The management of the Group estimated the recoverable amount of the Printing CGU with reference to a value-in-use calculation using cash flow projections based on financial budgets approved by management covering a 5-year period to be derived from the Printing CGU at 31 March 2026. The significant inputs into this valuation approach are (i) the budgeted gross margin, which is determined based on the Printing CGU's past performance and management's expectations for the market development; (ii) pre-tax discount rate to derive the present value of future cash flows; and (iii) long-term growth rate.

Assumptions are used in the value-in-use calculations of the Printing CGU as at 31 March 2026. The following describes each key assumptions on which management have based their cash flow projections to undertake impairment testing of Printing CGU:

	31 March 2026
Budgeted gross margin	35%
Pre-tax discount rate	18.20%
Long-term growth rate	2.20%

Based on the assessment, impairment losses of approximately HK$4,550,000 were recognised to Printing CGU for the year ended 31 March 2026 (31 March 2025: HK$3,965,000).

13. INTANGIBLE ASSETS

	Customer relationships HK$'000
Cost	
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	**1,232**
Accumulated amortisation	
At 1 April 2024	1,129
Charge for the year	103
At 31 March 2025 and 1 April 2025	1,232
Charge for the year	–
At 31 March 2026	**1,232**
Net carrying amount	
At 31 March 2026	**–**
At 31 March 2025	–

As at 31 March 2026 and 31 March 2025, the customer relationships were fully amortised. No impairment assessment was required for these intangible assets as their carrying amount was nil.

14. INTERESTS IN A JOINT VENTURE AND LOAN TO A JOINT VENTURE

	2026 HK$'000	2025 HK$'000
Unlisted shares, at cost	**156**	156
Share of results	**(156)**	191
	–	347
Loan to a joint venture (Note a)		
– current	**18,882**	18,717

Note:

(a) The loan to a joint venture with a principal amount of HK$19,844,000 (2025: HK$19,844,000) carries a fixed interest rate of 1% per annum and is unsecured and repayable on demand.

During the year ended 31 March 2026, the joint venture recorded a decrease in the fair value of its underlying investment, which is measured at fair value through other comprehensive income.

As at 31 March 2026, the carrying amount of the loan to the joint venture is HK$18,882,000 (2025: HK$18,717,000), which is stated net of an allowance for expected credit losses of HK$962,000 (2025: HK$1,127,000).

ECL assessment on loan to a joint venture

The movements on the loss allowance on loan to a joint venture during the year is summarised below.

	2026 HK$'000	2025 HK$'000
At the beginning of the reporting period	**1,127**	1,093
(Decrease) increase in loss allowance	**(165)**	34
At the end of the reporting period	**962**	1,127

Information about the Group's exposure to credit risks and loss allowance on loan to a joint venture is included in Note 35 to the consolidated financial statements.

14. INTERESTS IN A JOINT VENTURE AND LOAN TO A JOINT VENTURE (continued)

Details of the joint venture are as follows:

Name of the joint venture	Place of incorporation/ business	Particulars of registered and paid-up share	Proportion of value of registered and paid-up share capital indirectly held by the Company	Principal activities
Noricap Fund	The Cayman Islands/ Hong Kong	US$50,000	40% (2025: 40%)	Investment holdings and subscription and management of special purpose fund ("SP Fund") which is yet to commence

The above joint venture is accounted for using the equity method in the Group's consolidated financial statements.

On 29 July 2024, the joint venture, "Noricap Fund" entered into a sales and purchase agreement with an independent third party (the "Vendor"), pursuant to which Noricap Fund conditionally agreed to acquire and the Vendor conditionally agreed to sell the entire interests of Full Smart Inc Limited (the "Target Company") at a consideration of approximately United States dollars ("USD") 3,700,000 (equivalent to approximately HK$28,775,000) (the "Acquisition"). The Target Company indirectly holds approximately 1.72% equity interests of a company ("Investee") which is principally engaged in the provision of automated trading platform service for cryptocurrency in Hong Kong.

During the year ended 31 March 2025, a refundable deposit for the Acquisition of approximately HK$18,060,000 was paid to the Vendor by Noricap Fund. During the year ended 31 March 2026, Noricap Fund indirectly acquired approximately 0.84% of the equity interests of the Investee.

As at 31 March 2026, the registered capital of the Target Company has not yet been fully paid up. There is commitment of approximately HK$10,800,000 (2025: approximately HK$10,800,000), net of the capital already contributed of approximately HK$18,060,000 (2025: deposits paid of approximately HK$18,060,000).

Arrangements with joint venture partner

For the year ended 31 March 2025, pursuant to the JV arrangement agreement signed on 13 July 2022 (the "Audited JV Arrangement Agreement"), each of Digital Mind and LBG is entitled to appoint 1 out of 2 board members of Noricap Fund and the key strategic financial and operating decisions in relation to Noricap Fund's operation require the unanimous consent of all board members. In the opinion of the directors of the Company, these key decisions related to the activities that significantly affect the returns of Noricap Fund. Accordingly, neither Digital Mind nor LBG has the ability to control Noricap Fund unilaterally and Noricap Fund is therefore considered as jointly controlled by Digital Mind and LBG. As the Group has rights to the net assets of the joint arrangement, Noricap Fund is accounted for as a joint venture of the Group.

During the year ended 31 March 2026, the Initial JV Arrangement Agreement was terminated on 30 June 2025. On the same date, a new shareholders' agreement was executed. Pursuant to the new agreement, Digital Mind holds a 40% equity interest in Noricap Fund, while HKFA Clearing Limited holds the remaining 60%. HKFA Clearing Limited is entitled to appoint 2 out of the 3 board members, and Digital Mind is entitled to appoint the remaining 1.

14. INTERESTS IN A JOINT VENTURE AND LOAN TO A JOINT VENTURE (continued)

Arrangements with joint venture partner (continued)

Although routine board resolutions require the consent of at least two directors, pursuant to the new shareholders' agreement, key decisions regarding activities that significantly affect the returns of Noricap Fund (including but not limited to changes in business nature, major financing, and restructuring) strictly require the unanimous consent of all shareholders. In the opinion of the directors of the Company, these contractual provisions ensure that neither party has the ability to unilaterally control Noricap Fund. Accordingly, Noricap Fund is considered to be jointly controlled by the Group and HKFA Clearing Limited. As the Group holds rights to the net assets of this joint arrangement, Noricap Fund continues to be accounted for as a joint venture of the Group.

Relationship with the joint venture

Noricap Fund is engaged in investment holdings and subscription and management of SP Fund which presents an investment opportunity to maximise return on the Group's funds by making investments in emerging sectors and diversify the income stream and business risks.

Financial information of an individual material joint venture

Summarised financial information of the joint venture of the Group, which is considered to be material, is set out below, which represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

	2026 **HK$'000**	2025 HK$'000
At 31 March:		
Summarised statement of financial position		
Current assets	**12,568**	20,648
Current liabilities	**(21,590)**	(20,177)
Net (liabilities) assets	**(9,022)**	471
Included in above:		
Cash and cash equivalents	**16**	26
Current financial liabilities (excluding trade and other payables and provisions)	**(19,844)**	(19,844)
Reconciliation:		
Group's ownership interests	**40%**	40%
Group's voting rights	**50%**	50%
Group's share of net (liabilities) asset of the joint venture	**(3,609)**	189
Accumulated unrecognised losses	**3,371**	–
Unrealised gains or losses from intra-group transactions	**238**	158
Carrying amount of the Group's interests in the joint venture	**–**	347

14. INTERESTS IN A JOINT VENTURE AND LOAN TO A JOINT VENTURE (continued)

Financial information of an individual material joint venture (continued)

The Group has stopped recognising its share of losses of the joint venture when applying the equity method. The recognised share of the joint ventures, both the year and accumulatively, and are set out below:

	2026 HK$'000	2025 HK$'000
Unrecognised share of losses of joint venture for the year	**3,371**	–

	2026 HK$'000	2025 HK$'000
Accumulated unrecognised share of losses of joint venture	**3,371**	–

	2026 HK$'000	2025 HK$'000
For the year ended 31 March:		
Summarised statement of profit or loss and other comprehensive income		
Revenue	**–**	–
Profit (loss) for the year	**24**	(524)
Other comprehensive expense	**(9,518)**	–
Total comprehensive expense	**(9,494)**	(524)
Included in above:		
Interest expense	**119**	119

15. INTERESTS IN AN ASSOCIATE

	2026 HK$'000
Cost of unlisted investment in an associate	**28,928**
Share of post-acquisition loss and other comprehensive expense	**(729)**
Effect of exchange rate changes	**1,603**
	29,802

15. INTERESTS IN AN ASSOCIATE (continued)

Details of the Group's associate as at 31 March 2026 are as follows:

Name of entity	Country of incorporation/ place of business	Particulars of issued shares held	Proportion of ownership interest held by the Group	Proportion of voting rights held by the Group	Principal activities
Beijing Weihang Yining Health Management Group Company Limited	The PRC	Ordinary shares	15.12%	25%	Health and wellness services

The associate is accounted for using the equity method in these consolidated financial statements.

Summarised financial information of a material associate

Summarised financial information in respect of the Group's material associate is set out below.

	2026 HK$'000
Current assets	27,584
Non-current assets	4,891
Current liabilities	(17,487)
Revenue	3,555
Loss for the period*	(5,373)
Total comprehensive expense for the period*	(5,373)

* Period from 10 April 2025 (the date of acquisition) to 31 March 2026

Reconciled to the Group's interest in the associate

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2026 HK$'000
Net assets of the associate	14,988
Proportion of the Group's ownership interests in the associate	15.12%
The Group's share of net assets of the associate	2,265
Goodwill	27,537
Carrying amount of the Group's interests in an associate	29,802

15. INTERESTS IN AN ASSOCIATE (continued)

Reconciled to the Group's interest in the associate (continued)

On 10 April 2025, a subsidiary of the Group, Guangzhou Jiasheng Electronic Trading Co., Ltd. ("Guangzhou Jiasheng"), completed the subscription for a 15.12% equity interest in Beijing Weihang. Beijing Weihang is principally engaged in non-medical health, wellness, and nursing services; medical research and hospital management; enterprise and socio-economic consulting; event organization; comprehensive technical development and services; as well as the sale of Class I medical devices, mechanical equipment, electronics, and household appliances within the PRC.

The consideration for this strategic investment was RMB28,500,000 (equivalent to approximately HK$30,495,000), which was subject to an escrow arrangement in accordance with the profit guarantee requirements set out in the sale and purchase agreement. This investment was negotiated based on a pre-money valuation of Beijing Weihang amounting to RMB160,000,000. Structured as a direct capital increase rather than a share transfer, the newly injected funds are specifically earmarked for Beijing Weihang's daily operational expenses. Additionally, the fair value of the consideration shares at the date of acquisition was determined to be RMB163,000,000 based on the valuation report as at 31 December 2024.

The Profit Guarantee

Under the terms of the sale and purchase agreement, the vendor irrevocably and unconditionally warrants and guarantees to Guangzhou Jiasheng that the Beijing Weihang's net profit after tax – as reported in its financial statements for the four financial years ending 31 December 2028 (the "Full-Year Financial Statements") – shall be no less than RMB9,000,000 for 2025; RMB14,000,000 for 2026; RMB21,000,000 for 2027; and RMB26,000,000 for 2028 (collectively, the "Guaranteed Profits"). To secure the performance of these obligations, the vendor shall not transfer, sell, dispose of, gift, hold in trust, assign, or otherwise encumber any or all of their shareholdings in the Beijing Weihang without the Guangzhou Jiasheng's prior written consent.

In the event that Beijing Weihang's aggregate net profit after tax for the four-year period ending 31 December 2028 falls short of the total Guaranteed Profits for that period, a valuation adjustment mechanism shall be triggered. Beijing Weihang's adjusted valuation shall be determined by multiplying its average net profit after tax for the 2025–2028 period by a price-to-earnings (P/E) ratio of 9.14 ("Adjusted Valuation"). Should this adjusted valuation fall below the initial valuation of RMB160,000,000 ("Initial Valuation"), the vendor undertakes to compensate Guangzhou Jiasheng in cash within ten working days of receiving a written demand. This cash compensation shall be calculated using the following formula: (Initial Valuation – Adjusted Valuation) × Guangzhou Jiasheng's shareholding percentage.

Furthermore, if the Beijing Weihang's actual accumulated revenue for the four financial years ending 31 December 2028 is less than 80% of its expected accumulated revenue (i.e., less than RMB140,000,000), Guangzhou Jiasheng may exercise the Put and Repurchase Option (as defined below), subject to the terms and conditions outlined in the option deed agreement.

15. INTERESTS IN AN ASSOCIATE (continued)

The Put and Repurchase Option

The vendor has irrevocably granted Guangzhou Jiasheng the option (the "Put and Repurchase Option") to (i) sell all the Sale Shares back to the vendor, requiring the vendor to purchase said shares from Guangzhou Jiasheng; and (ii) repurchase all the consideration shares from the vendor, requiring the vendor to sell said shares back to Guangzhou Jiasheng. This option becomes exercisable in the event that Beijing Weihang's actual cumulative revenue for the four financial years of 2025 through 2028 falls below 80% of the expected cumulative revenue (i.e., less than RMB140,000,000 out of the projected RMB175,000,000). Upon Guangzhou Jiasheng's exercise of this option, the vendor shall execute the repurchase and fulfill all associated payment obligations within ninety calendar days of receiving Guangzhou Jiasheng's written notice of equity repurchase, subject to the satisfaction of the conditions precedent set forth in the option deed agreement.

Goodwill of approximately HK$27,537,000 was arising on the acquisition, and included within the carrying amount of investment in an associate, which details as follows:

	HK$'000
Fair value of consideration shares	30,495
Less: Fair value of the profit guarantee and the put and repurchase option	(1,567)
Less: Share of the fair value of the net assets acquired	(3,079)
Effect of exchange rate changes	1,688
Goodwill	27,537

16. SUBSIDIARIES

Details of principal subsidiaries are as follows:

Name of subsidiary	Class of shares held	Place of incorporation and business	Attributable equity interest indirectly held by the Company	Issued/registered and fully paid-up capital	Principal activities	Legal form of corporate existence
華鋒微綫電子(惠州)工業有限公司 (Huafeng Microline (Huizhou) Circuits Limited*) ("Huafeng")	Registered	The PRC	100% (2025: 100%)	US$37,200,000	Manufacture of printed circuit boards	Wholly foreign-owned enterprise
Huafeng Microline (SG) Pte. Ltd.	Ordinary	Singapore	100% (2025: 100%)	SG$100	Trading of printed circuit boards	Private limited liability company
廣州嘉升電子貿易有限公司 (Guangzhou Jiasheng Electronic Trading Co., Ltd.*)	Registered	The PRC	100% (2025: 100%)	HK$500,000	Trading of printed circuit boards	Wholly foreign-owned enterprise
新高準柯式印刷(深圳)有限公司 (New Spring Offset Printing (Shenzhen) Limited*)	Registered	The PRC	100% (2025: 100%)	HK$1,200,000	Manufacture and trading printing & packaging products	Wholly foreign-owned enterprise
New Spring (SW) Printing Packaging Limited	Ordinary	Hong Kong	100% (2025: 100%)	HK$10,000	Trading of printing & packaging products	Private limited liability company
Digital Mind	Ordinary	The British Virgin Islands	100% (2025: 100%)	US$1	Investment holdings	Private limited liability company
Pacific Dragon (Hong Kong) Energy Limited (Note 1)	Ordinary	Hong Kong	N/A (2025: 100%)	N/A	Trading of petroleum and energy products and related business	Private limited liability company

Note:

(1) Disposal during the year ended 31 March 2025.

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

None of the subsidiaries had any debt securities outstanding during the reporting period or at the end of the reporting period.

* English name for identification purpose only

17. INVENTORIES

	2026 HK$'000	2025 HK$'000
Raw materials	**1,784**	2,586
Work-in-progress	**2,447**	2,717
Finished goods	**1,160**	788
	5,391	6,091

18. TRADE AND BILLS RECEIVABLES

	Notes	2026 HK$'000	2025 HK$'000
Trade receivables from third parties	18(a)	**9,715**	6,512
Less: Loss allowance	35	**(326)**	(169)
	18(a)	**9,389**	6,343
Bills receivables	18(b)	**32**	–
		9,421	6,343

18(a) Trade receivables

Included in the balances are the trade receivables (before loss allowance) from contracts with customers within HKFRS 15:

	2026 HK$'000	2025 HK$'000
At the beginning of the reporting period	**6,512**	25,394
At the end of the reporting period	**9,715**	6,512

18. TRADE AND BILLS RECEIVABLES (continued)

18(a) Trade receivables (continued)

The Group's business with its trade debtors is mainly on credit basis and the credit period is ranging from 30 to 120 days (2025: 30 to 120 days). At the end of the reporting period, the ageing analysis of trade receivables (before loss allowance) by delivery date is as follows:

	2026	2025
	HK$'000	HK$'000
Less than 1 month	**2,033**	2,603
1 to 2 months	**2,916**	1,237
2 to 3 months	**1,588**	2,009
Over 3 months	**3,178**	663
	9,715	6,512

At the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	2026	2025
	HK$'000	HK$'000
Not past due	**5,985**	5,271
Less than 1 month	**2,111**	615
1 to 2 months	**810**	140
2 to 3 months	**114**	190
Over 3 months	**369**	127
	9,389	6,343

Information about the Group's exposure to credit risks and loss allowance on trade receivables is included in Note 35 to the consolidated financial statements.

18(b) Bills receivables

At 31 March 2026, all bills receivables are interest-free and guaranteed by banks in the PRC and have maturities of less than six months.

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026 HK$'000	2025 HK$'000
Deposits and other receivables (notes (a) & (c))	4,318	28,321
Less: Loss allowance	(764)	(512)
	3,554	27,809
Prepayments	2,504	605
Value-added tax recoverable	2,227	1,803
Other prepaid expenses	–	162
	4,731	2,570
	8,285	30,379
Analysis as:		
– Current	8,255	4,358
– Non-current	30	26,021
	8,285	30,379

(a) As at 31 March 2025, included in deposits and other receivables were deposits of approximately HK$25,474,000 paid for the acquisition of an associated company. During the year ended 31 March 2026, the acquisition was completed and the deposit was recognised as an investment in an associate.

(b) **Loss allowance**

The movements on the loss allowance on deposits and other receivables during the year is summarised below:

	2026 HK$'000	2025 HK$'000
At the beginning of the reporting period	512	937
Increase/(decrease) in loss allowance	204	(406)
Exchange realignment	48	(19)
At the end of the reporting period	764	512

Information about the Group's exposure to credit risks and loss allowance on deposits and other receivables is included in Note 35 to the consolidated financial statements.

(c) Included in deposits and other receivables, as at 31 March 2026, there are consideration receivable HK$100,000 (2025: HK$100,000) for disposal of certain subsidiaries (Note 31).

20. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK$'000	2025 HK$'000
Wealth management product	**924**	1,049
Put option and profit guarantee in relation to acquisition of an associate (Note 15)	**–**	–
	924	1,049

	2026 HK$'000	2025 HK$'000
Analysed for reporting purposes as:		
Current assets	**924**	1,049

As at 31 March 2026, the Group's investments at fair value through profit or loss comprised the following:

(i) Wealth management products issued by a financial institution in the PRC. These products do not carry any fixed or determinable returns of the wealth management product.

(ii) A put and repurchase option arising from the acquisition of an associate of the Group, details of which are set out in Note 15.

Details of disclosure for fair value measurement are set out in Note 35.

21. CASH AND CASH EQUIVALENTS

	2026 HK$'000	2025 HK$'000
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	**3,234**	19,947

Bank balances in total of approximately HK$3,210,000 (2025: HK$19,829,000) carry interest at floating rates based on daily bank deposit rates. At 31 March 2026 and 31 March 2025, short-term time deposits are made between one month and three months depending on the immediate cash requirement of the Group, and earn interest at the prevailing short-term deposit rates.

At 31 March 2025, bank balances that were placed with banks in the PRC amounted to approximately HK$1,972,000 (2024: HK$4,578,000). Remittance of funds out of the PRC is subject to the exchange controls imposed by the PRC government.

22. TRADE PAYABLES

	2026 HK$'000	2025 HK$'000
Trade payables to third parties	**10,185**	7,385

The trade payables are non-interest bearing and the Group is normally granted with a credit term ranging from 30 to 90 days (2025: 30 to 90 days).

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

	2026 HK$'000	2025 HK$'000
Less than 1 month	**1,737**	2,817
1 to 2 months	**1,954**	1,609
2 to 3 months	**2,252**	150
Over 3 months	**4,242**	2,809
	10,185	7,385

23. OTHER PAYABLES AND ACCRUALS

	Note	2026 HK$'000	2025 HK$'000
Salaries payables		**3,230**	1,822
Provision of litigation and claims	(b)	**1,157**	–
Advance from a related party	34(b)	**1,311**	–
Accruals		**9,979**	9,887
Contract liabilities	(a)	**751**	429
Others		**3,158**	1,280
		19,586	13,418

23. OTHER PAYABLES AND ACCRUALS (continued)

(a) Contract liabilities

At 31 March 2026, contract liabilities comprised approximately HK$751,000 (2025: HK$429,000) of deposits received from customers on sale of printing and packaging products.

	2026 **HK$'000**	2025 HK$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	**429**	565
Significant changes in contract liabilities during the year:		
Increase due to operations in the year	**1,648**	1,503
Transfer of contract liabilities to revenue	**897**	1,210

The Group expects the transaction price of approximately HK$751,000 allocated to the unsatisfied performance obligations will be recognised as revenue within one year or less.

(b) Others

As at 31 March 2026, included in other payables is an amount of approximately HK$1,157,000 representing a provision for personal injury compensation. Details of this provision are set out in Note 36(c).

24. LEASES

As lessee

	2026 **HK$'000**	2025 HK$'000
Right-of-use assets (Note 12)		
Leased properties	**11,545**	16,419

	2026 **HK$'000**	2025 HK$'000
Lease liabilities		
Current	**583**	1,046
Non-current	**471**	969
	1,054	2,015

24. LEASES (continued)

As lessee (continued)

The present value of lease liabilities is summarised as below:

	Lease payments		Present value of lease payments	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amount payable:				
Within one year	**607**	1,116	**583**	1,046
More than one year, but not exceeding two years	**262**	498	**251**	471
More than two years, but not exceeding five years	**225**	521	**220**	498
	1,094	2,135	**1,054**	2,015
Less: future finance charges	**(40)**	(120)		
Total lease liabilities	**1,054**	2,015		

The depreciation of the right-of-use assets charged to profit or loss during the year ended 31 March 2026 amounted to approximately HK$2,142,000 (2025: HK$2,774,000).

No operating lease expenses on short-term leases recognised in profit or loss during the year ended 31 March 2026. The operating lease expenses on short-term leases recognised in profit or loss during the year ended 31 March 2025 amounted to approximately HK$509,000.

At 31 March 2026, there is no short-term lease contract. At 31 March 2025, the Group was committed to approximately HK$699,000 for short-term lease.

The total cash outflow for leases for the year ended 31 March 2026 was approximately HK$1,487,000 (2025: HK$1,550,000).

As lessor

Operating lease

The Group sub-leases certain of its right-of-use assets to independent third parties under operating leases, which had a lease term of one year for the years ended 31 March 2026 and 2025. The sub-leases do not include purchase or termination options.

Rental income is included in other income (Note 7) and do not contain any variable lease payments. The risks associated with rights that the Group retains to underlying assets are not considered significant, however, the Group employs strategies to further minimise these risks by ensuring all sub-lease contracts include clauses requiring the lessees to compensate the Group when a leased property has been subject to excess wear-and-tear during the lease term.

At the end of the reporting period, there are no future rental receivables under non-cancellable operating leases for certain right-of-use assets of the Group.

25. AMOUNT DUE TO A SHAREHOLDER

The carrying amount of approximately HK$5,378,000 as at 31 March 2026 (31 March 2025: HK$7,693,000) represented the amount due to a substantial shareholder, Mr. Ng Man Chan, with aggregate gross amount of approximately HK$5,378,000 (2025: HK$7,693,000). As at 31 March 2026, the amount due is unsecured, non-interest bearing and repayable on demand.

26. AMOUNT DUE TO A JOINT VENTURE

The amount due was non-trade in nature, interest-free and repayable on demand.

27. BANK AND OTHER BORROWINGS

	2026 **HK$'000**	2025 HK$'000
Non-current liability		
Long-term bank borrowing-secured (Note (a))	**2,044**	–
Current liabilities		
Current portion of long-term bank borrowing-secured (Note (a))	**227**	–
Other borrowing-unsecured (Note (b))	**980**	–
Total borrowings	**3,251**	–

As at 31 March 2026, the Group's bank and other borrowings with repayable on demand clause, as follows:

	2026 **HK$'000**	2025 HK$'000
Within one year	**1,207**	–
Over one year and within two years	**227**	–
Over two years and within five years	**1,817**	–
Total borrowings	**3,251**	–

Notes:

(a) The Group's secured long-term bank borrowings amounted to RMB2,000,000 (equivalent to approximately HK$2,271,000). The borrowings bear interest at a rate of the 1-year Loan Prime Rate minus 0.5% per annum, are repayable on 18 March 2029. The borrowings are secured and guaranteed by:

i. a residential property jointly owned by the director of a subsidiary of the Group and his spouse; and

ii. personal guarantees provided by the director of a subsidiary of the Group and three of his close family members.

(b) Unsecured other borrowing of HK$980,000 carrying interest at a fixed rate of 5% per annum was drawn under the aggregated facilities of HK$3,000,000 and repayable on 30 June 2026.

The effective interest rates on the bank and other borrowings are equal to the contracted interest rates.

28. DEFERRED TAXATION

The followings are the deferred tax (assets) liabilities recognised and movements thereon during the year:

	Liabilities	
	Depreciation allowance	Total
	HK$'000	HK$'000
At 1 April 2024	14	14
Charge to profit or loss (Note 9)	13	13
Exchange realignment	4	4
At 31 March 2025 and 1 April 2025	**31**	**31**
Charge to profit or loss (Note 9)	**(14)**	**(14)**
Exchange realignment	**(3)**	**(3)**
At 31 March 2026	**14**	**14**

Unrecognised deferred tax assets arising from

	2026	2025
	HK$'000	HK$'000
Tax losses arising in Hong Kong	**40,584**	35,639
Tax losses arising in the PRC	**19,864**	13,387
	60,448	49,026

No tax losses arising in Hong Kong expire under current tax legislation, while the tax losses arising in the PRC will expire in one to five years. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

29. SHARE CAPITAL

	2026		2025	
	No. of shares	**HK$'000**	No. of shares	HK$'000
Authorised ordinary shares at HK$0.1 per share				
At the beginning of the reporting period and at the end of the reporting period	**4,000,000,000**	**400,000**	4,000,000,000	400,000
Issued and fully paid:				
At the beginning of the reporting period and at the end of the reporting period	**1,613,287,570**	**161,328**	1,613,287,570	161,328

30. RESERVES

(a) Share premium

The application of share premium is governed by section 40 of the Bermuda Companies Act 1981. Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to the share premium account.

(b) Contributed surplus

The Group's contributed surplus represents the difference between the nominal value of the Company's shares issued pursuant to the Group's reorganisation in 1989 and the nominal value of the shares and the share premium account of the subsidiaries acquired.

(c) Exchange translation reserve

Exchange translation reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation as set out in Note 3 to the consolidated financial statements.

(d) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

31. LOSS ON DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2025, the Group disposed of, to an independent third party, the entire interest in Unique Technology (BVI) Limited, Daisho Microline Investment Limited, Pacific Dragon (HK) Energy Limited, Frequent Luck Limited, Newglory Ltd, Juko Electronics Company Limited, Tiny Electronics Limited, Daisho Microline Management Limited and Juko Electronics Industrial Company Limited (the "Disposed Subsidiaries") for a cash consideration of HK$100,000.

The net assets of the Disposed Subsidiaries at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Other receivables, deposits and prepayments	42
Security deposit paid in respect of an injection order (Note 19)	3,446
Other payables and accruals	(282)
	3,206
Loss on disposal:	
Consideration receivable	100
Net assets disposed of	(3,206)
	(3,106)
Net cash inflow arising on disposal:	
Cash consideration received	–*

* As at 31 March 2025 and 31 March 2026, the consideration was not settled and included in "Other receivables, deposits and prepayments".

32. SHARE-BASED PAYMENTS

Pursuant to the Company's special general meeting on 22 November 2016 (the "Date of Adoption"), an ordinary resolution was passed to approve and adopt the new share option scheme of the Company (the "Scheme") which was further subject to approval by the Listing Committee of the Stock Exchange (the "Listing Committee") granting the approval for the listing of, and permission to deal in, any ordinary share of the Company which may fall to be issued pursuant to the exercise of the options (the "Listing Approval"). On 23 June 2017, the Listing Approval was confirmed by the Listing Committee.

The purpose of the Scheme is to provide incentives or rewards to the eligible persons for their contribution to, and continuing efforts to promote interests of, the Company and to enable the Group to recruit and retain high-calibre employees. Eligible persons of the Scheme include (i) any director (whether executive or non-executive, including independent non-executive director) or employee (whether full time or part time) of the Company or any of its subsidiaries or associated companies; (ii) consultant, adviser, supplier or customer of the Company or any of its subsidiaries or associated companies; and (iii) any other group of classes of participants which the Board of Directors may, from time to time in its absolute discretion, consider appropriate on basis of such participants' contribution or potential contribution to the development, growth or benefit of the Company or any of its subsidiaries or associated companies. The Scheme will remain in force for 10 years from the Date of Adoption, unless otherwise terminated or altered.

32. SHARE-BASED PAYMENTS (continued)

The scheme mandate limit under the Scheme was refreshed by the passing of an ordinary resolution at the annual general meeting of the Company held on 23 September 2022 (the "Date of Refreshment").

Upon refreshment of the scheme mandate limit, the total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not exceed 10% of the total number of shares in issue as at the Date of Refreshment of the Scheme (the "10% Limit") or the date of any shareholders' meeting in refreshing the 10% Limit, if applicable. The maximum number of shares issued and issuable to each eligible person under the Scheme in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue at proposed grant date. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to an independent non-executive director or a substantial shareholder of the Company, or to any of their associates, in excess of 0.1% of the total number of shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5,000,000 within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board of Directors and commences from the date on which the offer of share options is duly accepted by the grantee in accordance with the Scheme.

The exercise price of share options is determinable by the Board of Directors, and shall be at least the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation on the date of the offer of the share options; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer of the share options; and (iii) the nominal value of the Company's shares.

No share option has been granted, exercised or were outstanding under the Scheme during the years ended 31 March 2026 and 2025.

33. OTHER CASH FLOW INFORMATION

(a) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

During the year ended 31 March 2026, the Group recognised right-of-use assets by incurring lease liabilities of approximately HK$767,000 (2025: HK$2,736,000).

33. OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

For the year ended 31 March 2026

	Bank and other borrowing HK$'000	Amount due to a joint venture HK$'000	Amount due to a shareholder HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2025	–	1,853	7,693	2,015	11,561
Non-cash transactions:					
Finance costs	34	–	–	80	114
Additions of lease liabilities	–	–	–	767	767
Termination of lease	–	–	–	(175)	(175)
Lease modification	–	–	–	(187)	(187)
Exchange adjustment	–	–	–	41	41
Change in cash flow:					
New bank and other borrowings	3,251	–	–	–	3,251
Repayment to a shareholder	–	–	(2,315)	–	(2,315)
Repayment of lease liabilities	–	–	–	(1,407)	(1,407)
Interest paid	(34)	–	–	(80)	(114)
At 31 March 2026	**3,251**	**1,853**	**5,378**	**1,054**	**11,536**

For the year ended 31 March 2025

	Amount due to a joint venture HK$'000	Amount due to a shareholder HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2024	–	–	237	237
Non-cash transactions:				
Finance costs	–	–	83	83
Additions of lease liabilities	–	–	2,736	2,736
Change in cash flow:				
Advance from a joint venture	1,853	–	–	1,853
Advance from a shareholder	–	7,693	–	7,693
Repayment of lease liabilities	–	–	(958)	(958)
Interest paid	–	–	(83)	(83)
At 31 March 2025	1,853	7,693	2,015	11,561

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions information disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Company's directors and senior executives, is as follows:

	2026 **HK$'000**	2025 HK$'000
Salaries, allowances and benefits-in-kind	**4,035**	3,719
Contribution to defined contribution plans	**149**	79
	4,184	3,798

The remuneration was based on the terms mutually agreed between the Group and the related parties.

(b) Related party transactions

(i) During the years ended 31 March 2026 and 2025, the Group had the following transactions with related parties. In the opinion of the management of the Group, they are under normal commercial terms that are fair and reasonable and in the best interests of the Group:

	2026 **HK$'000**	2025 HK$'000
Lease, interest payment and management fee paid to a company controlled by a shareholder (Note 1)	**923**	923
Advance from a related party (Note 2)	**1,311**	198
Interest income from a joint venture	**198**	198

Note 1: During the year ended 31 March 2026, the Group entered into lease with 2 years (2025: 2 years) lease terms in respect of a warehouse from Mr. Ng Man Chan, the substantial shareholder of the Company. The monthly rent payable by the Group under the lease is approximately HK$74,000 per month (2025: HK$74,000 per month). As at 31 March 2026, the lease was early terminated. Immediately prior to the termination, the carrying amounts of the right-of-use asset and the lease liability were approximately HK$106,000 and HK$89,000 respectively (2025: HK$1,049,000 and HK$1,110,000). Upon termination, these balances were derecognised, and a gain of approximately HK$8,000 was recognised in the consolidated statement of profit or loss.

Note 2: As at 31 March 2026, the Group had an outstanding advance of HK$1,311,000 (2025: Nil) from a director of a subsidiary. The advance is unsecured, interest-free, and repayable on demand.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions (continued)

(ii) The Group's secured long-term bank borrowings amounted to RMB2,000,000 (equivalent to approximately HK$2,271,000). The borrowings bear interest at a rate of the 1-year Loan Prime Rate minus 0.5% per annum, are repayable on 18 March 2029. The borrowings are secured by:

(a) a residential property jointly owned by the director of a subsidiary of the Group and his spouse, and

(b) personal guarantees provided by the director of a subsidiary of the Group and three of his close family members.

In the opinion of the directors of the Company, these related party transactions were conducted in the ordinary course of business of the Group.

35. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise loan to a joint venture, cash and cash equivalents, lease liabilities, trade and bills receivables, other receivables and deposits, investments at fair value through profit or loss, trade payables, other payables and accruals, amount due to a shareholder and amount due to a joint venture. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The accounting policies for financial instruments have been applied to the line items below:

	2026 **HK$'000**	2025 HK$'000
Financial assets:		
Financial assets at amortised cost	**35,059**	72,816
Investments at fair value through profit or loss	**924**	1,049
Total	**35,983**	73,865
Financial liabilities:		
Financial liabilities at amortised cost	**38,345**	29,920

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Trade receivables

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtor balances are monitored on an ongoing basis and the Group's exposure to bad debts is being managed.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer as well as the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the Group had a concentration of credit risk as 24% (2025: 30%) and 76% (2025: 71%) of the Group's trade receivables was due from the Group's largest customer and the five largest customers, respectively. The Group manages the concentration of credit risk by continuously broadening the customer base of the Group.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 March 2026 and 2025.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix at 31 March 2026 and 2025 is summarised below.

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

***Trade receivables** (continued)*

At 31 March 2026

	Expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Not past due	**1.25**	**6,061**	**76**
Less than 1 month past due	**1.26**	**2,138**	**27**
1 to 2 months past due	**1.34**	**821**	**11**
2 to 3 months past due	**0.87**	**115**	**1**
More than 3 months past due	**36.38**	**580**	**211**
		9,715	**326**

At 31 March 2025

	Expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Not past due	1.48	5,350	79
Less than 1 month past due	1.44	624	9
1 to 2 months past due	1.41	142	2
2 to 3 months past due	1.51	193	3
More than 3 months past due	37.44	203	76
		6,512	169

The Group does not hold any collateral over trade receivables at 31 March 2026 and 2025.

At 31 March 2026 and 2025, in the opinion of the Company's directors, there was no credit-impaired trade receivables.

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

***Trade receivables** (continued)*

At the end of the reporting period, the Group recognised loss allowance of approximately HK$326,000 (2025: HK$169,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year is summarised below:

	2026	2025
	HK$'000	HK$'000
At the beginning of the reporting period	**169**	588
Increase (decrease) in allowance	**145**	(416)
Exchange realignment	**12**	(3)
At the end of the reporting period	**326**	169

During the year ended 31 March 2026, the increase in loss allowance on trade receivables was mainly due to the increase in gross balances of the trade receivables.

During the year ended 31 March 2025, the decrease in loss allowance on trade receivables was mainly due to the decrease in gross balances of the trade receivables.

Other receivables and deposits and loan to a joint venture

Except for a debtor included other receivables and deposits which was identified to have significant increase in credit risk, the management of the Group considers that the other receivables and deposits and loan to a joint venture have low credit risk based on their strong capacities to meet their contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables and deposits and loan to a joint venture is measured on 12-month ECL and reflects the short maturities of the exposures. In estimating the ECL, the management of the Group has taken into account the historical actual credit loss experience over the past years and the financial position of the counterparties, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case.

Except for a debtor included in other receivables and deposits which was identified to have significant increase in credit risk and impairment loss of approximately HK$764,000 (2025: HK$512,000) was made as at 31 March 2026, the management of the Group considers the ECL of other receivables and deposits to be insignificant after taking into account the financial position and credit quality of the counterparties.

No significant increase in credit risk was identified since the initial recognition of loan to a joint venture. Based on the change in credit quality since the investment was made, an impairment loss on loan to a joint venture of approximately HK$962,000 (2025: HK$1,127,000) was recognised as at 31 March 2026.

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

***Other receivables and deposits and loan to a joint venture** (continued)*

The movements in loss allowance for ECL in other receivables and deposits and loan to a joint venture are included in Notes 19(b) and 14 to the consolidated financial statements, respectively.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 March 2026 and 2025.

Cash and cash equivalents

The credit risk on cash and cash equivalent is limited because the counterparties are banks and other financial institution with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets (e.g. trade debtors) and projected cash flows from operations.

The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its operation needs at any time.

The maturity profile of the Group's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below:

	Weighted average effective interest rate %	Within 1 year or on demand HK$'000	More than one year, but not exceeding two years HK$'000	More than two year, but not exceeding five years HK$'000	Total HK$'000	Carrying amount as at 31 March 2026 HK$'000
At 31 March 2026						
Trade payables	N/A	10,185	–	–	10,185	10,185
Financial liabilities included in other payables and accruals	N/A	17,678	–	–	17,678	17,678
Bank and other borrowings	3%	1,307	276	1,860	3,443	3,251
Amount due to a shareholder	N/A	5,378	–	–	5,378	5,378
Amount due to a joint venture	N/A	1,853	–	–	1,853	1,853
		36,401	276	1,860	38,537	38,345
Lease liabilities	4%	607	262	225	1,094	1,054

35. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

	Weighted average effective interest rate %	Within 1 year or on demand HK$'000	More than one year, but not exceeding two years HK$'000	More than two year, but not exceeding five years HK$'000	Total HK$'000	Carrying amount as at 31 March 2025 HK$'000
At 31 March 2025						
Trade payables	N/A	7,385	–	–	7,385	7,385
Financial liabilities included in other payables and accruals	N/A	12,989	–	–	12,989	12,989
Amount due to a shareholder	N/A	7,693	–	–	7,693	7,693
Amount due to a joint venture	N/A	1,853	–	–	1,853	1,853
		29,920	–	–	29,920	29,920
Lease liabilities	4.62%	1,116	498	521	2,135	2,015

Fair value

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following gives information about how the fair values of these financial assets are determined.

The fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

35. FINANCIAL RISK MANAGEMENT (continued)

Fair value (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

(a) Disclosures of level in fair value hierarchy

	Fair value measurements using:			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
At 31 March 2026				
Financial assets at FVTPL				
Wealth management product	**–**	**924**	**–**	**924**

	Fair value measurements using:			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 March 2025				
Financial assets at FVTPL				
Wealth management product	–	1,049	–	1,049

The financial assets stated at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial assets stated at FVTPL is determined (in particular, the valuation techniques and inputs used).

Financial instruments	**Fair value hierarchy**	**Fair value as at**		**Valuation technique and key inputs**	**Significant unobservable**		**Relationship of key inputs and significant unobservable inputs to fair value**
		2026 HK$'000	2025 HK$'000		**2026**	2025	
Wealth management product	Level 2	**924**	1,049	Present value quoted by the relevant financial institution	**N/A**	N/A	N/A

The directors of the Company consider that the carrying amounts of other current financial assets and financial liabilities recorded at amortised cost using the effective interest rate method in the consolidated financial statements approximate to their fair values due to their immediate or short-term maturities.

35. FINANCIAL RISK MANAGEMENT (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirement.

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025.

36. LITIGATIONS

(a) Litigation with Societe Generale

On 17 September 2019, the Group received an amended writ of summons (the "Writ") issued by Societe Generale, Singapore Branch (the "Plaintiff") in which, among others, Pacific Dragon (Hong Kong) Energy Limited ("Pacific Dragon") and DML, two then wholly-owned subsidiaries of the Company, have been joined as additional defendants to the proceedings of the High Court (case number: HCA 1617/2019) which were originally issued against, among others, (1) Ms. Cheung, an ex-director of the Company who resigned on 4 September 2019 and an ex-shareholder of the Company holding approximately 20.84% interest in the Company on trust for her family until she ceased to hold any of the interest on trust for her family on 14 August 2019, and (2) Inter-Pacific Petroleum Pte Ltd ("Inter-Pacific Petroleum"), a wholly owned subsidiary of Inter-Pacific Group PTE LTD ("Inter-Pacific Group"). Pursuant to the Writ, the Plaintiff claims, among other things, against Inter-Pacific Petroleum for payment for breach of certain trade finance facilities granted to Inter-Pacific Petroleum in the outstanding sum at 28 August 2019 of approximately US$89,849,000.

In connection with the Writ, the Plaintiff obtained an injunction order against, among others, Pacific Dragon and DML, pursuant to which (1) Pacific Dragon is restricted from disposing of or dealing with the sum of approximately US$24,963,000 paid into its bank account during the period from 1 June 2019 to 31 August 2019 and any of its assets whether within or outside Hong Kong up to the same value; and (2) DML is restricted from disposing of or dealing with the sum of approximately US$6,653,000 paid into its bank account during the period from 1 June 2019 to 31 August 2019 and any of its assets whether within or outside Hong Kong up to the same value. The injunction order was continued on the return hearing held on 20 September 2019. The hearing has been adjourned to be heard on 5 February 2020. The above details have been disclosed in the Company's announcements dated 4 September 2019, 18 September 2019 and 29 October 2019 respectively.

On 22 June 2020, the hearing was held and the judgement handed down on 10 July 2020. According to the decision of the Court dated 10 July 2020, the aggregate amount injuncted against Pacific Dragon and DML should be reduced to approximately HK$10,229,000 and the injunction is permitted to be discharged if the same amount injuncted is paid into the Court. Pacific Dragon and DML were also awarded costs to be paid by the Plaintiff.

DML and Pacific Dragon have paid the injuncted amounts of approximately HK$6,783,000 and HK$3,446,000 to the Court in November 2020 and in April 2023, respectively. Accordingly, the injunction order was discharged against DML and Pacific Dragon by order of the Court.

36. LITIGATIONS (continued)

(a) Litigation with Societe Generale (continued)

On 29 June 2022, DML ceased to be subsidiary of the Group under the Winding-up Order and the injuncted amount of approximately HK$6,783,000 paid by DML was derecognised upon de-consolidation of DML.

During the year ended 31 March 2025, Pacific Dragon was disposed and ceased to be a subsidiary of the Group (Note 31). The injuncted amount of approximately HK$3,446,000 paid by Pacific Dragon was derecognised due to the disposal of subsidiary.

Save as disclosed above, there is no further update for the above litigation up to the date of this report.

With reference to the opinion of the Group's lawyer, the Directors are of view that the Group has a reasonable ground of defense.

(b) Litigation with Inter-Pacific Group

In November 2019, the Group instructed its lawyer to issue a legal letter to Inter-Pacific Group, demanding Inter-Pacific Group to return the deposit of HK$14,574,000 to the Group which had paid to Inter-Pacific Group for the acquisition of the two of the four vessels, namely Pacific Energy 8 and Pacific Energy 168, pursuant to the sale and purchase agreement dated 29 September 2017 (the "SPA").

Pursuant to the SPA, the third consideration would be satisfied by the Group in the following manner: (i) on the date the SPA, a cash payment of HK$14,574,000 (the "Third Deposit"); (ii) at third completion a cash payment of HK$10,151,000 and the balance of the remaining third consideration, equivalent to HK$72,435,000, will be settled by the Group issuing to Inter-Pacific Group (or its designated nominee) the promissory note in the principal amount of HK$72,435,000.

In the event that the conditions specified in the SPA are not fulfilled or waived on or before 30 September 2019, the Third Deposit shall be returned by Inter-Pacific Group to the Group (or such persons as it may direct), without interest, in immediately available funds within five business days from the 30 September 2019. As the conditions precedent of the SPA with respect to the acquisition of Pacific Energy 8 and Pacific Energy 168 have not been fulfilled, in particular, Mortgage 8 and Mortgage 168 (as defined in the Company's circular dated 27 December 2017) have not been discharged in full by 30 September 2019 and the SPA had been terminated accordingly. Inter-Pacific Group had to fulfill its obligation to return the Third Deposit to the Group by the prescribed deadline.

Therefore, the Group issued a legal letter to demand Inter-Pacific Group to make an immediate repayment of the Third Deposit in the sum of HK$14,574,000 to the Group.

Inter-Pacific Group was placed under liquidation by the Singapore Court on 27 March 2020 pursuant to the Order of Court HC/ORC 2247/2020. In June 2020, the Company has filed the proof of debt to the liquidators.

Up to the date of this report, there is no further update for the above litigation.

In view of the fact that Inter-Pacific Group was known to have financial difficulties, an impairment loss on the refundable deposits of approximately HK$14,574,000 was fully charged to profit or loss during the year ended 31 March 2020.

As at 31 March 2026, the carrying amount of deposits paid for acquisition of property, plant and equipment is nil (2025: nil), net of impairment loss of approximately HK$14,574,000 (2025: HK$14,574,000).

36. LITIGATIONS (continued)

(c) Litigation with a Former Employee (Min Jinyan)

On 29 September 2022, the Group received a civil judgment issued by 廣東省深圳市寶安區人民法院 (the "Court") concerning a dispute over the right to life, body, and health (personal injury). The dispute was between a former employee, Min Jinyan (the "Plaintiff"), and the Group's subsidiary, New Spring Offset Printing (Shenzhen) Limited (the "Subsidiary"). Under this initial judgment (Case No.: (2022)粵0306民初23815號), the Court ordered the Subsidiary to pay RMB60,000 as compensation for mental distress.

Subsequently, on 22 March 2024, the Group received a civil ruling (Case No.: (2023)粵03民終6764號) which officially revoked the aforementioned 2022 civil judgment and remanded the case for retrial.

On 30 April 2025, the Group received an arbitration award (Case No.: 深寶勞人仲(新橋)案[2025] 2301號) issued by the 深圳市寶安區勞動人事爭議仲裁委員會. The Subsidiary was ordered to pay the Plaintiff a total of RMB569,068.04 within five days from the effective date of the award. This amount comprised: (i) the shortfall in wages during the medical treatment period and disability allowances of RMB51,307.88; (ii) economic compensation for the termination of the labor contract of RMB83,397.12; (iii) a one-off disability employment subsidy of RMB429,630; and (iv) legal fees of RMB4,733.04.

Dissatisfied with the arbitration award and the retrial civil judgment, the Group subsequently initiated a civil lawsuit and filed an appeal, respectively, seeking to overturn these decisions.

On 29 April 2026, the Group received a new civil judgement from the Court (Case No: (2025)粵0306民初24364號). The Subsidiary was ordered to pay the Plaintiff a total of RMB1,018,618.38 within seven days from the effective date of the judgement.

This respective provision was recognized in Note 23 to the consolidated financial statement.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK$'000	2025 HK$'000
Non-current asset			
Interests in subsidiaries		–*	–*
Current assets			
Amounts due from subsidiaries		**59,208**	58,048
Prepayments		**199**	542
Cash and cash equivalents		**373**	112
		59,780	58,702
Current liabilities			
Other payables and accruals		**3,845**	1,083
Other borrowing		**980**	–
Net current assets		**4,825**	57,619
Total assets less current liabilities		**54,955**	57,619
NET ASSETS		**54,955**	57,619
Capital and reserves			
Share capital	29	**161,328**	161,328
Reserves	37(a)	**(106,373)**	(103,709)
TOTAL EQUITY		**54,955**	57,619

* The balance represents an amount less than HK$1,000.

This statement of financial position was approved and authorised for issue by the Board of Directors on and signed on its behalf by

Lee Man Kwong
Director

Sun Jingan
Director

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

37(a) Movement of the reserves

	Share premium HK$'000 (Note 30(a))	Contributed surplus HK$'000 (Note 30(b))	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	134,154	38,295	(272,909)	(100,460)
Loss and total comprehensive expense for the year	–	–	(3,249)	(3,249)
At 31 March 2025 and 1 April 2025	134,154	38,295	(276,158)	(103,709)
Loss and total comprehensive expense for the year	–	–	(2,664)	(2,664)
At 31 March 2026	134,154	38,295	(278,822)	(106,373)

The Company's contributed surplus is derived from the difference between the combined net assets of the subsidiaries acquired and the nominal value of the Company's shares issued pursuant to the same reorganisation described in Note 30(b) to the consolidated financial statements. Under the Bermuda Companies Act 1981, a company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2026 (2025: Nil).

38. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualified employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap of HK$1,500 per month. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. No forfeited contribution is available to reduce the contribution payable in future years.

During the year ended 31 March 2026, the total contribution to the defined contribution schemes charged to profit or loss amounted to HK$157,000 (2025: HK$138,000).

38. RETIREMENT BENEFIT SCHEMES (continued)

Long service payment liabilities

Obligation to long service payments ("LSP") under Hong Kong Employment Ordinance

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula: Last monthly wages (before termination of employment) × 2/3 × Years of service. Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment Ordinance came into effect prospectively from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The directors of the Company consider that the impact of the LSP obligation due to the Amendment Ordinance has no material effect on the results and the financial position of the Group.

39. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, the Group had no significant events after the reporting period.