XINHUA NEWS MEDIA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 309

2025/2026 ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lo Kou Hong *(Co-chairman)*
Lin Shuang *(Co-chairman and President)*
(appointed on 3 February 2026)
Tsui Kwok Hing *(Co-chairman)*
(retired on 30 September 2025)
Yung Ting Yiu (retired on 30 September 2025)
Chan Wai Keung (resigned on 8 April 2025)
Cheung Kin Wa (appointed 17 October 2025 and
resigned on 3 February 2026)
Chan Frank Clifford Shui Ting Chu
(appointed on 3 February 2026)
Chen Yun (re-designated from a non-executive director
on 16 March 2026)

Non-executive Directors

Wang Guan
Fong Man Julisa (appointed 17 October 2025 and
resigned on 3 February 2026)
Yuen Ka Tai, Wilson (appointed on 3 February 2026)

Independent Non-executive Directors

Wang Qi
Yau Pak Yue
Leung Nga Tat
Mui Kay Boon (appointed on 3 February 2026)

AUDIT COMMITTEE

Yau Pak Yue *(Chairman)*
Wang Qi
Leung Nga Tat
Yuen Ka Tai, Wilson (appointed on 3 February 2026)
Mui Kay Boon (appointed on 3 February 2026)

REMUNERATION COMMITTEE

Yau Pak Yue *(Chairman)*
Tsui Kwok Hing (retired on 30 September 2025)
Wang Qi
Leung Nga Tat
Chan Frank Clifford Shui Ting Chu
(appointed on 3 February 2026)
Mui Kay Boon (appointed on 3 February 2026)
Lin Shuang (appointed on 3 February 2026)

NOMINATION COMMITTEE

Lo Kou Hong *(Chairman)* (appointed on 30 December 2025)
Tsui Kwok Hing *(Chairman)* (retired on 30 September 2025)
Yung Ting Yiu (resigned on 15 July 2025)
Wang Qi
Yau Pak Yue
Leung Nga Tat
Wang Guan (appointed on 15 July 2025)
Lin Shuang (appointed on 3 February 2026)
Mui Kay Boon (appointed on 3 February 2026)

STRATEGY AND INVESTMENT COMMITTEE

(established on 13 February 2026)

Lin Shuang *(Chairman)* (appointed upon establishment)
Yuen Ka Tai Wilson (appointed upon establishment)
Chen Yun (appointed upon establishment)

COMPANY SECRETARY

Tam Hang Yin (resigned on 31 March 2026)
Yuen Sing Wai Lester (appointed on 31 March 2026)

AUTHORISED REPRESENTATIVES

Tsui Kwok Hing (retired on 30 September 2025)
Tam Hang Yin (resigned on 31 March 2026)
Lo Kou Hong (appointed on 13 October 2025)
Yuen Sing Wai Lester (appointed on 31 March 2026)

AUDITORS

Prism Hong Kong Limited
Registered Public Interest Entitling Auditor

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3710, 37/F
Cosco Tower
183 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman
KY1-100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Dah Sing Bank, Limited
Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China

STOCK CODE

309

COMPANY'S WEBSITE

www.XHNmedia.com

CO-CHAIRMAN'S STATEMENT

Lo's Cleaning Services Ltd., a wholly-owned subsidiary of Xinhua News Media Holdings Ltd., was for the twenty-second year recognised as a caring company and thereafter awarded "Caring Company 20 Years +" by the Hong Kong Council of Social Service.

Dear Shareholders,

Xinhua News Media Holdings Ltd (the "Company") continued to navigate a challenging operating environment during the year ended 31 March 2026 amid escalating global economic uncertainties, the intensifying and widening of geopolitical tensions, and persistent pressures in the local labour market. Despite these headwinds, our core cleaning and related services business demonstrated resilience, maintaining stable revenue contribution while we continued to strengthen operational foundations for sustainable growth. This also provides a foundation for the Company and its subsidiaries (collectively the "Group") to continue to explore and capture opportunities in the fast-moving and ever evolving digital media business.

A FINANCIAL RESULTS THAT SHOW RESILIENCE

Revenue for the year was HK$358,417,000, compared with HK$360,134,000 in the prior year. The Group recorded a loss before income tax of HK$13,716,000 (2025: loss of HK$6,453,000). The increased loss was primarily attributable to higher staff costs, intense competition in contract tendering, and certain unallocated corporate expenses, partially offset by cost control measures and other income items.

Our cleaning and related services segment remained the mainstay of the Group, contributing the majority of revenue. We continued to focus on delivering high-quality, reliable services to both existing and new clients. The advertising media and waste treatment segments faced ongoing challenges but are being actively reviewed as part of our broader strategy to diversify and optimise the business portfolio.

OPERATING ENVIRONMENT AND CHALLENGES

The year saw continued labour shortages in the cleaning industry, alongside the full year effect following the adjustments to the minimum wage regime in mid-2025. Fierce competition in tendering for contracts and unfavourable macroeconomic and geopolitical factors impacting our clients also exerted pressure on profit margins. We are grateful for the Hong Kong Government's enhanced supplementary labour scheme, which has helped alleviate manpower constraints to some extent and supported better control over rising labour costs.

We maintained our commitment to service excellence and were pleased to see Lo's Cleaning Services Ltd., a wholly-owned subsidiary, continue its long-standing recognition as a Caring Company by the Hong Kong Council of Social Service.

OUTLOOK

Looking ahead, we will continue to uphold our Group's culture of harmony, professionalism, and team spirit. We aim to expand our service offerings beyond traditional cleaning into related value-added services, while exploring opportunities to improve efficiency and profitability across all segments. Cost discipline, operational optimisation, and selective business development will be key priorities as we work towards returning to sustainable profitability.

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to the Board of Directors for their valuable guidance and to the entire management team and employees for their dedication, loyalty, and hard work throughout the year. I also extend my appreciation to our shareholders, clients, and business partners for their continued support and trust in the Group.

Lo Kou Hong

Co-chairman

Hong Kong, 29 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue for the year ended 31 March 2026 (the "Year") was approximately HK$358,417,000, representing a slight decrease of approximately 0.5% compared to HK$360,134,000 for the year ended 31 March 2025. The Group recorded a net loss attributable to owners of the Company of approximately HK$13,312,000 (2025: HK$7,444,000).

During the Year, the Group continues to operate principally in the provision of cleaning and related services, waste management service and advertising media business. In addition, the Group has been developing business and investment opportunities in properties investment, technology, media and telecommunication (TMT) sector and water treatment business.

Advertising Media Business

The advertising media segment recorded a segment loss of approximately HK$675,000 (2025: HK$987,000). The business continued to face challenges from industry shifts towards digital platforms and evolving marketing demands. The shifts in consumer behaviour, with Hong Kong residents now venturing north to mainland cities like Shenzhen for their consumption needs, has adversely impacted the marketing demands in Hong Kong. At the same time, the advertising media segment is disrupted by the availability of Artificial Intelligence ("AI") tools. Such disruption has led to cost reductions, with a growing number of clients opting to employ internal staff for their advertising and social media management needs. The Group maintained a cautious approach while exploring adaptation strategies.

Cleaning and Related Services

This segment contributes all of the Group's external revenue of HK$358,417,000 (2025: HK$360,134,000). The segment recorded a profit of approximately HK$2,034,000 during the Year, compared to a profit of HK$2,476,000 in 2025. The performance was maintained despite relatively higher staff costs and increased operational expenses amid a competitive labour market and cost pressures, due to stable contract renewals and continued demand from key customers. The Group was successful in obtaining new contracts from new sources, which included providing cleaning services to a residential estate located in Yuen Long and to commercial buildings located on Hong Kong Island.

Waste Treatment Business

The waste treatment segment recorded a segment loss of approximately HK$1,324,000 (2025: profit of HK$3,287,000). For the year ended 31 March 2025, profit included a significant one-off write-back of provisions. The Group continues to evaluate suitable options for this investment.

FINANCIAL REVIEW

Revenue

Revenue decreased marginally by 0.5% to HK$358,417,000 (2025: HK$360,134,000), primarily due to softer performance in the cleaning segment despite sustained demand from major customers.

Other Income and Gains

Other income and gains decreased significantly to HK$1,810,000 (2025: HK$7,158,000). The reduction was mainly attributable to the absence of a major one-off write-back of other payables (HK$4,450,000 in 2025) and lower interest income, partially offset by gains on disposal and deregistration of subsidiaries.

Operating Expenses

Staff costs increased to HK$260,376,000 (2025: HK$249,594,000), reflecting higher wages, salaries, and related benefits in a tight labour market. Other operating expenses decreased to HK$109,052,000 (2025: HK$118,745,000). Cost of services rendered was HK$341,256,000 (2025: HK$343,277,000).

Loss for the Year and Total Comprehensive Loss for the Year Attributable to Owners of the Company

The Group recorded a loss before income tax of HK$13,716,000 (2025: HK$6,453,000) and a net loss of HK$13,716,000 (2025: HK$6,453,000). Total comprehensive loss for the Year attributable to owners of the Company was HK$13,501,000 (2025: HK$7,411,000). The increased loss and total comprehensive loss were mainly driven by higher staff costs and lower other income.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group's cash and bank balances and pledged time deposits totalled approximately HK$57,550,000 (31 March 2025: HK$63,350,000). Cash and cash equivalents stood at HK$50,258,000 (2025: HK$56,239,000). The current ratio was approximately 1.9 (2025: 2.1).

Net assets as at 31 March 2026 were HK$70,993,000 (31 March 2025: HK$85,330,000). Equity attributable to owners of the Company was HK$71,269,000 (2025: HK$85,119,000).

The gearing ratio as at 31 March 2026 was approximately 4.2% (2025: 3.5%), calculated as total interest-bearing debts divided by total equity. The Group had lease liabilities of HK$2,828,000 (2025: HK$1,594,000) and loans from directors of HK$861,000 (2025: HK$11,291,000). Promissory notes payable of HK$3,000,000 remained outstanding.

The Group maintains a prudent approach to cash management. Revenues and expenses are primarily denominated in Hong Kong dollars for the cleaning business, with RMB exposure in other segments. Foreign exchange risks are monitored, with natural hedges from RMB revenues and liabilities.

Banking facilities amounting to HK$7,000,000 (2025: HK$7,000,000) are secured by pledged time deposits of approximately HK$7,292,000 (2025: HK$7,111,000), of which HK$2,215,000 (2025: HK$2,222,000) had been utilised as at the end of the reporting period.

Management Discussion and Analysis

PROSPECTS

Advertising Media Business

The sector continues to undergo digital transformation. The Group will monitor market developments, including opportunities in precision marketing and new media formats, while managing costs prudently.

In response to market shifts, the directors intend to expand the business strategic layout in Mainland China and accelerated its transformation towards smart marketing. The Directors will explore opportunities in AI and research on multi-agent collaboration technologies to build automated smart marketing workflows to bring a revamped marketing solution to businesses through technological empowerment.

Cleaning and Related Services

In the coming year, the Group will continue to expand its cleaning business to gain new business partners so as to enrich its customer base. The Group will continue to supplement its workforce through the supplementary labor optimization scheme by importing a suitable number of foreign workers to fill vacancies, and will also actively introduce intelligent cleaning robots to reduce operating costs.

The impact on rising oil prices due to the war in the Middle East resulted in one of the Group's major clients, whose business is in the aviation industry, reducing its demand on our services following a drop in demand for its own business because many airlines reduce their flight schedules. The financial effect on our Group is likely to be felt more significantly in the following year.

The Group will continue to aim to increase its competitiveness and maintain stable growth by addressing both of looking to generate additional revenue and finding ways to control cost.

FUND RAISING ACTIVITY

Save as disclosed in this report, the Company did not conduct any fund raising activities during the year ended 31 March 2026 (2025: Nil).

DIVIDEND

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

PLEDGE OF ASSETS

Save as disclosed elsewhere in this report, there was no other pledge of assets as at 31 March 2026.

CONTINGENT LIABILITIES

The Group had performance guarantees of approximately HK$2,215,000 (2025: HK$2,222,000) in respect of services provided to customers. The Group maintains insurance coverage for potential employment and personal injury claims, which the Directors consider adequately covered based on current information. Save as disclosed above, there are no other known material contingent liabilities of the Group not disclosed and would materially affect the Group's financial condition.

CAPITAL COMMITMENTS

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

LITIGATIONS

Save as disclosed in note 41 and elsewhere in this report, there is no other material litigations with significant impact on the Group during the Year.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 6 May 2026, the Company and a subscriber (the "Subscriber") have entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Company has conditionally agreed to allot and issue, under general mandate, and the Subscriber has conditional agreed to subscribe for the 153,000,000 Subscription Shares at the Subscription Price of approximately HK$0.033 per Subscription Share. The Subscription money payable by the Subscriber of approximately HK$5.0 million under the Subscription Agreement shall be satisfied by way of off-setting against the principal amount and the interest of the debt confirmation agreement of HK$5,049,000 payable by the Company to the Subscriber. All the conditions as set out in the Subscription Agreement have been fulfilled and completion took place on 27 May 2026.

On 17 May 2026, the Board proposes to implement the Share Consolidation on the basis that every forty (40) issued and unissued Shares of par value of HK$0.01 each be consolidated into one (1) Consolidated Share of HK$0.40 each. The authorised share capital of the Company was HK$40,000,000 divided into 4,000,000,000 Existing Shares with par value of HK$0.01 each, of which 1,931,069,796 Shares have been allotted and issued as fully paid or credited as fully paid as at 31 March 2026.

On 22 June 2026, an extraordinary general meeting ("EGM") has taken place and the proposed ordinary resolution of share consolidation on the basis that every forty (40) issued shares of par value of HK$0.01 each existing then be consolidated into one (1) Consolidated Share of HK$0.40 each, was duly passed by the Shareholders at the EGM by way of poll. The Share Consolidation has become effective on Wednesday, 24 June 2026. Dealing in the Consolidated Shares has commenced at 9:00 a.m. on Wednesday, 24 June 2026. Please refer to the Circular published on 26 May 2026 for the details, including the trading arrangement, the Change in Board Lot Size, the exchange of share certificates and matching services for odd lots in connection with the Share Consolidation. Shareholders should note that the new share certificates of the Consolidated Shares are in grey colour, while the existing share certificates in blue colour will cease to be valid for delivery, trading and settlement purposes after 4:10 p.m. on Friday, 31 July 2026, but will remain valid and effective as documents of title.

Please refer to note 41 for material litigations with significant impact on the Group which happened subsequent to the year ended 31 March 2026.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

It is the Group's corporate mission to continue to explore ways to improve its financial performance and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or changing to other business as long as it is in the interest of the Company and the shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing business portfolio and evaluates possible investment opportunities available to the Company from time to time. Subject to the result of such review and the then market and economy situation, the Company may make suitable investment decisions which may involve the disposal of part of its existing business portfolio and/or change of the asset allocation of its business and investment portfolio and/or expanding its business portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. In these regards, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in note 29 and elsewhere in this report, there was no material acquisition and disposal of subsidiaries during the Year.

SIGNIFICANT INVESTMENTS

During the Year, the Group did not have any significant investment plans.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees of the Group as at 31 March 2026 was 1,273 (2025: 1,241). Total staff costs, including directors' emoluments and net pension contributions, for the year under review amounted to approximately HK$260,376,000 (2025: approximately HK$249,594,000). The Group provides employees with training programmes to equip them with the latest skills and other benefits including share option scheme.

Remunerations are commensurate with individual job nature, work experience and market conditions, and performance related bonuses are granted to employees on discretionary basis.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2026.

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

The directors of the Company were unable to access the supporting documents of the accounting books and records of certain subsidiaries, namely, Heng Qin Hetong Cultural Communication Company Limited and Fujian Yu Sheng Da Supply Chain Management Company Limited (hereinafter collectively referred to as the "Sub-Group") (the "Inaccessible Accounting Supporting"). As a result of the above, we were unable to obtain sufficient appropriate audit evidence to ascertain the occurrence, accuracy, completeness, cutoff, classification and presentation of any transactions that may need to be presented or have been presented in the consolidated statement of profit or loss and other comprehensive income of the Sub-Group in accordance with HKFRS Accounting Standards. Since the consolidated financial statements of the Sub-Group form part of the consolidated financial statements of the Group, the inability to perform sufficient audit procedures on the Inaccessible Accounting Supporting resulted in limitation on our audit of the consolidated financial statements of the Group. As disclosed in note 29 to the consolidated financial statements, during the year ended 31 March 2026, the Sub-Group had been disposed to the independent third party. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the matter as mentioned above. As a result, we were unable to determine whether any adjustments might have been found to be necessary in respect of the elements making up the consolidated profit or loss and other comprehensive income, and the related disclosures in the consolidated financial statements of the Group.

THE AUDIT ISSUE

As disclosed in this report, the Auditors expressed the Disclaimer of Opinion on the Company's consolidated financial statements for FY2026 due to the inaccessibility of the supporting documents of the accounting books and records of certain subsidiaries of the Group (the "Inaccessible Accounting Supporting"), namely, Heng Qin Hetong Cultural Communication Company Limited and Fujian Yu Sheng Da Supply Chain Management Company Limited (collectively, the "Sub-Group"). As a result, the Auditors were unable to obtain sufficient appropriate audit evidence to ascertain the occurrence, accuracy, completeness, cutoff, classification and presentation of any transactions that may need to be presented or have been presented in the consolidated statement of profit or loss and other comprehensive income of the Sub-Group and the valuation, existence and completeness of the assets or liabilities that may need to be presented or have been presented in the consolidated statement of financial position of the Sub-Group in accordance with HKFRS Accounting Standards (the "Audit Issue").

THE COMPANY'S ACTIONS TO ADDRESS THE AUDIT ISSUE

The Audit Issue was caused by the Inaccessible Accounting Supporting during the preparation of the financial statements of the Group for the year ended 31 March 2025 since April 2025. In June 2025, due to the Inaccessible Accounting Supporting, the Company engaged PAL Advisory Limited (the "Investigator") as the investigator to carry out an investigation (the "Investigation") and counsel from the People's Republic of China ("PRC") to advise on the Inaccessible Accounting Supporting. The Group issued a demand letter to Heng Qin to urge and request for the financial records of Heng Qin for the period from 1 October 2024 to 31 March 2025 but the Group did not receive any response. For the details of the scope, the results and the remedial actions in respect of the Investigation, please refer to the announcement dated 26 September 2025. The Board (including the independent non-executive Directors) has reviewed the Investigation Report and is of the view that:

(i) the content and findings in the Investigation Report are reasonable and acceptable and adequately addressed the Issues; and

(ii) the problems identified in the Investigation Report do not affect the business operations of the Group and would adopt the suggestions from the Investigator for better internal control and corporate governance.

For details of internal controls, please refer further to corporate governance report.

In view of the Inaccessible Accounting Supporting and in order to resolve the Audit Issue, the Company identified a purchaser for the disposal of the entire equity interest in the Sub-Group (the "Disposal") in late May 2025. The Group and the purchaser, an independent third party and a company incorporated in Hong Kong with limited liability and principally engaged in the provision of financial advisory services relating to corporate restructuring and debt recovery, entered into the sale and purchase agreement on 27 June 2025 in respect of the Disposal for a consideration of HK$300,000 and the completion took place on the same day. The consideration for the Disposal was determined after arm's length negotiation between the Group and the purchaser having considered various factors, including but not limited to (i) the Sub-Group's financial performance and financial position to the extent that the Company has information on; (ii) the business operations of the Sub-Group, which, based on the findings of the Investigation, the Sub-Group currently has no business operations; (iii) the issues with the management of the Sub-Group on the Inaccessible Accounting Supporting; and (iv) the prospects of a potential contractual dispute of the Sub-Group.

THE AUDITOR'S VIEW ON THE AUDIT ISSUE

Accordingly, the Company has engaged the Auditors to perform a full scope audit of the Group in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants for the period from 1 April 2025 to 30 June 2025 and the audit was completed on 26 September 2025.

As a result of the full scope audit conducted, the Auditors are of the view that the Audit Issue has been fully addressed on 27 June 2025 due to the completion of the Disposal, as the Group ceased to hold any interests in the Sub-Group and the Sub-Group ceased to be subsidiaries of the Company, and the disclaimer of opinion shall be limited to the Group's consolidated statement of profit or loss for the period from 1 April 2025 to 30 June 2025.

THE BOARD'S VIEW ON THE AUDIT ISSUE

The Board has reviewed the Audit Issue and the Company's action to address the Audit Issue, including but not limited to the terms and conditions of the Disposal. Specifically, the Board considers that following the completion of the Disposal, the Group has ceased to hold any interests in the Sub-Group. The Board considers that as all the assets and liabilities of the Sub-Group has been disposed, the Sub-Group has since ceased to be subsidiaries of the Company and the financial information of the Sub-Group would no longer be consolidated into the financial statements of the Group, the residual impact of the Sub-Group on the Group and the disclaimer of opinion would be limited to the Group's consolidated statement of profit or loss for the period from 1 April 2025 to 30 June 2025 only. As such, the financial information of the Sub-Group would no longer affect the financial statements of the Group on and after 1 July 2025. Moreover, the Inaccessible Accounting Supporting would no longer have any impact on the Group following the completion of the Disposal.

The Board has also considered the full scope audit carried out by the Auditors on a reasonable assurance basis in order to assess the impact of the financial information of the Sub-Group and the Disposal on the remaining Group and the Auditors' view following the full scope audit conducted as set out above. Taking into account of the above, the Board is of the view, and the Auditors agree, that the Audit Issue has been fully addressed on 27 June 2025.

THE AUDIT COMMITTEE'S VIEW ON THE AUDIT ISSUE

The audit committee of the Company (the "Audit Committee") has reviewed the Audit Issue and considered the Company's measures to address the Audit Issue, including but not limited to the terms and conditions of the Disposal. The Audit Committee has also critically reviewed the facts and circumstances considered by the Board in arriving at its view. Specifically, the Audit Committee considers that following the completion of the Disposal, the Group has ceased to hold any interests in the Sub-Group. The Audit Committee considers that as all the assets and liabilities of the Sub-Group has been disposed, the Sub-Group has since ceased to be subsidiaries of the Company and the financial information of the Sub-Group would no longer be consolidated into the financial statements of the Group, the residual impact of the Sub-Group on the Group and the disclaimer of opinion would be limited to the Group's consolidated statement of profit or loss for the period from 1 April 2025 to 30 June 2025 only. As such, the financial information of the Sub-Group would no longer affect the financial statements of the Group on and after 1 July 2025. Moreover, the Inaccessible Accounting Supporting would no longer have any impact on the Group following the completion of the Disposal.

The Audit Committee has also discussed the scope, the work done and the outcome of the full scope audit with the Auditors in details. Upon the Audit Committee's assessment, the Audit Committee concurs with the view of the Board and the facts and circumstances considered by the Board and is satisfied that the Audit Issue has been fully addressed on 27 June 2025 as a result of the completion of the Disposal.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

As at the date of this report, the biographical details of the Directors are as follows:

BOARD OF DIRECTORS

Executive Directors

Mr. Lo Kou Hong ("Mr. Lo"), aged 84, is the founder of the Group. He has been redesignated to Co-chairman of the Board on 13 February 2026 and has been an executive Director of the Company since 27 April 2020. He is also the Chairman of the nomination committee and a director of certain subsidiaries of the Company. Prior to establishing Lo's Cleaning Services Limited in 1978, Mr. Lo served as a manager at a local property management company. He was appointed as a vice president of the Friends of Scouting in 2001. Mr. Lo is also a founder member and director of Environmental Innovation Council Limited, a non-profit-making organisation incorporated in Hong Kong with limited liability by guarantee.

Mr. Lin Shuang ("Mr. Lin"), aged 40, was appointed as an executive Director, each of member of the Nomination Committee and Remuneration Committee of the Company on 3 February 2026. Mr. Lin is also a member of the Strategy & Investment Committee. Mr. Lin obtained his bachelor's degree in Journalism from Jilin University, the PRC, in 2009. Mr. Lin holds a Legal Professional Qualification Certificate of the PRC and a Certified Public Accountant (CPA) qualification in the PRC. Currently, he is a non-practising member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

From January 2020, being a practising lawyer and non-practising member of CPA, Mr. Lin has served as a legal adviser and financial adviser to many companies, and participated in corporate compliance governance and strategic development business. Mr. Lin is one of the first batch of "full-process engineering consultants" of the China International Engineering Consulting Association (中國國際工程諮詢協會), he has in-depth research on government platform investment models, bidding management, construction projects and national "Belt and Road" related businesses.

From June 2016 to December 2019, Mr. Lin served as Deputy General Manager of Fujian Roeda Investment Consultancy Co., Ltd. (福建融易達投資諮詢有限公司), responsible for overseeing investment and financing operations and supply chain management. From July 2013 to May 2016, Mr. Lin served as Deputy General Manager of Fujian Zhongjun Construction and Development Co., Ltd. (福建中雋建設發展有限公司), with primary responsibility for financial management. From June 2009 to June 2013, Mr. Lin worked in the Finance Bureau of Lianyungang Economic and Technological Development Zone (national level) in Jiangsu Province (江蘇省連雲港經濟技術開發區(國家級)), where he participated in the work of the Budget Department, General Affairs Development, State-owned Assets Office, Listing Office and other departments, and was responsible for the financial management of many enterprises and institutions.

Mr. Chan Frank Clifford Shui Ting Chu ("Mr. Chan"), aged 43, was appointed as an executive Director and a member of the Remuneration Committee of the Company on 3 February 2026. Mr. Chan obtained his bachelor's degree in Business Administration, Finance from Simon Fraser University, Vancouver, British Columbia, Canada in 2003. Mr. Chan also obtained his master of Arts, Economics from Simon Fraser University in 2005. Mr. Chan has obtained certain professional qualifications, including chartered financial analyst, certified public accountant in the United States of America and a responsible officer for Type 6 (advising on corporate finance) regulated activity under the Secutiries and Futures Ordinance ("SFO").

Mr. Chan has over 10 years in advising on corporate finance. Mr. Chan is the director of Central China International Capital Limited, from April 2018 to November 2022, the senior manager of Convoy Capital Hong Kong Limited from January 2016 to March 2018, the vice president of Guotai Junan Capital Limited from May 2015 to November 2015, the senior manager of Baron Global Financial Services Limited from February 2012 to April 2015. In the above regulated licensed corporations, Mr. Chan was responsible for providing corporate finance and capital market advisory service to clients. Mr. Chan worked in Deloitte & Touche Corporate Finance Limited from April 2008 to July 2011, wherein he provided restructuring and corporate finance advisory services to the clients. Mr. Chan had also gained two years of experience in asset management in Vancouver, Canada. Mr. Chan was an independent non-executive director of JVSPAC Acquisition Corp. (Nasdaq: JVSA) from January 2024 to January 2025.

Ms. Chen Yun ("Ms. Chen"), aged 42, was appointed as a non-executive Director on 20 December 2024 and redesignated as an executive Director of the Company on 16 March 2026. She is also a member of the Strategy & Investment Committee. From September 1999 to July 2002, she studied Administration and Security at Fujian Provincial Police College for three years and graduated in July 2002. In August 2018 , she has worked as a department manager in Fuqing Mingren Plastics Co., Ltd.

Non-Executive Directors

Ms. Wang Guan ("Ms. Wang"), aged 36, was appointed as a non-executive Director on 20 October 2021. She is also a member of the Nomination Committee. She obtained a Bachelor's degree of Economics from Thammasat University in April 2013 and a Master's degree of International Management from University of Exeter in June 2016. Ms. Wang is currently a managing director of Siam Crown Company Limited. She was a financial institute relationship manager of KASIKORNBANK Public Company Limited during September 2017 to August 2021 and an assistant to the president of Thai Chinese Friendship Association during August 2014 to July 2015.

Mr. Yuen Ka Tai, Wilson ("Mr. Yuen"), aged 49, was appointed as a non-executive Director of the Company on 3 February 2026. He is also a member of the Audit Committee and Strategy & investment Committee.

Mr. Yuen obtained his bachelor's degree in Business Administration with Simon Fraser University, Vancouver, British Columbia, Canada in 1999. Mr. Yuen has over 25 years of experience in the financial sector. Since 2018, Mr. Yuen has been the director of WKI Group Limited, a company which provides a range of comprehensive corporate services to listed and private companies in Hong Kong, Mainland China and Asia. From 2005 to 2017, Mr. Yuen worked as a director of wealth management in Core Pacific-Yamaichi International (Hong Kong) Limited, wherein, he was also a licensed representative for type 1 (dealing in securities) and type 4 (advising on securities) regulated activities. From 2006 to 2017, Mr. Yuen worked as a manager of Core Pacific-Yamaichi Futures (Hong Kong) Limited, wherein, he was also a licensed representative for type 2 (dealing in futures contracts) regulated activity. Mr. Yuen has signed an appointment letter issued by the Company for a term of one year commencing on 3 February 2026 unless terminated by not less than one month's notice in writing served by either party to the other, subject to retirement by rotation and re-election at the general meetings in accordance with the articles of association of the Company. Mr. Yuen is entitled to a monthly salary of HK$10,000, which is determined by the remuneration committee of the Company with reference to his skill, knowledge and experience and his duties and responsibilities with the Company.

Biographical Information of Directors and Senior Management

Independent Non-Executive Directors

Mr. Wang Qi ("Mr. Wang"), aged 71, was appointed as an independent non-executive Director in August 2006. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Wang was a director of Jingneng Property Company Limited (a company listed on the Shanghai Stock Exchange; stock code: 600791), engaging in property development in Beijing and the general manager of Tian Chuang Science and Technology Development Company Limited, engaging in investment of technologically related businesses. Mr. Wang is a qualified senior engineer and has over 30 years of experience in business management. He was a senior investment manager of China Commercial Construction Development Company from 1989 to 2000 and was responsible for the investment and listing projects of various companies in Mainland China. Mr. Wang also served as an executive officer to manage some of the investment projects of Regal Hotels International from 1997 to 2000 and New World Group from 1993 to 2000 in Mainland China. In addition, Mr. Wang has devoted himself in developing the business connection and communication between Hong Kong and Mainland China in the field of business management and investment.

Mr. Yau Pak Yue ("Mr. Yau"), aged 57, was appointed as an independent non-executive Director on 15 July 2021. He is also the Chairman of each of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee. Mr. Yau 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 over 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. In addition, Mr. Yau is a certified public accountant in Hong Kong and a fellow certified practising accountant in Australia. Mr. Yau has been a non-executive director of Daisho Microline Holdings Limited (now known as Jsmart Technologies Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 567) since September 2020, an independent non-executive director ("INED") of each of Hifood Group Holdings Co., Limited (now known as Domaine Power Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 442) and China Metal Resources Utilization Limited (中國金屬資源利用有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code 1636) since May 2021 and 26 June 2026, respectively. Mr. Yau was the INED of Huscoke Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 704) between 16 June 2025 to 18 June 2026. Mr. Yau was an independent non-executive director of Jiayuan International Group Limited (In Liquidation), a company listed on the Main Board of the Stock Exchange (stock code: 2768, which was delisted from the Stock Exchange with effect from 29 October 2024) from June 2024 to December 2024. He was appointed as the independent non-executive director of Jiayuan International Group Limited (In Liquidation) by the liquidators to assist the company in the implementation of its restructuring plan. There was no wrongful act or mismanagement on his part leading to the liquidation of this company.

Mr. Yau was a non-executive director of DreamEast Group Limited, a company listed on the Main Board of Stock Exchange (stock code: 593, which was delisted from listing with effect from 27 January 2026) from July 2023 to January 2024. He served as 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, an executive director of Freeman FinTech Corporation Limited (now known 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, an independent non-executive director of Fullsun International Holdings Group Co., Limited (now known as Japan Kyosei Group Company Limited), a company listed on the Main Board of the Stock Exchange (stock code: 627) from December 2020 to July 2023, an independent non-executive director of KEE Holdings Company Limited (now known as China Apex Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 2011) from July 2017 to November 2019 and Ascent International Holdings Limited (now known 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.

Mr. Leung Nga Tat ("Mr. Leung"), aged 43, was appointed as an independent non-executive Director on 1 November 2021. He is also a member of each of the Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Committee. Mr. Leung Nga Tat graduated from The Hong Kong Polytechnic University, majoring in Accountancy. He is also a member of Hong Kong Institute of Certified Public Accountants starting from January 2010. He had been employed under an international auditing firm, KPMG for more than 8 years. He worked in Landsea Green Management Limited (formerly known as Landsea Green Properties Co., Ltd.) (a company whose shares are listed on the main board of the Stock Exchange; stock code: 106) as the deputy financial controller, mainly responsible for financing, financial reporting, legal and compliance during February 2014 and July 2018 and has been an independent non-executive director of Add New Energy Investment Holdings Group Limited, a company whose shares are listed on the main board of the Stock Exchange, Stock code: 2623) since June 2019 to January 2026. He started his own serviced apartment business in June 2018. With over 18 years of working experiences in the industry, Mr. Leung Nga Tat is equipped with comprehensive knowledge of accounting, financing, compliance and merger and acquisition.

Mr. Mui Kay Boon ("Mr. Mui"), aged 65, was appointed as an independent non-executive Director of the Company on 3 February 2026. Mr. Mui is also a member of each of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Mui obtained his bachelor's degree in Economics (majoring in accounting) from University of Sydney and Master of Business Administration degree from Australian Graduate School of Management, a graduate school of both the University of Sydney and the University of New South Wales respectively. He is an ex-fellow member of the CPA Australia.

Mr. Mui has over 30 years of experience in the fields of finance and securities industry. Since October 2021, Mr. Mui has been the Director (Equity Capital Market (ECM)) of Zijing Capital Limited, a Hong Kong based boutique financial institution offering broking, asset management and investment banking services to institutions and high net worth individuals. He is in charge of the ECM department and is responsible for business development, deal execution and distribution. From 1991 up to 2021, Mr. Mui has been working in certain securities brokering companies in Hong Kong. He has a wide spectrum of securities brokerage and ECM work experiences. From 2008 to 2010, Mr. Mui worked in Core Pacific-Yamaichi International (HK) Ltd. as the Sale Director (Corporate Sales) and during which Mr. Yuen also worked in the same company. Mr. Mui's role was to perform sale and marketing function by marketing in-house research products to gain traction from existing and potential institutional clients. From 1986 to 1989 and from 1991 to 1993, Mr. Mui worked in chemical companies and had been a business analyst and an accountant with Exxon Chemical International Asia Ltd. and Dow Chemical Pacific Ltd. respectively.

SENIOR MANAGEMENT

The Executive Directors above are directly responsible for the various businesses of the Group. They are regarded as the members of the senior management of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRINCIPLES

Xinhua News Media Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") persistently strives to operate its business in an economic, social and environmentally sustainable manner. With "People-oriented, Integrity and Mutual Benefit" as its core value and the building of a society with harmonious ecological civilisation as its mission, the Group respects the talents and creativity, focuses on enhancing the social and human care on the products and also the responsibility for integrity, honesty, bringing industrial matrix and navigating forward.

This year, the Group is pleased to present its Environmental, Social and Governance ("ESG") Report (the "Report") for the year ended 31 March 2026 (the "Year" or "2026"), which aims to demonstrate its efforts on sustainability developments to both internal and external stakeholders.

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 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For information regarding the governance section, please refer to the Corporate Governance Report in the Company's Annual Report.

The Group is committed to the long-term sustainability of its business, as well as providing support to environmental protection and the communities in which it operates. Quality products and services are delivered to customers, and their business is managed prudently under sound decision-making processes. Dialogue is maintained with stakeholders such as shareholders, customers, employees, suppliers, creditors, regulators and the general public. The Group seeks to balance the views and interests of these stakeholders through constructive conversation with a view to setting the course for long-term prosperity. The board of directors (the "Board") is responsible for evaluating and determining the ESG risks of the Group and ensuring that relevant risk management and internal control systems are in place and operate effectively.

GOVERNANCE STRUCTURE

Board's oversight of ESG issues

The Board has a primary role in overseeing the Group's ESG issues. During the Year, the Board, the management and the ESG responsible staff evaluated the impacts of ESG-related risks towards the operation and formulated ESG-related policies in dealing with relevant risks. The oversight of the Board ensures that the management and the ESG responsible staff can have all the right tools and resources to oversee the ESG issues. To demonstrate the Group's commitment to transparency and accountability, the management and ESG responsible staff review and evaluate the Group's performance in respect of ESG issues and report to the Board regularly.

Board's ESG management approach and strategy for material ESG-related issues

To better understand the opinions and expectations of different stakeholders on the ESG issues, materiality assessment is conducted annually. The Group ensures various platforms and channels of communication are used to reach, listen and respond to its key stakeholders. Through communication with the stakeholders, the Group is able to understand the expectations and concerns of its stakeholders. The feedback obtained allows the Group to make more informed business decisions, and to better assess and manage the resulting impacts of the business decisions.

The Group has evaluated the materiality in ESG aspects through the following steps: (i) identification of ESG issues by the Group; (ii) key ESG areas prioritisation with stakeholder engagement; and (iii) validation and determining material ESG issues based on the results of communication with the stakeholders.

Taking these steps enhances the understanding of the expectations and concerns of the Group's stakeholders on various ESG issues, which enables the Board to plan the sustainable development direction to address material ESG-related issues in the future.

Progress review made against ESG-related goals and targets

ESG-related goals and targets have been set to provide a strategic direction in business operations; the progress is closely reviewed by the Group from time to time. Modification may be needed if progress falls short of expectation or changes in business operations.

The Group's sustainability target enables the Company to develop a realistic roadmap and focus on the results of achieving the vision. The sustainability performance and progress made against the goals are reported to the Board for review at least annually.

REPORTING PRINCIPLES

The report is centered on four principles:

Materiality: Stakeholder engagement and materiality assessment were conducted regularly to identify ESG issues, and to ensure that these issues are addressed in the Report.

Quantitative: Data presented in this Report have been collected prudently. Please refer to the environmental and social performance data for standards and methodologies used for calculation of key performance indicators.

Balance: Both positive and negative sides of the performance have been presented in a transparent manner.

Consistency: Unless otherwise stated, the disclosures, data collection and calculation methods have remained consistent throughout the years to facilitate comparability over time.

REPORTING BOUNDARIES

This Report has primarily highlighted the sustainability development and performance for the Year of the four environmental aspects and the eight social aspects under the ESG Reporting Code. Lo's Cleaning Services Limited ("Lo's Cleaning") is principally engaged in the provision of cleaning and related services in Hong Kong. For both environmental and social aspects, this Report will focus on Lo's Cleaning which is the major operating segment of the Group.

勞氏清潔服務有限公司
LO'S CLEANING SERVICES LTD.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement plays a core role in the sustainability of the Group. The Group fully appreciates the need to build both online and offline communication channels and to provide stakeholders with timely reports on strategic planning and performance of the Group in order to establish a continuing communication mechanism with the stakeholders. In addition, the Group consults the stakeholders on their recommendations and propositions to ensure its business practices can meet the expectations of the stakeholders.

The stakeholders include the shareholders, governments and regulatory bodies, employees, customers, suppliers and society and the public. The Group discusses with the stakeholders through various channels for their expectations and relevant feedback of the Group as below:

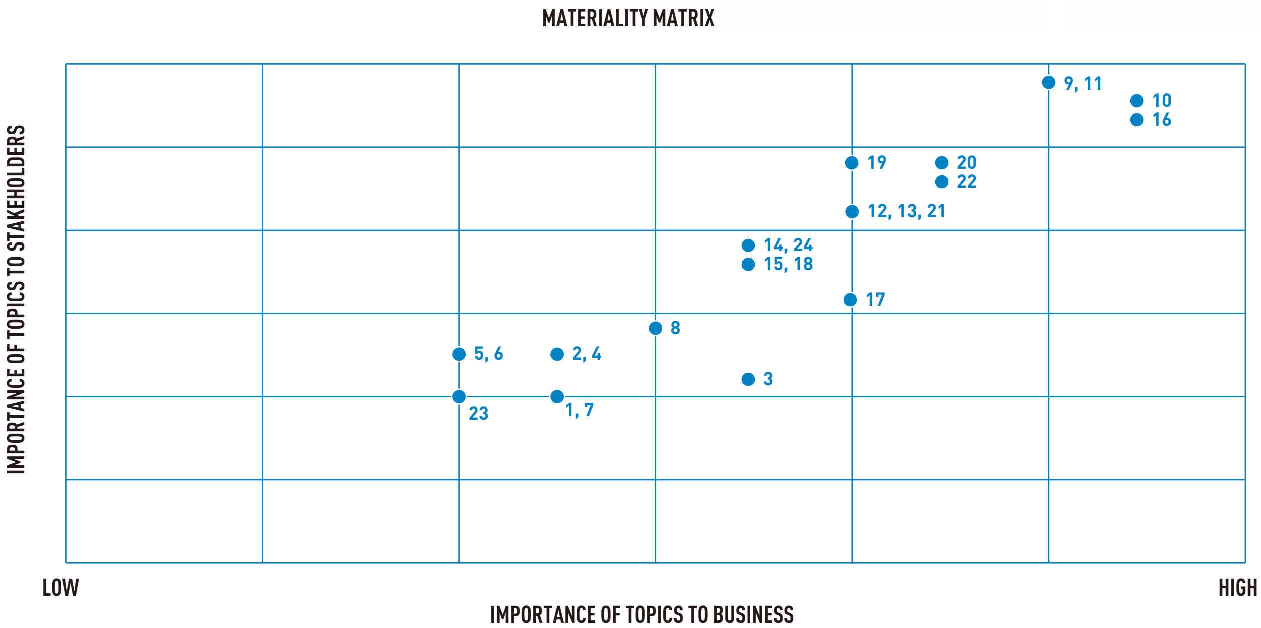
Stakeholders	Expectations	Communication and feedback
Shareholders	Financial results ESG performance Corporate transparency Sound risk control	Growth in profitability Monitoring the use of resources Regular information disclosure Optimising risk management and internal control
Governments and regulatory bodies	Compliance with laws and regulations Tax payment in accordance with laws Compliance with environmental regulations	Compliance operation Tax payment in full and on time Compliance of environmental policies
Employees	Career development platform Salary and benefits Occupational health and safety	Promotion mechanism Competitive salary and employee benefits Providing training for employees and strengthening their safety awareness
Customers	Service quality Customer information security Customer rights and interests protection	Customer privacy protection Compliance marketing Monitoring the customers' satisfaction level through enquiry and questionnaire
Suppliers	Integrity cooperation Business ethics and credibility	Building a responsible supply chain Performing the contract according to law
Society and the public	Environmental protection Employment opportunities	Providing employment opportunities Putting environmental protection and energy saving equipment into use

MATERIALITY ASSESSMENT

During the Year, the Group conducted a comprehensive materiality assessment. This involved conducting surveys with internal and external stakeholders to identify which areas have the most significant operating, environmental and social impacts on their business.

With reference to the scopes as required under the ESG Reporting Code and taking into consideration the corporate business characteristics, the Company has identified and confirmed 24 issues, which cover environmental, training and development, occupational health and safety, labour standards in supply chain, corporate governance, customer privacy, anti-corruption and community investments.

ESG issues materiality matrix



Environmental issues	Social issues	Operating issues
1. Greenhouse gas ("GHG") emissions	8. Community contribution	16. Economic value generated
2. Energy consumption and resource	9. Occupational health and safety	17. Supply chain management
3. Water resources management	10. Child labour	18. Supplier evaluation and selection
4. Waste management	11. Forced and compulsory labour	19. Customer service and satisfaction
5. Use of packaging materials	12. Training and development	20. Customer privacy
6. Impact on the environment	13. Salaries and employee benefits	21. Feedback and complaint handling
7. Climate change	14. Diversity and equal opportunity	22. Product safety and quality
	15. Talent attraction and retention	23. Intellectual property protection
		24. Marketing and labelling

ENVIRONMENTAL

The Group places high priority on environmental stewardship and has established comprehensive policies to fulfill our sustainability commitments. To align with our strategic direction, we have set clear environmental targets to ensure responsible business growth.

A1: Emissions

The cleaning business does not involve any production activities and hence there were no emissions of pollutants into the atmosphere. However, the use of cleaning materials in the form of detergents and chemical solutions will likely have negative impacts on the environment. The Group strives to reduce the usage of these cleaning solutions and is now sourcing such cleaning solutions from suppliers who can supply environmentally friendly cleaning solutions.

Air pollutant emissions

During the Year, nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM") were emitted from fuel consumption company vehicles.

Lo's Cleaning has 3 motor vehicles, which are used for providing cleaning and related services in service site areas. 3,969 litres of diesel have been consumed for the Year.

Air emissions from the use of motor vehicles:

Air emissions[1]	Unit	2026	2025
NO_x	kg	**38.62**	41.64
SO_x	kg	**0.06**	0.07
PM	kg	**3.60**	3.88
NO_x intensity[2]	g/No. of employee	**30.70**	33.91
SO_x intensity	g/No. of employee	**0.05**	0.06
PM intensity	g/No. of employee	**2.86**	3.16

Note(s):

1. The emission factors used to calculate the NO_x, SO_x and PM are sourced from: the Hong Kong Environmental Protection Department's ("EPD") EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's Vehicle Emission Modeling Software – MOBILE6.1; and the assumptions of 80% relative humidity, a temperature of 25 degrees Celsius, an average speed of 30 kmh, and include running exhaust emissions only.
2. The employee number in 2026 is 1,258 (2025: 1,228 employees) is used for intensity calculation.

Reduction target of air emissions

Air emissions intensity	Reduction Target	Baseline Year	Status
NO_x emissions intensity	Reduce 3% by 2029	2024	In progress
SO_x emissions intensity	Reduce 3% by 2029	2024	In progress
PM emissions intensity	Reduce 3% by 2029	2024	In progress

With a target of a 3% reduction by 2029 (baseline 2024), we are actively evaluating technologies and process improvements to lower our air emissions. The data in 2026 shows emissions intensity increases of 10% for NO_x, and 6% for PM compared to 2024 levels, while the emissions intensity of SO_x remained consistent, highlighting the need for enhanced measures.

GHG emissions

The Group consumes electricity and diesel for the operation of its cleaning business. Upon consumption of electricity and combustion of diesel, GHG which is expressed in carbon dioxide equivalent ("CO_2e") is produced.

GHG emissions from operations:

GHG emissions[3]	Unit	2026	2025
GHG emission (Scope 1)[4]	Tonnes of CO_2e ("tCO_2e")	**11**	11
GHG emission (Scope 2)[5]	tCO_2e	**21**	17
GHG emission (Scope 3)[6]	tCO_2e	**6**	6
Total GHG emission	tCO_2e	**38**	34
Total GHG emission intensity	tCO_2e/No. of employees	**0.03**	0.03

Note(s):

3. Calculation of emission factors for environmental KPIs is based on, including but not limited to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, and the global warming potential values from the "Sixth Assessment Report" issued by Intergovernmental Panel on Climate Change.
4. Scope 1 mainly represents emission from the diesel consumed by motor vehicles.
5. Scope 2 mainly represents emission from the electricity purchased from power suppliers in Hong Kong.
6. Scope 3 mainly represents emission from paper waste disposed at landfills.

Reduction target of GHG emissions

GHG emissions intensity	Reduction Target	Baseline Year	Status
Total GHG emission intensity	Reduce 3% by 2029	2024	In progress

With a target of a 3% reduction by 2029 (baseline 2024), we have introduced energy-saving initiatives, further details may refer to the section headed "Reduction target of energy consumption". The data in 2026 indicates stable emission intensity, remaining consistent with 2024 levels.

Hazardous waste produced from operations

Due to the nature of cleaning business, the hazardous waste produced is minimal during the operation. In the unlikely event that any material hazardous waste is generated, we will engage a qualified chemical waste recycling company for handling such waste in compliance with relevant environmental laws and regulations.

Non-hazardous waste produced from operations

Non-hazardous waste[7]	Unit	2026	2025[8]
Tissue paper	Tonnes	**45.86**	45.958
Plastic bag	Tonnes	**142.36**	161.98
Total non-hazardous waste	Tonnes	**188.22**	207.93
Total non-hazardous waste intensity	Tonnes/No. of employees	**0.15**	0.17

Note(s):

7. Non-hazardous waste including broom, mop and scrub brush which produced are immaterial and hence no relevant figure is disclosed.

8. Figures for 2025 have been restated to reflect a refinement in our data collection system.

Reduction target of waste from operations

Waste produced intensity	Reduction Target	Baseline Year	Status
Total non-hazardous waste intensity	Reduce 3% by 2029	2024	In progress

With a target of a 3% reduction by 2029 (baseline 2024), we are committed to reducing waste generation through improved process controls. Data from 2026 shows promising progress, with non-hazardous waste intensity remaining stable compared to 2024 levels.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Waste Disposal Ordinance and other applicable laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste during the Year.

No fines or non-monetary sanctions for non-compliance had been incurred during the Year.

A2: Use of resources

The cleaning business of the Group uses relatively less energy and power due to the nature of such business. The water consumption, while relatively higher, is still at an overall low level. The Group has established relevant policies and strives to conserve energy and reduce water usage by encouraging the staff to be more environmentally friendly and have better environmental protection awareness.

The Group is committed to performing regular assessments in analysing data with the aim of better management in the use of resources.

Energy consumption

Resources consumed	Unit	2026	2025
Purchased electricity consumed	kWh	**35,963**	28,738
Diesel fuel consumed[9]	kWh	**42,473**	44,383
Total energy consumption	kWh	**78,436**	73,121
Energy consumption intensity	kWh/No. of employees	**62**	60

Note(s):

9. The conversion factor used to convert data in other units to kWh is sourced from the Energy Statistics Manual issued by the International Energy Agency.

Reduction target of energy consumption

Resources consumed	Reduction Target	Baseline Year	Status
Energy consumption intensity	Reduce 3% by 2029	2024	In progress

With a target of a 3% reduction by 2029 (baseline 2024), the Group has implemented a set of energy-saving initiatives. Employees are required to save energy at offices such as controlling the use of electric power for lighting and air conditioning. In addition, the Group focuses on daily maintenance and perseverance in order to set up a comprehensive policy and uphold the efficient level of facilities. Data from 2026 reflects resilient performance. Despite a temporary surge in total electricity consumption caused by overlapping usage during our office relocation and decoration phase, our overall energy consumption intensity successfully decreased by 3% compared to 2024 levels.

Water consumption

In the process of cleaning businesses, a certain amount of water is required for cleaning. Most of the water consumed is supplied by customers and hence no relevant consumption is quantified. In general, the Group has not come across any difficulties in sourcing water as and when required. The Group understands the importance of water conservation and is committed to raise awareness of employees and improve water usage efficiency. In addition to educating and introducing various methods to conserve water, the Group has selected cleaning products that require no additional rinsing after use, which are more environmentally friendly and significantly reduce water consumption. Moreover, the Group introduced new cleaning machinery with a built-in water filtration system, which enables the Group to recycle used water and reduce water consumption.

Paper usage

According to the Group's records, 1,290 kg of papers were used for office operations during the Year. Therefore, the Group has established a host of paper-saving initiatives to reuse and recycle paper through promoting double-sided printing and the use of telecommunication and electronic media. This is an opportunity to enhance environmental benefits by undertaking such conservative actions.

Packaging usage

Packaging materials consumption by the cleaning business is minimal. Therefore, no relevant figure is quantified.

A3: The environment and natural resources

The Group is continuously on the lookout for the latest equipment, which is environmentally friendly when required. Staff are encouraged to pay attention to the importance of preserving the environment and that the staff should have a clear understanding of the Group's policies and procedures in this area.

CLIMATE CHANGE (PART D)

Phased approach to climate disclosure

In accordance with the HKEX ESG Reporting Code, the Group has adopted a phased implementation approach for its climate-related disclosures. While we provide transparency on governance and risk management, we have applied specific implementation reliefs for several quantitative metrics to ensure that the information disclosed is accurate and meaningful for our cleaning and related services business.

Application of reliefs

The Group has applied the following reliefs as permitted by the Exchange:

- Financial Effects Relief: We provide qualitative assessments of climate impacts. Quantitative financial data is currently omitted.
- Capabilities Relief: Climate resilience is assessed through qualitative scenario analysis rather than complex financial modeling, which is more commensurate with our current resource allocation.
- Reasonable Information Relief: Except for the disclosed Scope 3 categories, certain value chain data and its corresponding anticipated financial effects are omitted from full quantification, as such information cannot currently be obtained without undue cost or effort.

Future roadmap

The Group is committed to progressively elevating its sustainability reporting standards. In the short term, we will continuously monitor evolving carbon accounting frameworks relevant to our business segment. Over the medium term, as our operational footprint and facility network evolve, we will assess the viability of integrating climate-related data directly into our internal tracking and management systems.

Governance

The Board holds ultimate accountability for overseeing the Group's climate strategy. To maintain robust oversight, the Board regularly reviews its internal expertise regarding greenhouse gas (GHG) emissions and engages external ESG specialists to navigate changing regulatory landscapes. Furthermore, management receives targeted training to strengthen our institutional capacity to manage climate-related risks.

Climate-related risks and opportunities are systematically addressed during regular ESG review sessions. In these meetings, management presents updated environmental data and climate risk analyses, ensuring the Board can make highly informed, strategic decisions regarding the Group's climate resilience.

Our strategic planning integrates climate considerations, particularly the operational vulnerabilities of our cleaning operations to extreme weather. Management routinely evaluates emissions data and potential disruptions to our service delivery. Investment decisions carefully weigh climate factors and trade-offs, such as balancing the upfront capital for energy-efficient equipment or low-emission fleets against long-term operational savings, ensuring a proactive approach to mitigating climate impacts.

Strategy

The Group is dedicated to fortifying its business resilience against the impacts of climate change. We have enhanced our risk assessment frameworks to rigorously analyze potential vulnerabilities across our cleaning and related services business unit, as well as our broader supply chain.

To evaluate these potential physical and transition risks, the Group conducted a qualitative climate scenario analysis. This assessment utilizes established global frameworks, including the Shared Socio-economic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC) and the climate scenarios outlined by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

By adopting this approach, we gain a deeper understanding of our strategic resilience under diverse climate projections, ultimately enhancing our capacity to address and mitigate the long-term impacts of climate change on our core cleaning operations.

The specific climate scenarios applied in our analysis are outlined in the table below:

Physical risk		
Climate scenario	Low risk scenario SSP 1-1.9	High risk scenario SSP 5-8.5
Scenario description	• Rapid global phase-out of fossil fuels. Net-zero global carbon dioxide emissions by around 2050. Renewable energy becomes dominant, with widespread electrification. • Large-scale afforestation. • Rapid development and implementation of low-carbon technologies, including energy storage, hydrogen, and carbon capture and storage. • Extensive global cooperation, stringent and effective climate policies, consumer behaviour shifting towards low-carbon alternatives.	• Reliance on abundant, globally connected fossil fuel resources. • Active technological innovation, but primarily focused on energy extraction and consumption efficiency rather than low-carbon alternatives. • No effective global carbon pricing or stringent international climate agreements. • Global income disparities narrow and investment in human capital increases.
Expected temperature rise	With a temperature rise of less than 2°C in 2100.	With a temperature rise of 4.4°C in 2100.

Transition risk		
Climate scenario	High risk scenario Net Zero 2050	Low risk scenario Current policies
Scenario description	• Implement stringent climate policies immediately, with global carbon dioxide emissions reaching net zero around 2050. • Carbon prices reached elevated levels as early as 2020 (approximately US$100 per tonne of CO_2 equivalent) and continued to rise rapidly. Thus increased the costs of carbon-intensive goods and services, transforming consumption and production patterns. • Carbon Dioxide Removal ("CDR") technologies are deployed to accelerate decarbonisation, though their scale is constrained by sustainability limitations.	• Currently implemented policies are preserved without adding any new emission reduction commitments or measures. • Slow change to technology, fossil fuels remain dominant in the energy system and renewable energy growing but insufficient to disrupt the existing system. • Carbon pricing is low, failing to effectively promote deep decarbonisation.
Expected temperature rise	With limit global warming to below 1.5°C (50% probability) in 2100.	With a temperature rise of more than 3°C in 2080.

We systematically evaluate how climate-related risks could impact the Group's cleaning and related services, assessing both the severity of these operational disruptions and the effectiveness of our mitigation strategies under different climate scenarios.

Climate-related risks are classified across three time horizons, short-term (1 to 5 years), medium-term (5 to 10 years), and long-term (over 10 years).

The specific physical and transition risks identified for our cleaning service operations, along with our corresponding response measures, are detailed below:

Physical Risk					
Risk Description	Potential Impact	Risk Level SSP1-1.9	Risk Level SSP5-8.5	Time Horizon	Mitigation Strategy
Typhoons may cause extensive flooding, property and infrastructure damage, and service disruption, which can lead to significant economic impact.	– Disruption of on-site cleaning services for clients due to transit halts. – Damage to cleaning equipment, machinery, or chemical inventories stored at central hubs. – Increased emergency/ post-storm cleanup demand, straining labor capacity.	Low	Medium	Long-term	The Group prioritizes strict severe weather contingency plans, ensures secure storage for specialized equipment, and maintains robust communication channels with clients to safely manage service re-scheduling.
Extreme precipitation or heavy hail, can cause significant damage.	– Severe deployment delays or safety hazards for cleaning personnel traveling to client sites. – Potential water damage to specialized equipment stored at low-lying operations hubs.	Low	Low	Long-term	The Group has established emergency operational protocols and vehicle safety guidelines to mitigate asset damage and safeguard frontline employee safety during transit.
Sustained higher temperatures over time or extreme heat waves may potentially lower employees' productivity and result in higher energy costs for cooling infrastructure.	– Heat-related health and safety risks for frontline cleaners (especially those handling outdoor or heavy-duty tasks), leading to reduced productivity. – Higher energy costs at operations hubs and administrative offices.	Low	Low	Long-term	The Group implements flexible working hours during peak heat conditions, provides heat-stress training and appropriate uniform apparel, and evaluates energy-efficient cooling solutions for its facilities.

Transition Risk					
Risk Type	Potential Impact	Risk Level		Time Horizon	Mitigation Strategy
		Net Zero 2050	Current policies		
Policy and legal	– Increased operational costs due to rising carbon pricing on energy and utilities used at hubs. – Potential mandates requiring a shift toward eco-friendly cleaning chemicals or low-emission service fleets.	Medium	Low	Short- to Medium-term	The Group monitors green procurement standards and evolving environmental regulations, progressively evaluating eco-certified products and fuel-efficient options when upgrading equipment or fleet vehicles.

Business model and value chain

The Group primarily engages in cleaning and related services. Our value chain encompasses the procurement of specialized equipment and eco-friendly cleaning agents, the management of service contracts, and the maintenance of relationships with clients and frontline personnel. Climate-related risks and opportunities are concentrated in our operational activities and service delivery, where physical risks (such as flooding or extreme heat) could impact staff safety and transit reliability, and transition risks (such as green procurement standards) could affect operational costs.

Financial effects

The Group integrates sustainability into its operational management strategy. While we monitor climate-related factors, we have not identified any material current financial effects on the Group's financial position, performance, or cash flows for 2026. Any environmental expenditures have been part of regular operational maintenance and do not represent a deviation from normal spending. Furthermore, there is no significant risk of a material adjustment to the carrying amounts of our assets or liabilities in the next reporting period due to climate-related matters.

Looking ahead, the Group does not anticipate any material financial impacts in the short to medium term. We expect to manage any moderate increases in fuel costs or compliance requirements through standard efficiency improvements. While we may evaluate eco-friendly equipment or fuel-efficient fleet upgrades in the future, the quantitative impact is not separately identifiable at this stage and is expected to be managed within our normal asset replacement cycles.

Risk management

Climate-related risk management processes

The Group has incorporated climate-related considerations into its daily operations and risk management system. The processes used to identify and monitor these risks are integrated with our overall framework, with management responsible for overseeing sustainability-related factors.

Inputs and parameters

The risk management process utilizes specific inputs to monitor risks tied to our cleaning operations, including:

- Operations hub utility and energy usage records
- Equipment maintenance and vehicle repair logs
- Regulatory updates on green procurement, chemical usage standards, and carbon policies

Use of scenario analysis

As disclosed in the Strategy section, the Group conducted climate scenario analysis in 2026, utilising scenarios such as SSP1-1.9 and SSP5-8.5 from the IPCC to better understand potential physical and transition risks. The outcomes of this scenario analysis inform the identification of climate-related risks and are integrated into the Group's risk assessment processes.

Assessment and prioritization

To assess risks, the Group evaluates qualitative factors, such as regulatory trends. Based on this assessment, the potential impacts of climate-related risks were rated as insignificant relative to the overall scale of our business for the current period. Climate-related risks are considered a lower priority compared to core operational and financial risks, though they remain subject to ongoing monitoring.

Monitoring and opportunities

Management reviews operational efficiency metrics and regulatory developments on a periodic basis to identify any changes in risk exposure. Our process for identifying opportunities is aligned with our strategic planning, focusing on market trends such as the increasing demand for eco-friendly, green cleaning services.

Changes from previous reporting period

This is the first reporting period in which the Group has formally conducted climate scenario analysis and expanded its risk management processes to include the specific inputs and parameters described above. No other significant changes were made to the risk management processes compared with the previous reporting period.

Integration with overall risk management

The processes for managing climate-related risks and opportunities are integrated into the Group's enterprise risk management system. This ensures that environmental factors are considered alongside other business risks during procurement planning and operational management decisions.

Environmental, Social and Governance Report

Metrics and targets

Greenhouse gas emissions

As the Group relies on collaboration with specialized supply chain partners and equipment suppliers, Scope 3 emissions are expected to represent a portion of our carbon footprint. Based on our current activities, these emissions include purchased goods and services, capital goods, waste generated in operations, and business travel. The Group is currently evaluating data availability and working toward the future expansion on disclosure of Scope 3 emissions once the data collection framework for our cleaning service operations is finalized.

Environmental targets

The Group has reviewed its environmental performance across five key areas: air emissions, greenhouse gas emissions, waste management, energy consumption, and water resource usage.

The Group focuses on maintaining high levels of environmental awareness and operational efficiency. We will continue to monitor our resource consumption and evaluate the feasibility of establishing meaningful baseline data and targets as our operational footprint and data collection capabilities mature.

Capital deployment

During the reporting period, the Group did not identify any capital expenditure, financing, or investment specifically deployed toward climate-related risks and opportunities.

Remuneration

The Group does not factor climate-related considerations into its remuneration policy. Our current compensation structure does not incorporate incentives or adjustments based on environmental performance metrics. Such factors are managed as part of our overall operational strategy rather than through staff pay structures.

Internal carbon price

The Group does not currently apply an internal carbon price to its operations or decision-making. Given the nature of our cleaning and related services business and the current scale of our emissions, the Group has determined that an internal carbon price is not a material or necessary tool for driving reductions at this stage.

SOCIAL

B1: Employment

Labour practices

The Group strictly adheres to the prevailing legislation and codes of practice in the employment of staff. The Group supports the principles of the international declarations in the areas of child labour, forced labour, health and safety, wages and working hours, discrimination, discipline and freedom of association. The Group strictly complies with the Employment Ordinance.

During the Year, there was no major change in policies relating to compensation and dismissal, recruitment, and promotion, working hours, equal opportunity, diversity and anti-discrimination. Staff handbook also highlights important information on policies on business conduct and the rights of termination.

Distribution of workforce classified by different categories as follows:

Social Performance	Unit	2026	2025
By Gender			
Male	Person	**286 (23%)**	278 (23%)
Female	Person	**972 (77%)**	950 (77%)
Total	Person	**1,258 (100%)**	1,228 (100%)
By Employment Type			
Full time	Person	**997 (79%)**	871 (71%)
Part time	Person	**261 (21%)**	357 (29%)
Total	Person	**1,258 (100%)**	1,228 (100%)
By Age Group			
17–50 years old	Person	**576 (46%)**	531 (43%)
51–60 years old	Person	**334 (26%)**	343 (28%)
Over 60 years old	Person	**348 (28%)**	354 (29%)
Total	Person	**1,258 (100%)**	1,228 (100%)
By Geographical Region			
China	Person	**626 (50%)**	660 (54%)
Nepal	Person	**406 (32%)**	365 (30%)
Thailand	Person	**23 (2%)**	26 (2%)
India	Person	**109 (9%)**	98 (8%)
Philippines	Person	**29 (2%)**	26 (2%)
Pakistan	Person	**43 (3%)**	36 (3%)
Others	Person	**22 (2%)**	17 (1%)
Total	Person	**1,258 (100%)**	1,228 (100%)

During the Year, Lo's Cleaning's annual employee turnover rate is as follows:

Employee turnover rate[10]	2026	2025
By Gender		
Male	**49%**	58%
Female	**53%**	59%
By Employment Type		
Full time	**54%**	60%
Part time	**43%**	55%
By Age Group		
17–50 years old	**57%**	73%
51–60 years old	**41%**	37%
Over 60 years old	**55%**	59%
By Geographical Region		
China	**45%**	47%
Nepal	**57%**	59%
Thailand	**13%**	27%
India	**77%**	70%
Philippines	**21%**	31%
Pakistan	**35%**	69%
Others	**150%**	94%

Note(s):

10. The employee turnover rate is calculated based on the number of employees who left employment in specified category during the Reporting Period divided by total number of employees as at the end of the financial year in specified category.

Equal opportunity

The workplace is committed to be free from discrimination and receive equal opportunities for all irrespective of age, gender, race, colour, sexual orientation, disability or marital status to increase employee satisfaction. The Group encourages labour diversity and welcomes the full spectrum of the workforce, thus putting the principle of fairness into practice.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Employment Ordinance of Hong Kong and Minimum Wage Ordinance of Hong Kong and other applicable laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare during the Year.

No non-compliance that resulted in significant fines or sanctions was identified during the Year.

B2: Health and safety

Workplace health and safety

Occupational health and safety have been the Group's adopted policy superior to all. The Group has made continued effort to instill safety concepts to employees and inculcating a safety culture within the Group. The Group implements national law and regulations and other standard related to workplace safety and occupational health. The Group has obtained the occupational health and safety management system certificates of ISO 45001:2018 and ISO 14001:2015. Furthermore, a list of safety measures is implemented to ensure staff is working in a safe environment:

- Annual occupational health examination and body check-up are provided for some staff;
- Conduct regular safety training and refreshment courses for all staff;
- Provide all-round fall prevention equipment for staff working at height; and
- Review safety measures implemented annually to ensure that they remain relevant and appropriate to the Group.

Employees are asked to follow the safety manual and safety plan detailing the procedures and precautions stringently. To ensure employees understand the commitments, employees are constantly refreshed by one of our Senior Operations Manager and a Registered Safety Officer as and when required, to keep abreast of these requirements.

Handling with chemicals

In order to minimise environmental impact and safeguard the health and safety of the staff, the Group has implemented a professional chemical dispensing system to help reduce wastage and lessen direct contact with the chemicals. The Group had also installed chemical dispensers at various sites and used cleaning chemicals with a "Green Seal" certificate. The staff underwent the relevant operational training to formulate the chemical more accurately; the process is simple and easy, which helped to increase productivity.

The below table shows the work-related fatalities and recordable injury for the three years ended 31 March 2024, 2025 and 2026.

Notification of accident	**2026**	2025	2024
Number of work-related fatalities	**–**	–	–
Rate of work-related fatalities	**–**	–	–
Number of work injuries by person	**16**	15	13
Lost days due to work injuries	**584**	1,427	1,588

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Occupational Safety and Health Ordinance of Hong Kong and other applicable laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards during the Year.

B3: Development and training

Employee development and training

The Group provides pre-employment and on-the-job training to its staff. The training covers health and safety at work, precautionary measures to be taken during inclement weather, rules and regulations for working in different worksites, proper use of tools, equipment and machines, safe handling of chemicals, grooming, customer service and code of conduct.

The Group has various training programs to fully develop its workforce. It is extremely important that safety is incorporated into the worksite orientation before the commencement of work. In addition to compulsory and optional internal trainings, the Group also encourages employees to attend external training programs held by government and recognised by relevant institutes, such as Vocation Training Council and Occupational Safety and Health Council.

There are several specific trainings attended by the employees for the Year, including but not limited to:

- occupational safety and health regulations;
- importance and usage of personal protective equipment;
- measures of fire precaution, use of fire extinguishers and fire escape points;
- refresher course for licensed workers; and
- work at height for assessors and supervisors.

The managerial staff is nominated to attend forums, exhibitions and seminars organised by the professional bodies, both local and overseas, so that the Group has a sound grasp of the most modern technology and equipment in the industry in response to the customers' needs in a prompt, efficient, flexible and cost-effective manner.

During the Year, Lo's Cleaning's employee training rate is as follows:

	2026	2025
Percentage of employees trained[11]	**45%**	47%[13]
Percentage of employees trained by gender[12]		
Male	**23%**	25%
Female	**77%**	75%
Percentage of employees trained by employment category[12]		
Senior level	**1%**	1%
Middle level	**9%**	4%
Entry level	**90%**	95%

Note(s):

11. The training rate data is calculated by dividing the number of employees who took part in training by the number of employees as at the end of the financial year.
12. The training rate data is calculated by dividing the number of employees trained into a specified category by the total number of employees trained.
13. Figures for 2025 have been restated to reflect a refinement in our data collection system.

The average training hours per employee grouped by gender and employee category in the Year are as follows:

	2026	2025
Total number of training hours	**2,944**	3,417
Average training hours per employee[14]	**2.3**	2.8
Average training hours per employee by gender[15]		
Male	**2.8**	3.3
Female	**2.2**	2.6
Average training hours per employee by employment category[15]		
Senior level	**16.8**	5.4
Middle level	**2.3**	2.2
Entry level	**2.3**	2.8

Note(s):

14. The average training data is calculated by dividing the total number of training hours by the total number of employees as at the end of the financial year.
15. The average training data is calculated by dividing the total number of training hours for specified category by the number of employees as at the end of the financial year in specified category.

B4: Labour standards

Child labour and forced labour

The Group prevents hiring child labour by conducting information verification of new employees. Without exception, during the Year, the Group is prohibited to employ any staff who are under the legal working age for protecting young people at work. Once the situation of employment of child labour is discovered, the labour contract will be terminated as soon as possible, and the person responsible will be held accountable.

The Group strictly complies with all labor standards regarding working hours and overtime compensation. All overtime work is properly compensated in accordance with applicable company policies. Comprehensive provisions covering working hours, rest periods, overtime pay rates, workplace protections, and termination procedures are clearly defined in the relevant policies.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Employment Ordinance of Hong Kong, Employment of Children Regulations of Hong Kong and other applicable laws and regulations that have a significant impact on the Group relating to preventing child or forced labour during the Year.

B5: Supply chain management

The Group makes various procurements, such as cleaning equipment and tools and consumables for cleaning business.

Under the Integrated Management System, the Group has a subcontractor management plan to control the selection and supervision of subcontractors and suppliers such that they are up to the strict requirements in safety, environmental and social risks and quality performance.

The evaluation of a subcontractor/supplier includes experience, job references, past performance, statutory licenses and certificates as may be required, financial status, integrity, social responsibility and particular skills, competencies and professionalism of the management teams.

The Group regards the subcontractors and suppliers as the Group's business partners and works closely with them to warrant that the services are conducted in a manner that meets the highest professional and ethical standard assuring a quality end-product as well as the continued confidence of the customers and the public. The Group is committed to exploring opportunities for green procurement across its supply chain, where feasible and aligned with operational requirements.

During the Year, the number of suppliers categorised by geographical regions are as follows:

Geographical Location	2026	2025
Hong Kong	**72**	78

B6: Product responsibility

The Group is aware of the fierce market competition and aims to provide a high standard of services. Continuous improvement is the Group's culture. The Group operates an Integrated Management System which emphasises the operations from quality, environmental and safety perspective at the same time. The Group is in compliance with the relevant laws and regulations that relates to product responsibility during the Year.

In the design of the staff organisation, the Group keeps in mind that there should be adequate staff at all levels. It could ensure that a high quality of services can be provided and maintained. Tools, equipment, machines and other important personal protective equipment are provided to ensure that all staff can carry out the work in an effective, efficient and safe manner.

The Group maintains constant communications with the customers, including visits, meetings and surveys to receive their suggestions, comments and complaints in connection with the services. Surprise and random checks and appraisals are conducted to self-evaluate the performance. The Group also holds a meeting twice a month to review the business, sharing of opinions and racking the brains to upgrade the service standards.

Besides, comprehensive training plans are developed to ensure that all staff members are competent in handling their work with respect to quality, environmental, and occupational health and safety ("OHS") requirements.

The Group seeks to provide efficient and courteous services to customers to their full satisfaction. The Group keeps customers informed about the Group's capabilities and avoids misrepresentation, exaggeration and overstatement. The Group always puts customers first priority by providing them with high-quality services at fees which are fair and reasonable.

During the Year, there were no products and services related to complaints received and no products sold or shipped subject to recalls for safety and health reasons.

The Group consolidated and comprehensively analysed the customers' feedback and monitor the level of customer satisfaction in its business. Follow-up actions, including internal evaluation and modification of training programs for employees, formulation of improvement plan and refining the existing management procedures will be taken to address the identified issues. Feedback will be provided to the customers in a timely manner.

The Group acknowledges the stakeholders' concern of data privacy, therefore puts great effort to protect data privacy to safeguard the corporate interest and comply with the relevant laws and regulations. The Group outlines data privacy requirements and confidentiality obligations in its internal control policy that employees should strictly follow and carefully manage the corporate confidential information, including but not limited to, customer business information and personal data, trade secrets and price-sensitive information.

The Group is committed to compliance with relevant laws and regulations in relation to intellectual property right ("IP rights") if and when applicable by valuing and protecting its intellectual properties through renewals of patent and trademark. In order to ensure that the customer's IP rights of products are properly protected during the outsourcing processes to suppliers, a confidentiality agreement regarding IP rights must be signed before engagement. The Group enters standard employment contracts with its employees who contain provisions on IP rights and confidentiality.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Trade Descriptions Ordinance of Hong Kong and other applicable laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the Year.

No significant fines were incurred during the Year.

B7: Anti-corruption

The Group believes that honesty, integrity and fair play are the important assets in business and strictly adhered to the laws relating to corruption, bribery, extortion and money-laundering etc. Code of Conduct has been prepared, under which all employees are advised that they are prohibited from offering or soliciting advantages in connection with his or her duties and with the business of the Group and that any employee soliciting or accepting an advantage without the permission of the Group commits an offence under the Prevention of Bribery Ordinance.

The Code of Conduct also states clearly that the Group shall not tolerate any illegal or unethical acts. Offenders will be subject to disciplinary action, including summary dismissal and termination of employment. In cases of suspected corruption or other forms of criminal activity, a report will be made to Independent Commission Against Corruption or appropriate authorities.

The Group shall not tolerate the use of insider information by the employee to secure personal advantage at the expense of the Group or over those not in the Group. The use of insider information which has not been made public for personal gain is illegal, unethical and strictly prohibited.

Policies, procedures and relevant notices have been disseminated to directors and all employees to get them familiarised with guidance on anti-corruption during the Year. The Group also provides training to its director and staff regularly with necessary and updated knowledge to prevent corruption.

A channel for raising complaint is open to all employees, so that any possible breach of the Code of Conduct or unlawful or unethical conduct can be sent directly to the Senior Management for an impartial investigation.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Prevention of Bribery Ordinance of Hong Kong and other applicable laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering during the Year.

There is no legal case concerning corruption brought against the Group or its employees during the Year.

B8: Community investment

Corporate social responsibility used to sound foreign before but now it is a must for enterprises. As a commitment to making Hong Kong a more caring and just society in good and bad times, the Group sets out the following criteria to be followed and satisfied themselves.

The Group is dedicated to advancing social welfare and fostering a more equitable and compassionate society through cross-sector collaboration. During the year, the Group's long-standing commitment to community integration, workplace diversity, and robust employee welfare was highly commended through several distinguished corporate accolades:

Two Decades of Sustained Community Care: The Group was recognized by The Hong Kong Council of Social Service (HKCSS) for being consistently dedicated to fostering a caring culture for 21 consecutive years. Notably, its achievements for the 2024/25 period were further honored with a "Leading Performance" distinction, showcasing its exemplary role in corporate social responsibility.

Excellence in Employee Retirement Protection: To ensure the long-term well-being of its workforce, the Group maintains rigorous standards in employee welfare management. During the year, it was recognized by the Mandatory Provident Fund Schemes Authority (MPFA) as a "Good MPF Employer" for 5 consecutive years. Additionally, the Group secured both the "e-Contribution Award" and the "MPF Support Award," validating its operational excellence in leveraging digital solutions for scheme management and its proactivity in advocating retirement protection among staff.

Workplace Inclusion and Diversity: In alignment with its core values of providing equal opportunities, the Group was honored with the Bronze Award for the "Racial Equity in Hiring Award" under The Racial Diversity & Inclusion Employers Award Scheme 2025, organized by the Equal Opportunities Commission. This milestone underscores the Group's active contributions toward eliminating employment barriers and cultivating a harmonious, multi-ethnic working environment.

CORPORATE GOVERNANCE REPORT

The board (the "Board") of Directors of the Company hereby presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2026.

The Board is committed to maintaining a high corporate governance standard and procedures to safeguard the interests of the Company's shareholders (the "Shareholders") and to enhance corporate value, accountability and transparency.

CORPORATE GOVERNANCE PRACTICES AND CULTURE

The Board recognises the importance of a good corporate governance to the Group's management, success and sustainability. Corporate governance practices would be reviewed from time to time to ensure compliance with the regulatory requirements and to meet the rising expectations of Shareholders and investors relating to corporate value, transparency and accountability of all its operations.

The Company strived to maintain a high standard of corporate governance and complied with the Corporate Governance Code (the "CG Code") as stated in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The Company has adopted the code provisions in the CG Code as its own code of corporate governance. During the year ended 31 March 2026, the Directors consider that the Company has complied with all the relevant code provisions set out in the CG Code throughout the year.

BOARD OF DIRECTORS

Composition

As at the date of this annual report, the Board comprises four executive Directors, two non-executive Directors and four independent non-executive Directors. The list of Directors during the year is set out in the section headed "Report of the Directors" of this annual report.

The Board includes a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The independent non-executive Directors are of sufficient caliber with academic and professional qualifications in the fields of accounting and finance. The functions of independent non-executive Directors include, but not limited to:

- bringing an independent judgement at Board meetings;
- taking the lead where potential conflicts of interests arise;
- serving on Board committees if invited; and
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

The Board has a balance of skills and experience appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Biographical Information of Directors and Senior Management" of this annual report.

Composition of the Board, including names of independent non-executive Directors, is disclosed in all corporate communications to Shareholders.

The Company has maintained on its website and on the Stock Exchange's website an updated list of its Directors identifying their role and function and whether they are independent non-executive Directors.

Directors have given sufficient time and attention to the affairs of the Group. All Directors, including 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. Independent non-executive Directors have been invited to serve on different Board committees to monitor observance of corporate governance objectives, take lead where potential conflicts arise and to contribute to the development of the Company's strategy and policies.

Responsibilities and Function

The Board is responsible for the overall management and performance monitoring of the Group. Its main roles are to provide leadership and to take responsibility for decisions relating to major and significant matters on policies formulation, financial and operation performances, major acquisitions and disposals and Directors' appointment. The Directors perform their duties in good faith and in the interests of the Company and its Shareholders as a whole at all times.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and senior management of the Company within the control and authority framework set by the Board. The delegated functions and work tasks are periodically reviewed by the Board. The Board has the full support of the management of the Company to discharge its responsibilities. Information and updates of the Company's performance and position are given to all Directors in a timely manner to enable the Directors to discharge their duties. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee. Further details of these committees are set out in this annual report.

All Directors have full and timely access to all relevant and available information as well as the advice and services of the company secretary of the Company (the "Company Secretary") and management of the Company with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

The Board adopted on 29 June 2023 a mechanism for Directors to obtain independent opinions and perspectives in order for them to discharge their duties and responsibilities, and to ensure independent views and input are available to the Board. The Board will review the implementation and effectiveness of such mechanism annually.

The Company shall arrange suitable and sufficient resources to cover any matters relating to the obtaining of an independent opinion by the Board, including but not limited to the engagement of a legal team or any other professionals for such purpose (where appropriate).

The Directors shall give at least three working days' notice to the Company Secretary to obtain an independent opinion, including but not limited to engaging a professional team for such purpose (where appropriate).

The Board, with the assistance of the Nomination Committee, is required to review its structure, size, composition (including skills, knowledge and experience) and Board Diversity policy at least annually to ensure that the composition of the Board complies with the relevant requirements of the Listing Rules, including maintaining a balanced mix of executive and non-executive Directors (including independent non- executive Directors) so that the Board can make and exercise judgment independently and effectively.

Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted its own code of conduct governing Directors' dealings in the Company's securities (the "Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Code and the Model Code throughout the year ended 31 March 2026.

The Company has also established written guidelines on terms no less exacting than the Model Code (the "Employees Written Guidelines") for governing the securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

Directors' Training and Continuous Professional Development

The Company encourages the Directors to participate in professional development courses and seminars to develop and refresh their knowledge and skills.

Pursuant to C.1.4 of the CG Code, directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Regulatory updates and relevant materials on amendments of the Listing Rules have been sent to the Directors for their awareness of the latest development on regulatory requirements, to ensure that they are fully aware of the responsibilities and obligations of directors under the Listing Rules and relevant regulatory requirements.

All Directors have participated in continuous professional development and provided to the Company a record of training they received for the year ended 31 March 2026.

Name of Directors	Attending or participating in seminars/in-house briefing relevant to the business, regulatory updates and director's duties
Mr. Lo Kou Hong *(Co-chairman)*	✓
Mr. Lin Shuang *(Co-chairman and President)*	✓
Mr. Chan Frank Clifford Shui Ting Chu	✓
Ms. Chen Yun	✓
Ms. Wang Guan	✓
Mr. Yuen Ka Tai, Wilson	✓
Mr. Wang Qi	✓
Mr. Yau Pak Yue	✓
Mr. Leung Nga Tat	✓
Mr. Mui Kay Boon	✓

Directors' and Officers' Insurance

The Company has arranged for appropriate liability insurance for the Directors to cover their liabilities arising out of corporate activities. The coverage and the sum insured under the policy are to be reviewed regularly.

Chairman and Chief Executive

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Lo Kou Hong is the Co-chairman, Mr. Lin Shuang is the Co-chairman and President, the function of the chief executive officer was born by the Executive Committee as led by the President. The Company considered that the division of responsibilities between chairman and chief executive officer is clearly established.

Independent Non-Executive Directors

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meetings and scrutinising the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view on issues of the Group's strategy, performance and control. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and its Shareholders can be protected.

During the Year, the Company had at least three INEDs constituting at least one-third of the Board, which was in compliance with the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise. The Company has received annual confirmations of independence from each of the existing independent nonexecutive Directors in accordance with Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

The Company has established channels whereby independent non-executive Directors can express their views in an open and candid manner, and in a confidential manner, should circumstances require. The independent non-executive Directors of various board committees can update anyone of the co-chairman of the Board or the Board as necessary during meetings and/or outside the meetings via telephone, email and/or other formal and informal means. In order to fulfil code provision C.2.7 of the CG Code which requires that the chairman should at least hold one meeting annually with the INEDs without the presence of the other Directors. During the Year, the co-chairman held private meeting sessions with the INEDs without the presence of any other Director. Going forward, the co-chairman will continue to ensure compliance with this code provision.

The Nomination Committee has been delegated with the authority to review the implementation and the effectiveness of such independence mechanism on an annual basis.

Considering all of the circumstances described in this section, the subsequent section of "Retirement of Independent Non-executive Director who has served for more than nine years" and taking note on the current tenure of the other independent non-executive Directors, the Nomination Committee considers all of the independent non-executive Directors to be independent.

To fulfill the new compliance requirement taking effect from 1 July 2025 that the tenure of INEDs should not be more than nine years, the Company is in the process of conducting an orderly succession plan to avoid abrupt changes to board composition.

Appointment, Re-election and Removal of Directors

Appointment of new Directors is a matter for consideration by the Nomination Committee. The Nomination Committee will evaluate, select and recommend candidate(s) for directorship to the Board on the appointments and re-appointments of Directors. The Board adopted a nomination policy in May 2019 which sets out the selection criteria and process to guide the Nomination Committee and the Board in relation to nomination and appointment of Director(s).

According to the Company's articles of association (the "Articles"), all Directors are subject to retirement by rotation at least once in every three years and are eligible for re-election at the annual general meeting of the Company. Any new Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting of the Company after appointment and shall then be eligible for re-election at such meeting.

Retirement of Independent Non-executive Director who has served for more than nine years

Under Code Provision B.2.3, serving more than 9 years could be relevant to the determination of a non-executive director's independence. Mr. Wang Qi, an independent non-executive Director, has served more than 9 years after 26 August 2006. His further appointment shall be subject to a separate resolution to be approved by the Shareholders in the forthcoming Annual General Meeting. During Mr. Wang Qi's tenure of office over the past nineteen years, Mr. Wang Qi has been able to fulfill all the requirements regarding independence of an independent non-executive Director. To the best knowledge of the Directors, as at the date of this report, the Company is not aware of any matters or events that may occur and affect the independence of Mr. Wang Qi. In addition, during his tenure of office, Mr. Wang Qi had performed his duty as an independent non-executive Director to the satisfaction of the Board. Through exercising the scrutinizing and monitoring function of an independent non-executive Director, he had contributed to an upright and efficient Board for the interest of the Shareholders. The Board is of the opinion that Mr. Wang Qi remains independent notwithstanding the length of his service and believes that his valuable professional knowledge and general business acumen will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

Pursuant to Code Provision B.2.3, a separate ordinary resolution will be proposed at the Annual General Meeting to approve the re-election of Mr. Wang Qi as an independent non-executive Director. The Company will continue to review the independence of all independent non-executive Directors annually and take all appropriate measures to ensure compliance with the relevant provisions regarding independence of independent non-executive Directors of the Listing Rules.

The Nomination Committee has also assessed the independence of Mr. Wang Qi based on reviewing his annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that he remains independent.

BOARD MEETINGS

Board Practices and Conduct of Meetings

The Directors met regularly as and when required by business needs. At least four Board meetings were held every year. Schedules for Board meetings are normally agreed with the Directors in advance in order to facilitate them to attend. Directors may participate in meetings in person or through electronic means of communication. At all times reasonable notice are given to enable all Directors to attend Board meetings and to include matters for discussion in the agenda as they think fit.

Draft agenda of each meeting is normally made available to Directors in advance. In addition, Board papers together with all appropriate, complete and reliable information are sent to all Directors as soon as practicable before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the management of the Company whenever necessary.

Access to Information

The Directors may seek independent professional advice in appropriate circumstances, at the Company's expenses. The Company will, upon request, provide professional advice to Directors to assist the relevant Directors to discharge their duties to the Company.

The Board is supplied with relevant information by the management pertaining to matters to be brought before the Board for decision as well as reports relating to operational and financial performance of the Group before each Board meeting. Where any Director requires more information than is volunteered by the management, each Director has the right to separately and independently access to the Company's management to make further enquiries if necessary.

Attendance Records at Board Meetings and General Meetings

The attendance record at the Board and its committee meetings during the year ended 31 March 2026 demonstrates Directors' strong commitment to the Company. All Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are followed and for facilitating information flows and communications among Directors as well as with Shareholders and management.

During the financial year ended 31 March 2026, (i) the Directors have made active contribution to the affairs of the Group and a total of 13 Board meetings were held to, among other things, review and approve the interim results and the final results of the Group and (ii) 1 general meeting of the Company was held, being the 2025 annual general meeting of the Company held on 30 September 2025 (the "2025 AGM").

	Number of attendance for Board meetings	Number of attendance for General meetings
Executive Directors		
Mr. Lo Kou Hong *(Co-chairman)*	13/13	1/1
Mr. Tsui Kwok Hing *(Co-chairman)* (retired on 30 September 2025)	4/4	1/1
Mr. Lin Shuang *(Co-chairman and President)* (appointed on 3 February 2026)	3/3	N/A
Mr. Yung Ting Yiu (retired on 30 September 2025)	4/4	0/1
Mr. Cheung Kin Wa (appointed 17 October 2025 and resigned on 3 February 2026)	2/2	1/1
Mr. Chan Wai Keung (resigned on 8 April 2025)	N/A	N/A
Mr. Chan Frank Clifford Shui Ting Chu (appointed on 3 February 2026)	3/3	N/A
Ms. Chen Yun (re-designated from a non-executive director on 16 March 2026)	13/13	1/1
Non-executive Directors		
Ms. Wang Guan	10/13	1/1
Ms. Fong Man Julisa (appointed 17 October 2025 and resigned on 3 February 2026)	1/2	N/A
Mr. Yuen Ka Tai, Wilson (appointed on 6 October 2025)	3/3	N/A
Independent Non-executive Directors		
Mr. Wang Qi	13/13	1/1
Mr. Yau Pak Yue	13/13	1/1
Mr. Leung Nga Tat	13/13	1/1
Mr. Mui Kay Boon (appointed on 3 February 2026)	3/3	N/A

BOARD COMMITTEES

As at the date of this annual report, the Board has established four Board committees, namely, the Remuneration Committee, the Audit Committee, the Nomination Committee and the Strategy and Investment Committee, for overseeing particular aspects of the Company's affairs and assisting in the execution of the Board's responsibilities. All Board committees have defined written terms of reference. The list of the chairman and members of each committee is set out in each of the following Board committee section. The meeting procedures follow the statutory procedures for Board meetings. To assist the Board committees to perform their responsibilities, sufficient resources are provided and independent advice is also available on request at the Company's expenses.

1. Remuneration Committee

The Remuneration Committee was established on 12 July 2005 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and a copy of which is posted on the website of the Company and of the Stock Exchange. The Remuneration Committee has adopted the approach under code provision E.1.2(c)(ii) of the CG Code and made recommendations to the Board on the Group's overall policy and structure for the remuneration of Directors and senior management.

The duties of the Remuneration Committee include, amongst other things:

- make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- determine, with delegated responsibility from the Board, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors. The committee shall consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- review and approve compensation payable to executive Directors for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive for the Company; and
- review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and ensure that no Director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee may seek independent professional advice to perform its responsibilities if it considers necessary.

During the year, 4 Remuneration Committee meetings were held, its members and their attendance records are as follows:

	Number of attendance
Mr. Yau Pak Yue *(Chairman)*	4/4
Mr. Tsui Kwok Hing	2/2
Mr. Wang Qi	4/4
Mr. Leung Nga Tat	4/4
Mr. Lin Shuang	1/1
Mr. Chan Frank Clifford Shui Ting Chu	1/1
Mr. Mui Kay Boon	1/1

The major works performed by the Remuneration Committee during the year included, amongst other things, the following:

- reviewing the effectiveness of the Company's remuneration policy and structure for all Directors and senior management;
- reviewing the remuneration package for Directors and senior management; and
- recommending to the Board the proposed remuneration of the Directors and senior management.

2. Audit Committee

The Audit Committee was established on 12 July 2005 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and a copy of which is posted on the website of the Company and of the Stock Exchange. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The duties of the Audit Committee include, amongst other things:

- review the financial statements and reports and consider any significant or unusual items raised by the financial officers of the Group or external auditors before submission to the Board;
- review and monitor the external auditors' independence and the effectiveness of the audit process in accordance with applicable standard;
- make recommendation to the Board on the appointment, re-appointment and removal of external auditors;
- review the adequacy and effectiveness of the Company's financial reporting system, internal control system, risk management system and associated procedures; and
- report to the Board on the matters set out in the code provisions as stated in Appendix C1 to the Listing Rules.

The Audit Committee may seek independent professional advice to perform its responsibilities if it considers necessary.

During the year, 8 Audit Committee meetings were held, its members and their attendance records are as follows:

	Number of attendance
Mr. Yau Pak Yue *(Chairman)*	8/8
Mr. Wang Qi	8/8
Mr. Leung Nga Tat	8/8
Mr. Yuen Ka Tai, Wilson	1/1
Mr. Mui Kay Boon	1/1

The major works performed by the Audit Committee during the year included, amongst other things, the following:

- reviewing the final results for the year ended 31 March 2025;
- reviewing the financial controls, risk management and internal control systems for the year ended 31 March 2025;
- reviewing Audit Issue and critically considering the Company's measures to address the Audit Issue;
- discussing the scope, work done and the outcome of the full scope audit in addressing the Audit Issue with the Auditors in details;
- reviewing the scope and outcome of the Investigation on the Inaccessible Accounting Supporting; and
- reviewing the interim results for the six months ended 30 September 2025.

With the recommendation of the Audit Committee and the Board, Prism Hong Kong Limited ("Prism") has been re-appointed as the auditor of the Company at the annual general meeting held on 30 September 2025.

The accounts for the year ended 31 March 2026 were audited by Prism whose term of office will expire upon the conclusion of the forthcoming annual general meeting of the Company ("2026 AGM"). The Audit Committee has reviewed the terms of engagement of Prism, inter alias, (i) the size and structure as well as the nature and complexity of the business of the Group, (ii) the relevant audit fees, and (iii) the resources deployed by Prism in respect of the audit of the financial statements of the Group in accordance with "Guidelines for the Effective Operation of Audit Committees – Selection, Appointment and Reappointment of Auditors" published by the Financial Reporting Council on 16 December 2021 and recommended to the Board the re-appointment of Prism as the auditor of the Company at the 2026 AGM.

3. Nomination Committee

The Nomination Committee was established on 8 March 2012 with written terms of reference in compliance with paragraph B.3.1 of Appendix C1 to the Listing Rules and a copy of which is posted on the website of the Company and of the Stock Exchange.

The main duties of the Nomination Committee include, among other things:

- review the structure, size and composition (including, but not limited to, the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;
- make recommendations on relevant matters relating to the appointment and re-appointment of Directors and succession planning for Directors; and
- to review the diversity of Board member policy and the progress of achieving the objectives of the Board diversity policy of the Company (the "Board Diversity Policy").

The Nomination Committee may seek independent professional advice to perform its responsibilities if it considers necessary.

Nomination Policy

The Board has adopted a nomination policy (the "Nomination Policy") on 29 May 2019. The Nomination Policy sets out the approach to guide the Nomination Committee in relation to the evaluation, selection and recommendation of the Directors of the Company.

The selection criteria specified in the Nomination Policy include:

- character and integrity;
- qualifications, including experience in the relevant industries the Company's business is involved in and other professional qualifications;
- the Company's Board Diversity Policy, having considered a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, perspectives, skills, knowledge and length of service;
- commitment for responsibilities of the Board in respect of available time and relevant interest;
- contribution that the candidate(s) can potentially bring to the Board; and
- any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The Nomination Committee will identify candidates in accordance with the selection criteria set out in the Nomination Policy, evaluate the candidates and recommend to the Board for the appointment of the appropriate candidate for directorship. The Board decides the appointment based upon the recommendation of the Nomination Committee and the Board has the final authority on determining suitable Director candidate for directorship.

Board Diversity Policy

The Board has adopted the Board Diversity Policy on 30 April 2014 and revised on 10 January 2019. In designing the Board's composition, the diversity of members of the Board has been considered from a number of aspects, including but not limited to gender, age, educational background, professional experience and qualifications, relevant industry experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered and selected based on a range of diversity perspectives including but not limited to the said aspects.

Board Level

Pursuant to the Board Diversity Policy, selection of candidates for the Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity in the Board. The Nomination Committee will review the Board Diversity Policy annually to ensure its continued effectiveness.

The Nomination Committee will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

As at 31 March 2026, the Board consists of eight (8) male members and two (2) female members. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives. The Company has also reviewed the structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation. The Board will endeavour to at least maintain female representation on the Board and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

Workforce Level

The Company understands and recognises the benefits of diversified staff structure and regards it as one of the important elements in sustaining a long-term competitive advantage of the Company. A multicultural company should be comprised of employees with different gender, age, ethnicity, religion, skills, educational background, industry experience and other qualities so as to achieve the most appropriate structure and balance. On 31 March 2026, the male-to-female ratio for the Group's majority workforce was approximately 1:3.40. Comparatively, the ratio was approximately 1:3.41 in the prior year ended 31 March 2025. The Board believes this was appropriate for the time being. While the Board will continue to supervise and enhance the recruitment process, the Human Resource Department will continue to identify, review and interview candidates' skill, experience, expertise and qualifications that fit the Group's needs regardless of gender. During the Year, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

During the year, 4 Nomination Committee meeting were held, its members and their attendance records are as follows:

	Number of attendance
Mr. Lo Kou Hong *(Chairman)*	2/2
Mr. Tsui Kwok Hing	1/1
Mr. Lin Shuang	1/1
Ms. Wang Guan	3/4
Mr. Wang Qi	4/4
Mr. Yau Pak Yue	4/4
Mr. Leung Nga Tat	4/4

The major works performed by the Nomination Committee during the year included, amongst other things, the following:

- reviewing the structure, size and composition of the Board;
- accessing the independence of the independent non-executive Directors; and
- considering and making recommendations to the Board on the re-election of Directors at the 2025 AGM.

4. Corporate Governance Committee

The Corporate Governance Committee was established on 24 June 2014 with written terms of reference in compliance with paragraph A.2.1 of Appendix 14 to the Listing Rules and a copy of which is posted on the website of the Company and of the Stock Exchange.

The duties of the Corporate Governance Committee include, amongst other things:

- develop, review and update the Company's policies and practices on corporate governance and make recommendation;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct applicable to employees and Directors; and
- review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Year, 1 Corporate Governance Committee meeting was held, its members and their attendance records are as follows:

	Number of attendance
Mr. Tsui Kwok Hing *(Chairman)*	1/1
Mr. Yau Pak Yue	1/1
Mr. Leung Nga Tat	1/1

On 3 February 2026, the Corporate Governance Committee of the Company has been dissolved and its functions and duties will be taken over by the Audit Committee of the Company.

5. Strategy and Development Committee

The Strategy and Development Committee was established on 24 June 2014 with written terms of reference and a copy of which is posted on the website of the Company and of the Stock Exchange.

The main duties of the Strategy and Development Committee include, among other things:

- review the documents from the senior management of the Company on issues relating to its strategies and developments (such as vision of the Company, mission of the Company, and annual strategy documents) on a regular basis and make recommendations to the Board regarding any propose changes;
- identify market changes and competition or make recommendations to the Board on issues relating to the Company's strategies and developments, such as Company's market positions, pricing strategies, new markets and strategic partnerships;
- make recommendations to the Board on matters relating to the Company's strategies; and
- all such other responsibilities and powers as may be delegated by the Board from time to time.

During the year, the Strategy and Development Committee did not hold any meeting and its members are as follows:

Mr. Tsui Kwok Hing (Chairman) (retired on 30 September 2025); and

Mr. Yau Pak Yue.

On 3 February 2026, the Strategy and Development Committee of the Company has been dissolved and its functions and duties will be taken over by the Board and later by the newly established Strategy and Investment Committee.

6. Strategy and Investment Committee

The Strategy and Investment Committee was established on 13 February 2026 with written terms of reference and a copy of which is posted on the website of the Company and of the Stock Exchange.

The main duties of the Strategy and Investment Committee include, among other things:

i. Reviewing and making recommendations on the Company's mission, vision, core values, and long-term strategic direction;

ii. Assessing the Company's market positioning, competitive environment, and new business opportunities;

iii. Studying and recommending major investments, mergers and acquisitions, joint ventures, and capital operations projects;

iv. Monitoring the implementation of strategic initiatives and evaluating returns on investment projects; and

v. Submitting an annual strategic review and investment evaluation report to the Board.

During the year, 1 Strategy and Development Committee meeting was held, its members and their attendance records are as follows:

	Number of attendance
Mr. Lin Shuang *(Chairman)*	1/1
Mr. Yuen Ka Tai, Wilson	1/1
Ms. Chen Yun	1/1

7. Executive Committee

The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision.

During the year ended 31 March 2026, the Executive Committee did not hold any meeting and its members are as follows:

Mr. Tsui Kwok *Hing (Chairman)*
Mr. Chan Wai Keung (appointed on 18 February 2025 and resigned on 8 April 2025)
Mr. Yau Pak Yue
Mr. Leung Nga Tat

On 3 February 2026, the Executive Committee of the Company has been dissolved and its functions and duties will be taken over by the Executive Director of the Company.

RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors have acknowledged their responsibilities for preparing the financial statements of the Group for the year ended 31 March 2026 which were prepared in accordance with statutory requirements and applicable accounting standards and were prepared to reflect the true and fair view of the state of affairs, results and cash flows of the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 March 2026, the Directors made judgments and estimated that are prudent and reasonable, and have prepared the financial statements on a going concern basis. The Directors also ensure that the financial statements of the Group are published in a timely manner. The reporting responsibilities of the auditors on the financial statements are set out in the section headed "Independent Auditors' Report" of this annual report.

In respect of code provision D.1.3 of the CG Code, the Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

During the year ended 31 March 2026, services provided to the Company by its external auditors and the respective fees paid were:

Services rendered	**Fee paid/payable** HK$'000
Audit services	868
Non-audit services	140
Total	1,008

CHANGE OF AUDITOR

CCTH CPA Limited has resigned as the auditor of the Company with effect from 31 March 2025 as the Company and CCTH could not reach a consensus on the audit fee for the financial year ending 31 March 2025.

With the recommendation of the Audit Committee, Prism Hong Kong Limited ("Prism") has been appointed as the auditor of the Company with effect from 31 March 2025 to fill the casual vacancy following the resignation of CCTH.

Please refer to the announcement of the Company dated 31 March 2025 for further details.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2026 as set out in this annual report have been audited by the Company's auditor, Prism Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. A resolution to re-appoint Prism Hong Kong Limited, as our external auditor will be submitted for Shareholders' approval at the forthcoming annual general meeting of the Company.

Save as disclosed above, there have been no other change of auditor for the preceding three years.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board acknowledges that it is responsible for maintaining the effectiveness of the risk management and internal control systems to safeguard the assets of the Group. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee is delegated by the Board to assist the Board in fulfilling the above responsibilities.

In response to the Inaccessible Accounting Supporting of the Sub-group as disclosed under the Audit Issue in the Management Discussion and Analysis section, in June 2025, PAL Advisory Limited (the "Investigator") was engaged to perform an investigation.

Pursuant to the investigation report (the "Investigation Report"), the Investigator, is of the view that:

(a) the Sub-Group had no issues in providing the financial statements necessary for the interim results of the Company for the six months ended 30 September 2024. As such, there was no impediments to the preparation of financial statements and the non-provision of the required financial information for FY2025 is an intentional action on behalf of the Sub-Group in breach of the Company Law of the PRC and the constitutions of the companies;

(b) for the period from 1 October 2024 to 31 March 2025, save as the provision in relation to an unresolved dispute between the Sub-Group and a former director at the Fuzhou Arbitration Commission in the amount of RMB5,200,000 and ancillary expenses, the Sub-Group has had no operations, no material transactions, no material borrowings, guarantee or financing activities or material acquisition or disposal of assets; and

(c) given that the actions undertaken by the Company, including but not limited to the company secretary and the management of the Company having (a) attempted to contact the responsible personnel of the Sub-Group consistently; (b) sought the legal advice from PRC counsel on the prospects of any actions that could be taken against the Sub-Group; and (c) instructed the PRC counsel to prepare demand letters, the Investigator is of the view that the Company has made its best effort, via various reasonable and legal methods and channels to obtain the financial information of the Sub-Group and has undertaken all feasible remedial actions.

The Board (including the independent non-executive Directors) has reviewed the Investigation Report and is of the view that the content and findings in the Investigation Report are reasonable and acceptable and adequately addressed the Issues.

The Board (including the independent non-executive Directors) is of the view that the problems identified in the Investigation Report do not affect the business operations of the Group and would adopt the suggestions from the Investigator for better internal control and corporate governance.

During the year, the Board, through the Audit Committee and an external internal control consultant, has conducted a regular annual review on the risk management and internal control systems of the Group, which covers all material financial, operational, compliance controls and risk management functions, and considered the risk management and informed the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function. The Board concluded that the risk management and internal control systems are adequate and effective.

In light of the Group's size, nature and complexity of the business, management currently is of the view that the need for setting up an independent internal audit function is not significant. The need for an independent internal audit function will be reviewed from time to time. The Board was satisfied to the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff members of the Company's accounting and financial reporting function.

Main Features of Risk Management and Internal Control Systems

The key elements of the Group's risk management and internal control systems include a well-defined management structure with limits of authority, clear policies, standard operation procedures, and risk control self-assessment conducted for all major operating units of the Group. The system is designed to provide reasonable assurance of no material misstatement or loss and to manage risks failure in operational systems and achievement of the Group's objectives.

The Board has the overall responsibility to ensure that sound and effective internal controls are maintained, but the management is responsible for designing and implementing internal control systems to manage all kinds of risks faced by the Group. The operating units and support functions are facilitated and coordinated by the management and ensure that risk management processes and mitigation plans follow good practices and guidelines established in their day-to-day operations.

The Group's risk management activities are performed by management on an ongoing basis. The effectiveness of the Group's risk management and internal control systems is evaluated at least annually to update the progress of risk monitoring efforts.

Process Used to Identify, Evaluate and Manage Significant Risks

Management will assess the nature and impact of risk, and report issues to the Board. The Group identifies outside and inside events by reviewing its external and internal environment and stakeholders, which have an influence or potential influence on the Group's ability to achieve its strategy and business objectives.

The Board, according to the risk report, would take appropriate action to eliminate the risks. Risks which cannot be accepted or are beyond the Company's risk appetite are transferred, eliminated or controlled through risk mitigation measures. Each risk mitigation measure has a process owner who is a department manager and a target completion date is assigned to ensure accountability. Risks owners are also responsible for monitoring the status of the risk mitigation measures for risks under their purview.

Process Used to Review the Effectiveness of the Risk Management and Internal Control Systems

The Board and Audit Committee review the internal control issues identified by external auditors, independent advisor, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. To further enhance control awareness, the Group has also approved launching a whistleblowing policy for employees to raise any concerns about possible improprieties in any matter related to the Group.

Inside Information Policy

In relation to the internal control and procedures for the handling and dissemination of inside information, the Group is in compliance with the relevant parts of the SFO and Listing Rules.

The Company regulates the handling and dissemination of inside information to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company's legal advisor also assists the Board to assess whether the relevant information is considered to be inside information which needs to be disclosed as soon as reasonably practicable.

Conflict of Interest

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

The Group also adopted certain internal control policies to manage potential conflicts of interest.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and enabling investors to understand the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The Board adopted a Shareholders communication policy (the "Shareholders Communication Policy") which sets out the provisions with the objective of ensuring that the Shareholders and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including the financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

General Policy

The Board shall maintain an on-going dialogue with Shareholders and the investment community, and will regularly review the Shareholders Communication Policy to ensure its effectiveness.

Information shall be communicated to Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meeting and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website.

Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times. Any question regarding the Shareholders Communication Policy shall be directed to the Company Secretary or the Board.

Communication Strategies

Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders and the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

Corporate communication

Corporate communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding.

Corporate website

A dedicated "Investor Relations" section is available on the Company's website. Information on the Company's website is updated on a regular basis.

Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents etc.

All press releases issued by the Company will be made available on the Company's website.

Shareholders' meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the annual general meeting shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, either the chairmen of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meeting to answer Shareholders' questions. Shareholders are encouraged to attend shareholders' activities organised by the Company, where information about the Company, including the latest strategic plan, products and services etc. will be communicated.

Investment market communications

Investor/analysts briefings and one-on-one meetings, roadshows (both domestic and international), media interviews and marketing activities for investors etc. will be available on a necessary basis in order to facilitate communication between the Company, Shareholders and the investment community. The Directors and employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the disclosure obligations and requirements under the Shareholders Communication Policy for Disclosure of Information of the Company. The Company's chief executive officer should be the authorized spokesperson on behalf of the Company unless otherwise authority is given.

Shareholder privacy

The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

The Company continues to enhance communication and relationship with Shareholders and investors. Designated management of the Company maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

The Board welcomes views of Shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management of the Company directly. The Board of Directors and the external auditors will normally attend the annual general meeting and other Shareholders' meetings of the Company to answer questions raised. Meeting circulars are distributed to all Shareholders before the annual general meeting and general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the Articles. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the website of the Stock Exchange and of the Company after the meetings.

The Board has conducted a review of the Shareholders Communication Policy for the year ended 31 March 2024 to ensure the effectiveness of the Shareholders Communication Policy. Such review shall be conducted annually. The Board considered that the Shareholders Communication Policy for the year ended 31 March 2024 was effective.

DIVIDEND POLICY

The Company considers stable and sustainable returns to the Shareholders to be our goal and adopted a dividend policy (the "Dividend Policy") on 10 January 2019. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

(a) the financial performance of the Group;

(b) the Group's actual and future operations and liquidity position;

(c) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(d) the retained earnings and distributable reserves of the Company and each of the members of the Group;

(e) the general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

(f) any other factors that the Board deems appropriate.

Declaration of dividend by the Company is also subject to any restrictions under the laws of the Cayman Islands, the Articles and any applicable laws, rules and regulations.

The Dividend Policy shall be reviewed from time to time. There can be no assurance that a dividend will be proposed or declared in any given period.

GENERAL MEETINGS WITH SHAREHOLDERS

The annual general meeting of the Company provides a useful forum for Shareholders to exchange views with the Board. The Directors (including independent non-executive Directors) are available at the annual general meeting to answer questions from Shareholders about the business and performance of the Group. In addition, the Company's external auditors is also invited to attend the annual general meeting to answer questions about the conduct of the audit, and the preparation and contents of the auditor's report. Separate resolutions are proposed at general meetings for each substantial issue. An explanation of the detailed procedures of conducting poll was provided to Shareholders at the annual general meeting, to ensure that Shareholders are familiar with such procedures.

SHAREHOLDERS' RIGHTS

Convene a General Meeting

In accordance with the Articles, general meetings shall be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisitionist not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

The notice period to be given to all the registered Shareholders for consideration of the proposal raised by the requisitionist(s) concerned at the annual general meeting or general meetings varies according to the nature of the proposal as set out in the Articles.

Put Forward Proposals at Shareholders' Meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written request, duly signed by the shareholder concerned, setting out the proposals at the Company's principal office in Hong Kong for the attention of the Board and the Company Secretary. The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will pass the request to the Board. Whether a proposal will be put to a general meeting will be decided by the Board in its discretion, unless the proposal put forward by a shareholder is (i) pursuant to a requisition by a shareholder to convene a general meeting referred to above or (ii) forms part of ordinary business to be considered at an annual general meeting as described in the Articles.

The procedures for Shareholders to propose a person for election as Director is available on the Company's website.

Shareholders' Enquiries

Specific enquiries or suggestions by Shareholders can be sent in writing to the Board or the Company Secretary at our principal office in Hong Kong. In addition, Shareholders can contact Tricor Investor Services Limited, the share registrar of the Company, if they have any enquiries about their shareholdings and entitlement to attend the general meeting or dividend. Relevant contact details are set out on page 3 of this annual report.

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance and the implementation of the CG Code.

The Company Secretary reports to the Board. All Directors also have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations, are followed. The selection, appointment and dismissal of the Company Secretary is subject to the Board approval.

The Company Secretary complied with the requirements of Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

The Board proposed to amend the existing memorandum and Articles (the "Existing M&A") and to adopt an amended and restated memorandum and articles of association of the Company in 2024 AGM in order to (i) bring the existing M&A in line with amendments made to the Listing Rules in relation to electronic dissemination of corporate communications by listed issuers; and (ii) to make certain housekeeping amendments. On 25 September 2024, the M&A was resolved to be amended by the shareholders of the Company at 2024 AGM. The amended M&A was posted on the website of the Company on 25 September 2024. Details of the amendments can be referred to the circular of the Company dated 31 July 2024.

REPORT OF THE DIRECTORS

The Board is pleased to present this Report of the Directors and the audited financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is organised into business units based on their products and services and has three operating segments as follows:

(a) the cleaning and related services segment engages in the provision of cleaning and related services for office buildings, public areas and residential areas;

(b) the advertising media business segment engages in the provision of media strategy, planning and management, product launching and selling, brand building, event marketing as well as the development and operations of advertising media; and

(c) the waste treatment business segment engages in the provision of organic waste treatment and sale of the by-products produced.

The Board remains dedicated to maximizing returns to Shareholders by actively pursuing new business opportunities, refining and expanding the current business scopes.

For more details regarding the Group's performance by reference to environmental and social-related policies, as well as compliance with relevant laws and regulations that have a significant impact on the Group's business and operation can be found in the section headed "Environmental, Social and Governance Report" set out on pages 18 to 41 of this annual report.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2026 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 75 to 149 of this report.

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

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out on page 150. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of movements in the Company's share capital and share options during the year ended 31 March 2026 are set out in Notes 26 and 27 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

RELIEF OF TAXATION

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

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.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2026 are set out in Notes 28 and 31 to the consolidated financial statements and in the consolidated statement of changes in equity on page 78, respectively.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 83% of the total sales for the year, and sales to the largest customer included therein amounted to approximately 44%.

Purchases from the Group's five largest suppliers accounted for approximately 68% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 22%.

None of the Directors or any of their associates 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 the Group's five largest customers or suppliers.

Report of the Directors

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Lo Kou Hong *(Co-chairman)*
Tsui Kwok Hing *(Co-chairman)* (retired on 30 September 2025)
Lin Shuang *(Co-chairman)* (appointed on 3 February 2026)
Yung Ting Yiu (retired on 30 September 2025)
Chan Wai Keung (resigned on 8 April 2025)
Cheung Kin Wa (appointed on 17 October 2025 and resigned on 3 February 2026)
Chan Frank Clifford Shui Ting Chu (appointed on 3 February 2026)
Chen Yun (re-designated from a non-executive director on 16 March 2026)

Non-executive Directors

Wang Guan
Fong Man Julisa (appointed on 17 October 2025 and resigned on 3 February 2026)
Yuen Ka Tai, Wilson (appointed on 3 February 2026)

Independent Non-executive Directors

Wang Qi
Yau Pak Yue
Leung Nga Tat
Mui Kay Boon (appointed on 3 February 2026)

In accordance with the Article 95 of the Articles, Mr. Lin Shuang, Mr. Chan Frank Clifford Shui Ting Chu, Mr. Yuen Ka Tai, Wilson and Mr. Mui Kay Boon will retire and offer themselves for re-election. In accordance with the Appendix C1 of the Listing Rules, code B.2.2, and the Article 112 of the Articles, Mr. Wang Qi, Mr. Yau Pak Yue, Ms. Wang Guan and Mr. Leung Nga Tat will retire by rotation at the 2025 AGM and, being eligible, offer themselves for re-election.

As disclosed in Corporate Governance Report, Mr. Wang Qi, independent non-executive Director, has served more than 9 years after 26 August 2006. His further appointment shall be subject to a separate resolution to be approved by the Shareholders in the forthcoming Annual General Meeting.

All other Directors will continue in office.

The biographical details of the Directors and senior management are set out on pages 14 to 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has any service contract with the Company or any of its subsidiaries which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Directors' remuneration is determined by the Remuneration Committee and the Board with reference to Directors' duties, responsibilities, performance and the results of the Group. Details of the remuneration of the Directors are set out in Note 11 to the consolidated financial statements.

DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and those of the five highest paid individuals of the Group for the year ended 31 March 2026 are set out in Notes 11 and 12 to the consolidated financial statement.

INDEMNITY OF DIRECTORS

A permitted indemnity provision that provides for indemnity against liability incurred by Directors is currently in force and was in force throughout the year ended 31 March 2026.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance, to which the Company, its holding companies, fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest subsisted during the year ended 31 March 2026.

CONTRACT OF SIGNIFICANCE

There is no contract of significance between the Company and any of its subsidiaries, and a controlling shareholder or any of its subsidiaries.

MANAGEMENT CONTRACT

Other than the service contracts of the Directors as stated above in the section headed "Directors' Service Contracts", the Company has not entered into any agreement with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company.

COMPETING INTERESTS

As far as the Directors are aware, none of the Directors or their associates had any interest in a business that competes or may compete with the business of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Directors' Interests in the Shares and Underlying Shares of the Company and its Associated Corporations" and "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2026, the interests of the Directors in the shares of the Company (the "Shares") and underlying Shares and its associated corporations as recorded in the register required to be kept under Section 352 of Part XV of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

A. Interests in Shares of the Company

Name of Director	Long/short positions	Capacity	Total interest in Shares	Total interest in underlying Shares	Aggregate interests	Approximate percentage of the Company's issued share capital
Mr. Lo Kou Hong ("Mr. Lo") (Note 2)	Long position	Beneficial owner	53,674,000	16,000,000	71,779,000	3.72%
	Long position	Interest of spouse	2,105,000			
Mr. Wang Qi ("Mr. Wang") (Note 3)	Long position	Beneficial owner	1,367,000	1,600,000	2,967,000	0.15%
Ms. Chen Yun	Long position	Beneficial owner	52,429,000		52,429,000	2.72%

Notes:

1. Mr. Lo is the beneficial owner of 53,674,000 Shares and 16,000,000 share options. He is also deemed to be interested in 2,105,000 Shares through interest of his spouse, Ms. Ko Lok Ping, Maria Genoveffa ("Ms. Ko"), who personally and beneficially owned such 2,105,000 Shares.
2. Mr. Wang is interested in share options which can be severally exercised to subscribe for 1,600,000 Shares.

B.(1) Associated Corporation — Peixin Group Limited ("Peixin"), an Indirect Non Wholly-owned Subsidiary of the Company

Name of Director	Long/short position	Capacity	Number of ordinary Shares in Peixin	Percentage of Peixin's issued share capital
Mr. Lo	Long position	Interest held by a controlled corporation	42 shares (Note)	30%

Note: The 42 shares in Peixin were held through a corporation controlled by Mr. Lo and Ms. Ko. As such, Mr. Lo and Ms. Ko were deemed to be interested in such shares pursuant to Part XV of the SFO.

B.(2) Associated Corporation — Shuyang ITAD Environmental Technology Limited ("Shuyang ITAD"), an Indirect Non Wholly-owned Subsidiary of the Company

Name of Director	Long/short position	Capacity	Amount of registered capital in Shuyang ITAD	Percentage of Shuyang ITAD's issued share capital
Mr. Lo	Long position	Interest held by a controlled corporation	RMB62,500,000 (Note)	30%

Note: The entire registered capital in Shuyang ITAD was beneficially owned by Peixin and 42 shares in Peixin were beneficially owned by a corporation controlled by Mr. Lo and Ms. Ko in equal shares. Such 42 shares in Peixin represent 30% of the entire issued share capital on Peixin. As such, Mr. Lo and Ms. Ko were deemed to be interested in such registered capital pursuant to Part XV of the SFO.

In addition to the above, as at 31 March 2026, Mr. Lo held 1 share in Lo's Cleaning Services Ltd., an indirect wholly-owned subsidiary of the Company, in a non-beneficial capacity as nominee for Sinopoint Corporation.

Save as disclosed above, as at 31 March 2026, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any 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, nor had there been any grant or exercise of rights of such interests during the year ended 31 March 2026.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2026, the following person (other than the Directors and chief executive of the Company) had interests of 5% or more in the issued Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO:

Interests in Shares

Name of substantial shareholder	Long/short position	Capacity	Number of Shares	Percentage of the Company's issued share capital
WKI Partners (Holdings) Limited	Long position	Interest held by controlled corporation	179,315,000 (Note)	9.29%
Yu Weikun	Long position	Beneficial owner	193,131,000	10.00%
Chen Xiangren	Long position	Beneficial owner	198,523,000	10.28%

Note: WKI Partners (Holdings) Limited is wholly-owned by Brave Venture Limited. Brave Venture Limited is wholly-owned by WKI Hong Kong Limited. WKI Hong Kong Limited is wholly-owned by WKI GP Limited. Accordingly, each of WKI Partners (Holdings) Limited, Brave Venture Limited, WKI Hong Kong Limited, WKI GP Limited was deemed to be interested in such Shares under Part XV of SFO. One of our non-executive directors, Mr. Yuen, disclaims beneficial ownership of all of the shares held by WKI Partners (Holdings) Ltd except to the extent of his pecuniary interest therein. Mr. Yuen is only one of the directors of WKI GP Ltd.

SHARE OPTION SCHEME

The share option scheme of the Company was approved and adopted by the Shareholders in the annual general meeting of the Company held on 25 September 2015 (the "Share Option Scheme") and shall be valid and effective for a period of 10 years up to 24 September 2025.

The maximum number of Shares which may be issued upon exercise of all options which may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of the Company shall not exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme ("Scheme Mandate Limit"). The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share Option Scheme. The Scheme Mandate Limit was refreshed by the Shareholders at the annual general meeting of the Company held on 25 September 2020.

According to the Share Option Scheme, the Board may at its absolute discretion, offer to grant option to any participant as the Board may think fit. The amount payable on acceptance of an option is HK$1.00. The offer of option shall be accepted by the participants within 28 days from the date of the offer, otherwise the offer shall be deemed to have been irrevocably declined and lapsed automatically.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee but may not be exercised after the expiry of ten years from the offer date. The Board may impose restrictions on the exercise of an option during the period an option may be exercised.

Pursuant to the Share Option Scheme, the Board may at its discretion offer options to any eligible participants including, but not limited to (i) any eligible employee as stated in the Share Option Scheme; (ii) any non-executive Director (including independent non-executive Directors) of the Company, any of its subsidiaries or any entity in which the Group holds any equity (the "Invested Entity"); (iii) any supplier of goods or services to the member of the Group or any Invested Entity; (iv) any customer of the Group or any Invested Entity; (v) any consultant, adviser, legal consultant, legal adviser, agent and contractor engaged by the Company, the Group or any Invested Entity; (vi) any shareholder and director of any member of the Group or any Invested Entity or (vii) any holder of any securities issued by any member of the Group or any Invested Entity; and (viii) any other classes of participants who have contributed or may contribute, whether by way of joint venture, business alliance, other business arrangement, or otherwise, to the development and growth of Group.

The purpose of the Share Option Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and to encourage the participants to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group and any Invested Entity.

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the options but in any case the subscription price shall not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period must not exceed 1 per cent of the total issued share capital of the Company for the time being. Any further grant of options to a participant in excess of the abovementioned limit in any 12-month period up to and including the date of such further grant must be subject to the Shareholders' approval in general meeting of the Company with such participant and his associates abstaining from voting.

Details of movements in the share options for the year ended 31 March 2026 are as follows:

Name or category of participants	Exercise price per share HK$	As at 1 April 2025	During the period: Granted	During the period: Lapsed	As at 31 March 2026	Notes
Directors						
Mr. Lo Kou Hong	0.094	16,000,000	–	–	16,000,000	(1)
Mr. Tsui Kwok Hing (retired on 30 September 2025)	0.094	16,000,000	–	(16,000,000)	–	(1)
Mr. Wang Qi	0.094	1,600,000	–	–	1,600,000	(1)
Sub-total		33,600,000	–	(16,000,000)	17,600,000	
Continuous Contracts Employees	0.278	9,000,302	–	(1,264,302)	7,736,000	(2)
Continuous Contracts Employees	0.094	37,500,000	–	(6,000,000)	31,500,000	(1)
Sub-total		46,500,302	–	(7,264,302)	39,236,000	
Total		80,100,302	–	(23,264,302)	56,836,000	

Notes:

(1) The share options were granted and deemed to be accepted on 23 July 2020. There were no vesting period and the share options are exercisable at any time during the period from 23 July 2020 to 22 July 2030 (both days inclusive) and the exercise price is HK$0.094.

(2) The share options were granted and deemed to be accepted on 6 July 2018. The vesting period of the share options was from the date of grant and up to 5 July 2019 and the share options are exercisable at any time during the period from 6 July 2019 to 5 July 2028 (both days inclusive) and the exercise price is HK$0.278.

As at 31 March 2026, 56,836,000 share options were outstanding under the Share Option Scheme, which were fully vested and exercisable.

RELATED PARTY TRANSACTIONS

A summary of related party transactions made during the year was disclosed on Note 30 to the consolidated financial statements. These related party transactions were connected transactions. The Company has complied with the disclosure requirements with Chapter 14A of the Listing Rules during the year ended 31 March 2026.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report and based on publicly available information and the best knowledge of the Directors, the Company has sufficient public float as required under the Listing Rules.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. As at the date of this annual report, the Audit Committee comprises five independent non-executive Directors, namely Mr. Wang Qi, Mr. Yau Pak Yue (chairman), Mr. Yuen Ka Tai, Wilson, Mr. Mui Kay Boon and Mr. Leung Nga Tat, and is responsible for reviewing the Group's financial information and overseeing the Group's financial reporting system and internal control procedures. The Audit Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. In performing its duties, it has unrestricted access to personnel, records, and external auditors and senior management.

The Audit Committee has reviewed together with the management of the Company the accounting principles, accounting standards and methods adopted by the Company, discussed the matters concerning internal control, risk management, auditing and financial reporting matters and has reviewed the consolidated financial statements of the Group for the year ended 31 March 2026.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 March 2026, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

CORPORATE GOVERNANCE

Details of the corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" on pages 42 to 61.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitle to attend and vote at the 2026 AGM to be held on Monday, 28 September 2026, the register of members of the Company will be closed from Wednesday, 23 September 2026 to Monday, 28 September 2026, both dates inclusive, during which period no transfer of Shares will be effected. All transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 September 2026.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 March 2026 were audited by Prism Hong Kong Limited whose term of office will expire upon conclusion of the 2026 AGM. The Audit Committee has recommended to the Board that Prism Hong Kong Limited be nominated for re-appointment as the auditors of the Company at the 2026 AGM.

ON BEHALF OF THE BOARD

Lin Shuang
Co-Chairman and President
Hong Kong, 29 June 2026

Prism

TO THE SHAREHOLDERS OF XINHUA NEWS MEDIA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liabilities)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Xinhua News Media Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 75 to 149, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

The directors of the Company were unable to access the supporting documents of the accounting books and records of certain subsidiaries, namely, Heng Qin Hetong Cultural Communication Company Limited and Fujian Yu Sheng Da Supply Chain Management Company Limited (hereinafter collectively referred to as the "Sub-Group") (the "Inaccessible Accounting Supporting"). As a result of the above, we were unable to obtain sufficient appropriate audit evidence to ascertain the occurrence, accuracy, completeness, cutoff, classification and presentation of any transactions that may need to be presented or have been presented in the consolidated statement of profit or loss and other comprehensive income of the Sub-Group in accordance with HKFRS Accounting Standards. Since the consolidated financial statements of the Sub-Group form part of the consolidated financial statements of the Group, the inability to perform sufficient audit procedures on the Inaccessible Accounting Supporting resulted in limitation on our audit of the consolidated financial statements of the Group. As disclosed in note 29 to the consolidated financial statements, during the year ended 31 March 2026, the Sub-Group had been disposed to the independent third party.

There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the matter as mentioned above. As a result, we were unable to determine whether any adjustments might have been found to be necessary in respect of the elements making up the consolidated profit or loss and other comprehensive income, and the related disclosures in the consolidated financial statements of the Group.

RESPONSIBILITIES OF THE 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 as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing as issued by the HKICPA and to issue an auditor's report. We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements.

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.

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
29 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	7	**358,417**	360,134
Other income and gains	8	**1,810**	7,158
Staff costs	9	**(260,376)**	(249,594)
Depreciation and amortisation	9	**(4,543)**	(4,854)
Gain (loss) on fair value changes of financial assets at fair value through profit or loss	9	**250**	(136)
Other operating expenses		**(109,052)**	(118,745)
Finance costs	10	**(222)**	(416)
LOSS BEFORE INCOME TAX	9	**(13,716)**	(6,453)
Income tax expenses	13	**–**	–
LOSS FOR THE YEAR		**(13,716)**	(6,453)
Other comprehensive (loss) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of subsidiaries, net of tax		**(272)**	30
Other comprehensive (loss) income		**(272)**	30
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(13,988)**	(6,423)
(LOSS) PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(13,312)**	(7,444)
Non-controlling interests		**(404)**	991
		(13,716)	(6,453)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(13,501)**	(7,411)
Non-controlling interests		**(487)**	988
		(13,988)	(6,423)
		HK$	HK$ (restated)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic and diluted	14	**(0.2757)**	(0.1542)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment	15	**6,177**	6,397
Right-of-use assets	17	**2,807**	1,221
Total non-current assets		**8,984**	7,618
Current assets			
Inventories	18	**475**	45
Trade receivables	19	**63,538**	62,890
Prepayments, deposits and other receivables	20	**11,442**	15,192
Financial assets at fair value through profit of loss	16	**–**	5,902
Pledged time deposits	21	**7,292**	7,111
Cash and bank balances	21	**50,258**	56,239
Total current assets		**133,005**	147,379
Current liabilities			
Trade payables	22	**12,305**	14,093
Other payables and accruals	23	**50,947**	38,351
Promissory notes payable	24	**3,000**	3,000
Amount due to a related company	30(b)	**1,055**	1,055
Lease liabilities	25	**1,380**	1,504
Loans from directors	30(b)	**861**	11,291
Tax payables		**–**	283
Total current liabilities		**69,548**	69,577
Net current assets		**63,457**	77,802
Total assets less current liabilities		**72,441**	85,420

	Notes	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Lease liabilities	25	**1,448**	90
Total non-current liabilities		**1,448**	90
NET ASSETS		**70,993**	85,330
Equity			
Equity attributable to owners of the Company			
Share capital	26	**19,311**	19,311
Reserves	28	**51,958**	65,808
		71,269	85,119
Non-controlling interests		**(276)**	211
TOTAL EQUITY		**70,993**	85,330

The consolidated financial statements on pages 75 to 149 were approved and authorised for issue by the board of directors on 29 June 2026 and are signed on its behalf of:

Lo Kou Hong
Co-chairman

Lin Shuang
Co-chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium* HK$'000	Capital redemption reserve* HK$'000	Merger reserve* HK$'000	Share option reserve* HK$'000	Contributed surplus* HK$'000	Other reserve* HK$'000	Accumulated losses* HK$'000	Exchange fluctuation reserve* HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 April 2024	19,311	563,658	254	47,063	5,378	26,591	(2,451)	(576,549)	9,275	92,530	(777)	91,753
Loss for the year	–	–	–	–	–	–	–	(7,444)	–	(7,444)	991	(6,453)
Other comprehensive income for the year	–	–	–	–	–	–	–	–	33	33	(3)	30
Total comprehensive income for the year	–	–	–	–	–	–	–	(7,444)	33	(7,411)	988	(6,423)
Forfeited share options	–	–	–	–	(715)	–	–	715	–	–	–	–
At 31 March 2025 and 1 April 2025	19,311	563,658	254	47,063	4,663	26,591	(2,451)	(583,278)	9,308	85,119	211	85,330
Loss for the year	–	–	–	–	–	–	–	(13,312)	–	(13,312)	(404)	(13,716)
Other comprehensive income for the year	–	–	–	–	–	–	–	–	(189)	(189)	(83)	(272)
Total comprehensive income for the year	–	–	–	–	–	–	–	(13,312)	(189)	(13,501)	(487)	(13,988)
Forfeited share options	–	–	–	–	(1,233)	–	–	1,233	–	–	–	–
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(349)	(349)	–	(349)
At 31 March 2026	**19,311**	**563,658**	**254**	**47,063**	**3,430**	**26,591**	**(2,451)**	**(595,357)**	**8,770**	**71,269**	**(276)**	**70,993**

* The reserve accounts comprise the consolidated reserves of approximately HK$51,958,000 (2025: HK$65,808,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Operating activities			
Loss before taxation		**(13,716)**	(6,453)
Adjustments for:			
Finance costs	10	**222**	416
Interest income	8	**(737)**	(1,520)
Dividend income on financial assets at fair value through profit or loss	8	**(120)**	(211)
Depreciation on property, plant and equipment	9, 15	**2,221**	2,232
Depreciation on right-of-use assets	9, 17	**2,322**	2,622
Gain on lease termination	8	**(19)**	–
Gain on disposal of financial assets at fair value through profit or loss	8	**(302)**	–
(Gain) loss on fair value changes in financial assets at fair value through profit or loss	9	**(250)**	136
Reversal of impairment losses on trade receivables, net	8	**(1)**	(41)
Impairment losses (reversal of impairment loss) on other receivables, net	20	**612**	(65)
Net gain on disposals of property, plant and equipment	8	**(6)**	–
Written-off of property, plant and equipment	9	**19**	132
Gain on disposal of subsidiaries	29	**(218)**	–
Gain on deregistration of subsidiaries	8	**(89)**	–
Write-back of other payable	8	**–**	(4,450)
Operating cash flows before movements in working capital		**(10,062)**	(7,202)
(Increase) decrease in inventories		**(430)**	2
Increase in trade receivables		**(647)**	(2,607)
(Increase) decrease in prepayments, deposits and other receivables		**(14,138)**	411
Decrease in trade payables		**(1,175)**	(134)
Increase in other payables and accruals		**17,640**	3,675
Cash used in operations		**(8,812)**	(5,855)
Net income tax paid		**(283)**	–
Net cash flows used in operating activities		**(9,095)**	(5,855)
Investing activities			
Redemption of financial assets at fair value through profit or loss		**–**	489
Purchase of property, plant and equipment	15	**(1,997)**	(649)
Proceeds from disposals of property, plant and equipment		**13**	–
Proceeds from disposal of financial assets at FVTPL		**6,454**	–
Cash inflow from disposal of a subsidiary	29	**289**	–
Decrease in time deposits with initial term over three months	21	**–**	2,009
Increase in pledged time deposits	21	**(181)**	(5,019)
Interest received		**737**	1,520
Dividend received		**120**	211
Net cash from (used in) investing activities		**5,435**	(1,439)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Financing activities			
Principal portion of lease payments		**(2,655)**	(3,125)
Advance from directors		**1,085**	3,516
Interest paid		**(222)**	(176)
Net cash generated (used in) from financing activities		**(1,792)**	215
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(5,452)**	(7,079)
Cash and cash equivalents at beginning of the year		**56,239**	63,271
Effect of exchange rate changes on the balance of cash held in foreign currencies		**(529)**	47
Cash and cash equivalents at end of the year	21	**50,258**	56,239
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	21	**31,203**	27,985
Non-pledged time deposits with original maturity of less than three months when acquired		**19,055**	28,254
Cash and cash equivalents as stated in the consolidated statement of cash flows	21	**50,258**	56,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. CORPORATE INFORMATION

Xinhua News Media Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is located at Unit 3710, 37/F, Cosco Tower, 183 Queen's Road Central, Hong Kong, changed from Unit 508B, 5/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong, effective from 26 February 2026.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") was principally engaged in the provision of cleaning and related services, the provision of waste treatment service and the provision of advertising media service.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000"), unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

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

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

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

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

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as modified by the financial assets at fair value through profit or loss, which are carried at their fair values, as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis of consolidation (continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

During the year ended 31 March 2026, in order to prepare the consolidated financial statements of the Group, the directors of the Group contacted certain employees of certain subsidiaries of the Group, namely, Heng Qin Hetong Cultural Communication Company Limited and Fujian Yu Sheng Da Supply Chain Management Company Limited (hereinafter collectively referred to as the "Sub-Group") and instructed them to provide the supporting documents of the accounting books and records of the Sub-Group (the "Inaccessible Accounting Supporting"). Despite the directors having tried their best endeavours, they were unable to obtain the Inaccessible Accounting Supporting (the "Incidence").

In the opinion of the directors, despite the fact that they cannot obtain the Inaccessible Accounting Supporting, they were able to prepare the consolidated financial statements for the year ended 31 March 2026 that provided a true and fair view. However, they considered it was appropriate to appoint an internal control expert to investigate the Incidence.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share- based Payment", leasing transactions that are accounted for in accordance with HKFRS 16 "Leases" ("HKFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

Related parties

(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;

(iii) or is a member of the key management personnel of the Group or the Group's parent.

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

(i) The entity and the entities comprising the Group are members of the same group (which means that each parent, 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) The entity and the Group are joint ventures of the same third party.

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

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

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

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

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

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Property, plant and equipment and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Gain or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful life at the following rates per annum:

Buildings	5%
Leasehold improvements	Over the shorter of 25% or lease terms
Furniture and equipment	10%–33%
Motor vehicles	20%–25%
Tools and machinery	10%–33%

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 between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application of HKFRS 16, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Leases (continued)

The Group as a lessee

Allocation of consideration to components of a contract

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

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

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

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, 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.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to plant and equipment.

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Leases (continued)

The Group as a lessee (continued)

Allocation of consideration to components of a contract (continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Leases (continued)

The Group as a lessee (continued)

Allocation of consideration to components of a contract (continued)

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

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

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

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

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

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the 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 that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in "net gain (loss) from changes in fair value of financial assets at FVTPL" in profit or loss.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

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

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

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

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

(i) Significant increase in credit risk

In assessing whether the credit risk 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.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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

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

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

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, 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.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

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

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; or

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

Lifetime ECL for trade receivables from non-government customers are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. 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 its retained interest in the asset and an associated liability for amounts it may have to pay. 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.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL, except for derivative financial instruments under cash flow hedges.

Financial liabilities at amortised cost

The Group's financial liabilities including trade payables, other payables, promissory notes payable, amount due to a related company, lease liabilities and loans from directors are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Provisions and contingent liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

When it is probable that the costs of services to fulfill the obligations under the contracts will exceed the total contract revenue, a provision for onerous contracts would be made. In estimating such provision, management takes into account the costs to fulfill the obligations under the contracts and any compensation or penalties arising from failure of fulfilling such obligations.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefit is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Income tax (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Inventories

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

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 periods 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 and is released to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Repayment of a grant related to income is applied first against any unamortised deferred income set up in respect of the grant. To the extent that the repayment exceeds any such deferred income, or where no deferred income exists, the repayment is recognised immediately in profit or loss. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Revenue recognition

Revenue from contracts with customers

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

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

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

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

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

The Group recognises revenue mainly from cleaning services.

Under the terms of these contracts, the customers of the Group simultaneously receive and consume the benefits provided by the Group's performance as the Group performs and thus these income are recognised over time.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement schemes

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement schemes and the cost of non-monetary benefits are charged to consolidated statement of profit or loss and other comprehensive income in the year in which the associated services are rendered by employees.

(ii) Retirement benefits costs

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group contributes to defined contribution provident funds, including the scheme set up under the Hong Kong Mandatory Provident Fund Schemes Ordinance ("MPF Scheme"), which are available to all qualifying employees in Hong Kong. Contributions to the MPF Scheme are in accordance with the statutory limits prescribed by the Mandatory Provident Fund Schemes Ordinance. The Group contributes 5% of the relevant payroll to the MPF Scheme, which contribution is matched by employees. The employees are entitled to 100% of the employer's mandatory contributions upon their retirement age of 65 years old, death or total incapacity. Payments to the MPF Scheme are recognised as an expense when employees have rendered service entitling them to the contributions. The Group's employer contribution vest fully with the employees when contributed into the MPF Scheme. Accordingly, for the Financial Period under Review and year ended 31 March 2026, there were no forfeited contributions (by employers on behalf of employees who leave the Scheme prior to vesting fully in such contributions) that may be used by the employer to reduce the existing level of contributions.

The Group also participates in the employee retirement benefits plan of the respective governments in various jurisdiction where the Group operates. The Group is required to make monthly contributions calculated as a percentage of the monthly payroll costs and the respective municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. The Group's contributions to the schemes are expensed as incurred.

(iii) Defined benefit plan obligations

The Group has the following two categories of defined benefit plans:

- Defined benefit retirement plans registered under the Hong Kong Occupational Retirement Schemes Ordinance (the "ORSO plans")
- LSP under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For ORSO plans, the net obligation is after deducting the fair value of plan assets. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Employee benefits (continued)

(iii) Defined benefit plan obligations (continued)

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. For ORSO plans, when the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refund from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets in ORSO plans (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in other comprehensive income. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iv) Equity-settled share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 27. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualified for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium) or the option expires (when it is released directly to retained earnings).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Foreign currencies

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the consolidated statement of profit or loss and other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. At the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their consolidated statement of profit or loss and other comprehensive incomes are translated into Hong Kong dollars at the weighted average exchange rates for the year. Exchange differences arising are recognised in the exchange reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange reserve.

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 chief operating decision maker ("CODM") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical location.

Dividends

Final dividends proposed by the Directors are classified as a separate allocation of retained earnings within the equity section of the consolidated statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

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

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the consolidated financial statements.

(b) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the cleaning and related services segment engages in the provision of cleaning and related services for office buildings, public areas and residential areas;

(b) the advertising media business segment engages in the provision of media strategy, planning and management, product launching and selling, brand building, event marketing as well as developing and operating advertising media; and

(c) the waste treatment business segment engages in the provision of organic waste treatment and sale of by products produced.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted loss before income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that interest income, government subsidies, dividend income and gain or loss on fair value changes on financial assets at fair value through profit or loss, share option expenses, finance costs and unallocated head office and corporate expenses are excluded from such measurement.

Segment liabilities exclude loans from directors as these liabilities are managed on a group basis.

There are no inter-segment revenue and transfers between the segments for both years.

6. OPERATING SEGMENT INFORMATION (continued)

	For the year ended 31 March 2026			
	Cleaning and related services HK$'000	Advertising media business HK$'000	Waste treatment HK$'000	Total HK$'000
Segment revenue:				
Service income from external customers recognised over time	358,417	–	–	358,417
Segment results	2,034	(675)	(1,324)	35
Reconciliation:				
Unallocated other incomes and gains				120
Interest income				737
Unallocated expenses				(14,386)
Finance costs				(222)
Loss before income tax				(13,716)
Income tax expenses				–
Loss for the year				(13,716)
The following is an analysis of the Group's assets and liabilities by reportable segments:				
Segment assets	129,290	8,514	4,185	141,989
Total assets				141,989
Segment liabilities	42,192	25,685	2,258	70,135
Reconciliation:				
Loans from directors				861
Total liabilities				70,996
Other segment information:				
Capital expenditure (note)	6,074	–	–	6,074
Depreciation and amortisation	3,341	144	1,058	4,543

6. OPERATING SEGMENT INFORMATION (continued)

	For the year ended 31 March 2025			
	Cleaning and related services HK$'000	Advertising media business HK$'000	Waste treatment HK$'000	Total HK$'000
Segment revenue:				
Service income from external customers recognised over time	360,134	–	–	360,134
Segment results	2,476	(987)	3,287	4,776
Reconciliation:				
Unallocated other incomes and gains				211
Interest income				1,520
Unallocated expenses				(12,544)
Finance costs				(416)
Loss before income tax				(6,453)
Income tax expenses				–
Loss for the year				(6,453)
The following is an analysis of the Group's assets and liabilities by reportable segments:				
Segment assets	137,884	13,056	4,057	154,997
Total assets				154,997
Segment liabilities	40,377	15,945	2,054	58,376
Reconciliation:				
Loans from directors				11,291
Total liabilities				69,667
Other segment information:				
Capital expenditure (note)	649	–	–	649
Depreciation and amortisation	3,606	217	1,031	4,854

Note: Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

6. OPERATING SEGMENT INFORMATION (continued)

Geographical information

	Revenue from external customers Year ended 31 March		Non-current assets Year ended 31 March	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Hong Kong	**358,417**	360,134	**5,546**	3,152
The People's Republic of China (the "PRC")	**–**	–	**3,438**	4,466
	358,417	360,134	**8,984**	7,618

The revenue and non-current assets information above are based on the location of the customers and that of the assets, respectively.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2026 HK$'000	2025 HK$'000
Customer A	**79,377**	74,841
Customer B	**156,751**	160,403

7. REVENUE

Group's revenue represents the net invoiced value of services rendered. An analysis of the Group's revenue is as follows:

	2026 HK$'000	2025 HK$'000
Cleaning and related service fee income	**358,417**	360,134

7. REVENUE (continued)

(a) Disaggregation of revenue from contracts with customers

Segments	Cleaning and related services 2026 HK$'000	2025 HK$'000
Geographical markets		
Hong Kong	**358,417**	360,134
Total	**358,417**	360,134
Timing of revenue recognition		
Over time	**358,417**	360,134
Total	**358,417**	360,134

The Group provides cleaning and related services are recognised on a monthly basis when the services are rendered. The amount for which can be reliably estimated and it is probable that the income will be received. The cleaning and related services income is normally made with credit terms of 0 to 90 days.

(b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The aggregated amounts of transaction price allocated to the remaining performance obligations under the Group's existing contracts are as follows:

	Cleaning and related services HK$'000	Advertising media business HK$'000	Waste treatment HK$'000	Total HK$'000
As at 31 March 2026				
Expected to be recognised within one year	**317,259**	**–**	**–**	**317,259**
Expected to be recognised after one year	**163,468**	**–**	**–**	**163,468**
	480,727	**–**	**–**	**480,727**

7. REVENUE (continued)

(b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date (continued)

	Cleaning and related services HK$'000	Advertising media business HK$'000	Waste treatment HK$'000	Total HK$'000
As at 31 March 2025				
Expected to be recognised within one year	249,000	–	–	249,000
Expected to be recognised after one year	159,865	–	–	159,865
	408,865	–	–	408,865

The amounts represent revenue expected to be recognized in the future from the Group's service contracts for the respective services. The Group will recognise the expected revenue in the future when services are rendered, which is expected to occur over the next 12 to 37 months (2025: next 12 to 33 months).

8. OTHER INCOME AND GAINS

	Notes	**2026 HK$'000**	2025 HK$'000
Interest income		**737**	1,520
Management fee income	30(a)	**60**	60
Government subsidies		**51**	89
Dividend income on financial assets at fair value through profit or loss		**120**	211
Write-back of other payables		**–**	4,450
Gain on disposal of subsidiaries	29	**218**	–
Gain on deregistration of subsidiaries		**89**	–
Gain on lease termination		**19**	–
Gain on disposal of financial assets at fair value through profit or loss		**302**	–
Net gain on disposals of property, plant and equipment		**6**	–
Reversal of impairment loss on trade receivables, net		**1**	41
(Impairment loss) reversal of impairment loss on other receivables, net		**(612)**	65
Sundry income		**819**	722
		1,810	7,158

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging (crediting):

	Notes	2026 HK$'000	2025 HK$'000
Employee benefit expenses (including directors' remuneration):			
Wages, salaries and other benefits		**247,410**	236,296
Contribution to defined contribution pension plans		**10,992**	10,267
Defined benefit plan obligation		**(135)**	832
Provision for untaken paid leave		**2,109**	2,199
Total staff costs		**260,376**	249,594
Cost of services rendered*		**341,256**	343,277
Auditors' remuneration			
– Audit service		**868**	580
– Non-audit service		**140**	148
Depreciation on property, plant and equipment	15	**2,221**	2,232
Depreciation on right-of-use assets	17	**2,322**	2,622
Written-off of property, plant and equipment	15	**19**	132
Gain (loss) on fair value changes in financial assets at fair value through profit or loss		**(250)**	136
Reversal of impairment loss on trade receivables, net	19	**(1)**	(41)
Impairment loss (reversal of impairment loss) on other receivables, net	20	**612**	(65)

* The cost of services rendered includes employee benefit expenses of approximately HK$248,889,000 (2025: HK$235,554,000) incurred in the provision of services which has been included in the employee benefit expenses above.

10. FINANCE COSTS

	2026 HK$'000	2025 HK$'000
Leases interest	**222**	176
Interest on promissory notes	**–**	240
	222	416

11. DIRECTORS' REMUNERATION

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

	For the year ended 31 March 2026				
	Fees HK$'000	Salaries, allowances and benefits in-kind HK$'000	Equity-settled share option expenses HK$'000	Contribution to defined contribution pension plans HK$'000	Total remuneration HK$'000
Executive directors					
Mr. Lo Kou Hong	–	1,970	–	182	2,152
Mr. Lin Shuang (appointed on 3 February 2026)	27	42	–	–	69
Mr. Chan Frank Clifford Shui Ting Chu (appointed on 3 February 2026)	37	–	–	–	37
Mr. Chen Yun	37	–	–	–	37
Mr. Tsui Kwok Hing (resigned on 30 September 2025)	120	300	–	–	420
	221	2,312	–	182	2,715
Non-executive directors					
Ms. Wang Guan	–	–	–	–	–
Mr. Yuen Ka Tai, Wilson (appointed on 3 February 2026)	19	–	–	–	19
	19	–	–	–	19
Independent non-executive directors					
Mr. Wang Qi	240	–	–	–	240
Mr. Leung Nga Tat	180	–	–	–	180
Mr. Mui Kay Boon	19	–	–	–	19
Mr. Yau Pak Yue	180	–	–	–	180
	619	–	–	–	619
Total	859	2,312	–	182	3,353

11. DIRECTORS' REMUNERATION (continued)

	For the year ended 31 March 2025				
	Fees HK$'000	Salaries, allowances and benefits in-kind HK$'000	Equity-settled share option expenses HK$'000	Contribution to defined contribution pension plans HK$'000	Total remuneration HK$'000
Executive directors					
Mr. Lo Kou Hong *(Chairman)*	–	1,912	–	177	2,089
Mr. Tsui Kwok Hing *(Co-chairman)*	240	600	–	–	840
Mr. Yung Ting Yiu (appointed on 20 December 2024)	–	–	–	–	–
Mr. Chan Wai Keung (appointed on 18 February 2025 and retired on 8 April 2025)	–	–	–	–	–
Mr. Leung Cheung Hang (retired on 2 September 2024)	–	–	–	–	–
	240	2,512	–	177	2,929
Non-executive directors					
Ms. Wang Guan	–	–	–	–	–
Ms. Chen Yun (appointed on 20 December 2024)	–	–	–	–	–
Mr. Wang Chunping (retired on 25 September 2024)	–	–	–	–	–
	–	–	–	–	–
Independent non-executive directors					
Mr. Wang Qi	240	–	–	–	240
Mr. Leung Nga Tat	180	–	–	–	180
Mr. Yau Pak Yue	180	–	–	–	180
	600	–	–	–	600
Total	840	2,512	–	177	3,529

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as a compensation for loss of office during the year (2025: Nil). No directors waived or agreed to waive any remuneration during the year (2025: Nil).

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 1 director (2025: 1 director) respectively, details of whose remuneration are set out in note 11 above. Details of the remuneration of the remaining 4 (2025: 4) non-directors highest paid employee for the year are as follows:

	2026 HK$'000	2025 HK$'000
Salaries and allowances	**8,321**	6,548
Contribution to defined contribution pension plans	**649**	426
	8,970	6,974

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

	Number of individuals	
	2026	2025
HK$1,000,001 to HK$1,500,000	**2**	2
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**1**	2
	4	4

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office during the year (2025: Nil). No five highest paid individuals waived or agreed to waive any remuneration during the year (2025: Nil).

13. INCOME TAX EXPENSES

	2026 HK$'000	2025 HK$'000
Current tax:		
Hong Kong	–	–
The PRC	–	–
	–	–

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

No provision for Hong Kong profits tax and the PRC corporate income tax have been made as the Group did not generate any assessable profits arising in Hong Kong and the PRC during the year (2025: Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, the provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

Subsidiaries of the Group located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (2025: 25%) on their assessable profits.

13. INCOME TAX EXPENSES (continued)

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

	Hong Kong		PRC		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
(Loss) profit before income tax	**(12,391)**	(8,818)	**(1,325)**	2,365	**(13,716)**	(6,453)
Tax at the applicable tax rate	**(2,045)**	(1,455)	**(331)**	591	**(2,376)**	(864)
Income not subject to tax	**(847)**	(992)	**–**	–	**(847)**	(992)
Expenses not deductible for tax	**614**	713	**–**	–	**614**	713
Tax losses not recognised	**2,278**	1,734	**331**	239	**2,609**	1,973
Tax losses utilised from previous years	**–**	–	**–**	(830)	**–**	(830)
Income tax expense	**–**	–	**–**	–	**–**	–

The Group has tax losses arising in Hong Kong of approximately HK$189,548,000 (2025: HK$184,264,000) which are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses because in the opinion of the Directors, it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group has tax losses arising in the PRC of approximately HK$202,000 (2025: HK$8,774,000), that are available for five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses because it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

14. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK$13,312,000 (2025: HK$7,444,000), and the weighted average number of ordinary shares of 48,276,744 (2025: 48,276,744, as restated) in issue during the year.

For the year ended 31 March 2026, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the share consolidation effective on 24 June 2026.

Comparative figures of the weighted average number of shares for calculating basic loss per share has been adjusted on the assumption that the share consolidation had been effective in prior year.

Diluted loss per share

The diluted loss per share is the same as the basic loss per share for the years ended 31 March 2026 and 2025 because the Company's share options outstanding during these years were anti-dilutive.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold improvement HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Tools and machinery HK$'000	Total HK$'000
Cost						
At 1 April 2024	46,986	2,254	5,576	3,231	11,838	69,885
Additions	–	5	170	–	474	649
Disposals	–	–	–	(266)	–	(266)
Written-off	–	–	(80)	–	(348)	(428)
Exchange realignment	(327)	–	(1)	(11)	(24)	(363)
At 31 March 2025 and 1 April 2025	46,659	2,259	5,665	2,954	11,940	69,477
Additions	–	905	802	–	290	1,997
Disposals	–	–	(5)	–	(43)	(48)
Disposal of subsidiaries	–	–	(20)	(1,580)	–	(1,600)
Written-off	–	(2,002)	(120)	–	(173)	(2,295)
Exchange realignment	2,725	–	9	–	243	2,977
At 31 March 2026	**49,384**	**1,162**	**6,331**	**1,374**	**12,257**	**70,508**
Accumulated depreciation and impairment						
At 1 April 2024	41,686	1,615	4,904	2,437	11,096	61,738
Charge for the year	1,030	444	335	63	360	2,232
Written back on disposals	–	–	–	(266)	–	(266)
Written-off	–	–	(73)	–	(223)	(296)
Exchange realignment	(294)	–	(1)	(9)	(24)	(328)
At 31 March 2025 and 1 April 2025	42,422	2,059	5,165	2,225	11,209	63,080
Charge for the year	1,057	419	288	63	394	2,221
Written back on disposals	–	–	(5)	–	(36)	(41)
Disposal of subsidiaries	–	–	(20)	(1,353)	–	(1,373)
Written-off	–	(2,002)	(115)	–	(159)	(2,276)
Exchange realignment	2,508	–	9	–	203	2,720
At 31 March 2026	**45,987**	**476**	**5,322**	**935**	**11,611**	**64,331**
Carrying amount						
At 31 March 2026	**3,397**	**686**	**1,009**	**439**	**646**	**6,177**
At 31 March 2025	4,237	200	500	729	731	6,397

At 31 March 2026 and 2025, the Group was in the process of obtaining the building ownership certificates of the Group's buildings. Notwithstanding this, the Directors are of the opinion that the Group has obtained the legal rights to use these assets as at 31 March 2026 and 2025.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK$'000	2025 HK$'000
Assets management funds	**–**	5,902

17. LEASES AND RIGHT-OF-USE ASSETS

	2026 HK$'000	2025 HK$'000
Disclosures of lease-related items:		
At 31 March		
Right-of-use assets		
– Buildings	**2,418**	1,221
– Machinery	**389**	–
	2,807	1,221
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Within 1 year	**2,671**	1,531
– Between 2 and 5 years	**512**	92
	3,183	1,623
Depreciation charge of right-of-use asset		
– Buildings	**2,178**	2,622
– Machinery	**144**	–
	2,322	2,622
Lease interests	**222**	176
Expenses related to short-term leases	**–**	–
Total cash outflow for leases	**2,877**	3,301
Additions to right-of-use assets	**4,077**	–

The Group leases various buildings. Lease agreements are typically made for fixed periods of 2 to 5 years (2025: 2 to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

18. INVENTORIES

	2026 HK$'000	2025 HK$'000
Finished goods	**475**	45

19. TRADE RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables	**63,542**	63,053
Less: Impairment loss recognised on trade receivables	**(4)**	(163)
	63,538	62,890

The Group's trading terms with its customers are mainly on credit. Trade receivables are non-interest-bearing and are generally terms of 0 to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances.

As at 1 April 2025, trade receivables from contracts with customers amounted to HK$60,242,000.

Reconciliation of impairment loss for trade receivables:

	2026 HK$'000	2025 HK$'000
Balance at the beginning of the year	**163**	205
Impairment losses reversed, net	**(1)**	(41)
Disposal of subsidiaries	**(158)**	–
Exchange realignment	**–**	(1)
Balance at the end of the year	**4**	163

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

	2026 HK$'000	2025 HK$'000
Within 30 days	**29,280**	30,035
31 to 60 days	**24,368**	27,964
61 to 90 days	**7,708**	4,706
91 to 120 days	**2,050**	151
Over 120 days	**132**	34
	63,538	62,890

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the Directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

19. TRADE RECEIVABLES (continued)

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The weighted average expected credit losses also incorporate forward looking information.

	Current	Within 30 days past due	31-60 days past due	61-120 days past due	121 days-1 year past due	Over 1 year past due	Total
At 31 March 2026							
Weighted average expected loss rate	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**	
Receivable amount (HK$'000)	**29,284**	**24,368**	**7,708**	**2,050**	**132**	**–**	**63,542**
Loss allowance (HK$'000)	**4**	**–**	**–**	**–**	**–**	**–**	**4**
At 31 March 2025							
Weighted average expected loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Receivable amount (HK$'000)	30,037	27,966	4,707	151	34	158	63,053
Loss allowance (HK$'000)	2	2	1	–	–	158	163

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	2026 HK$'000	2025 HK$'000
Prepayments		**2,143**	1,946
Deposits		**2,877**	1,980
Other receivables		**524**	4,799
Amount due from a related company, gross	30(b)	**6,945**	7,030
Less: Impairment loss recognised on other receivables		**(1,047)**	(563)
		11,442	15,192

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Reconciliation of impairment loss for other receivables and deposits:

	Notes	2026 HK$'000	2025 HK$'000
Balance at the beginning of the year		**563**	630
Impairment losses recognised (reversed)	9	**612**	(65)
Disposal of subsidiaries		**(127)**	–
Exchange realignment		**(1)**	(2)
Balance at the end of the year		**1,047**	563

21. CASH AND BANK BALANCES AND PLEDGED TIME DEPOSITS

	2026 HK$'000	2025 HK$'000
Cash at banks and on hand	**31,203**	27,985
Time deposits with initial term no more than three months	**21,171**	30,365
Time deposits with initial term over three months	**5,176**	5,000
Cash and bank balances and pledged time deposits presented in consolidated statement of financial position	**57,550**	63,350
Less: Pledged time deposits with initial term over three months for banking facilities	**(5,176)**	(5,000)
Less: Pledged short-term time deposits for banking facilities	**(2,116)**	(2,111)
Cash and cash equivalents presented in consolidated statement of cash flows	**50,258**	56,239

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK$366,000 (2025: HK$183,000). RMB is not freely convertible into other currencies; however, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between five days and one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

21. CASH AND BANK BALANCES AND PLEDGED TIME DEPOSITS (continued)

At the end of the reporting period, the Group's banking facilities amounting to HK$7,000,000 (2025: HK$7,000,000), of which HK$2,215,000 (2025: HK$2,222,000) had been utilised as at the end of the reporting period, are secured by the pledge of certain of the Group's time deposits amounting to approximately HK$7,292,000 (2025: approximately HK$7,111,000).

22. TRADE PAYABLES

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

	2026 HK$'000	2025 HK$'000
Within 30 days	**6,795**	7,256
31 to 60 days	**5,399**	6,139
Over 90 days	**111**	698
	12,305	14,093

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

23. OTHER PAYABLES AND ACCRUALS

	2026 HK$'000	2025 HK$'000
Other payables	**20,015**	9,991
Provisions and accruals (Note a)	**30,932**	28,360
	50,947	38,351

Note:

a. Provisions and accruals mainly represent the accrued staff costs incurred in the Group.

24. PROMISSORY NOTES PAYABLE

During the prior year ended 31 March 2021, the Company issued three promissory notes to an investor in the aggregate principal sum of HK$3,000,000 and bearing interest at 8% per annum. The promissory notes should be repayable in full by 31 January 2023 but the expiry date has been extended to 31 January 2024 and further extended to 31 January 2025 by the Company and the investor. In January 2025, the Group was unable to repay the promissory notes payable which was due for payment in accordance with the respective loan agreement. The suspension of payment of principal and interest of promissory notes payable constitute a default of payment. The default promissory notes payable amounted to HK$3,000,000 is presented under current liabilities in the Group's consolidated statement of financial position as at 31 March 2026. No remedies in respect of the defaults have been agreed with the notes holders up to the date of this report.

25. LEASE LIABILITIES

	2026 HK$'000	2025 HK$'000
Lease liabilities payable:		
Within one year	**1,380**	1,504
Within a period of more than one year but not exceeding two years	**1,448**	90
Subtotal	**2,828**	1,594
Less: Amount due for settlement within 12 months shown under current liabilities	**(1,380)**	(1,504)
Amount due for settlement after 12 months shown under non-current liabilities	**1,448**	90

At 31 March 2026, the average effective borrowing rates ranged from 4.75% to 11.19% (2025: 4.75% to 6.13%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

26. SHARE CAPITAL

	2026 HK$'000	2025 HK$'000
Authorised:		
4,000,000,000 ordinary shares of HK$0.01 each	**40,000**	40,000
Issued and fully paid:		
1,931,069,796 (as at 31 March 2025: 1,931,069,796) ordinary shares of HK$0.01 each	**19,311**	19,311

A summary of the transactions during the year with reference to the below movements in the Company's issued ordinary share capital is as follow:

	Number of shares in issue	Issued capital HK$'000
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	1,931,069,796	19,311

27. SHARE OPTION SCHEME

The share option scheme (the "Share Option Scheme") of the Company was approved and adopted by the shareholders in the annual general meeting of the Company held on 25 September 2015 and shall be valid and effective for a period of 10 years up to 24 September 2025.

The maximum number of shares which may be issued upon exercise of all options which may be granted at any time under this Share Option Scheme together with options which may be granted under any other share option schemes for the time being of the Company shall not exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme ("Scheme Mandate Limit"). The Scheme Mandate Limit may be refreshed by the shareholders in general meeting in accordance with the rules of the Share Option Scheme.

The Scheme Mandate Limit was refreshed by the shareholders at the annual general meeting of the Company held on 27 September 2018. The maximum number of shares which can be issued upon the exercise of all the share options to be granted under the refreshed Scheme Mandate Limit shall be 160,920,313 shares, representing 10% of a total of 1,609,203,130 shares in issue as at the date of approval of the refreshment of Scheme Mandate Limit. For details, please refer to the supplementary circular to the annual general meeting of the Company dated 4 September 2018.

The Scheme Mandate Limit was refreshed by the shareholders at the annual general meeting of the Company held on 25 September 2020. The maximum number of shares which can be issued upon the exercise of all the share options to be granted under the refreshed Scheme Mandate Limit shall be 167,586,979 shares, representing 10% of a total of 1,675,869,796 shares in issue as at the date of approval of the refreshment of Scheme Mandate Limit. For details, please refer to the circular to the annual general meeting of the Company dated 30 July 2020.

According to the Share Option Scheme, the Board may at its absolute discretion, offer to grant option to any participant as the Board may think fit. The amount payable on acceptance of an option is HK$1.00. The offer of option shall be accepted by the Participants within 28 days from the date of the offer, otherwise the offer shall be deemed to have been irrevocably declined and lapsed automatically.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each Grantee but may not be exercised after the expiry of ten years from the Offer Date. The Board may impose restrictions on the exercise of an Option during the period an Option may be exercised.

For the purpose of this section, participants refers to (i) any eligible employee as stated in the Share Option Scheme; (ii) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any entity in which the Group holds any equity (the "Invested Entity"); (iii) any supplier of goods or services to the member of the Group or any Invested Entity; (iv) any customer of the Group or any Invested Entity; (v) any consultant, adviser, legal consultant, legal adviser, agent and contractor engaged by the Company, the Group or any Invested Entity; (vi) any shareholder and director of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and (vii) any other classes of participants who have contributed or may contribute, whether by way of joint venture, business alliance, other business arrangement, or otherwise, to the development and growth of Group.

The purpose of the Share Option Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and to encourage the participants to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group and any Invested Entity.

27. SHARE OPTION SCHEME (continued)

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the options but in any case the subscription price shall not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

(a) Details of the specific categories of options are as follows:

	Number of share options outstanding as at 31 March 2026	Number of share options outstanding as at 31 March 2025	Date of grant	Vesting period	Exercise period	Exercise price per share HK$
Share options granted to employees – 2018	7,736,000	9,000,302	6/7/2018	1 year from the date of grant	6/7/2019 to 5/7/2028	0.278
Share options granted to directors – 2020	17,600,000	33,600,000	23/7/2020	N/A	23/7/2020 to 22/7/2030	0.094
Share options granted to employees – 2020	31,500,000	37,500,000	23/7/2020	N/A	23/7/2020 to 22/7/2030	0.094
	56,836,000	80,100,302				

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

(b) Details of the share options outstanding during the year are as follows:

	2026		2025	
	Number of share options	Weighted average exercise price HK$	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**80,100,302**	**0.115**	90,389,302	0.116
Forfeited during the year	**(23,264,302)**	**0.104**	(10,289,000)	0.126
Outstanding at the end of the year	**56,836,000**	**0.119**	80,100,302	0.115
Exercisable at the end of the year	**56,836,000**		80,100,302	

27. SHARE OPTION SCHEME (continued)

Detail movements of the share options granted to directors and employees during the years ended 31 March 2025 and 2026 are listed below in accordance with chapter 17 of the Listing Rules:

Name or category of participant	As at 1 April 2024	Forfeited during the year	As at 1 April 2025	Forfeited during the year	As at 31 March 2026	Date of grant of share option	Exercise period of share option	Exercise price of share options HK$ per share
Mr. Lo Kou Hong	16,000,000	–	16,000,000	–	16,000,000	23/7/2020	23/7/2020 to 22/7/2030	0.094
Mr. Wang Qi	1,600,000	–	1,600,000	–	1,600,000	23/7/2020	23/7/2020 to 22/7/2030	0.094
Mr. Tsui Kwok Hing	16,000,000	–	16,000,000	(16,000,000)	–	23/7/2020	23/7/2020 to 22/7/2030	0.094
Mr. Leung Cheung Hang	8,000,000	(8,000,000)	–	–	–	23/7/2020	23/7/2020 to 22/7/2030	0.094
Sub-total	41,600,000	(8,000,000)	33,600,000	(16,000,000)	17,600,000			
Continuous Contracts Employees	9,343,302	(343,000)	9,000,302	(1,264,302)	7,736,000	6/7/2018	6/7/2019 to 5/7/2028	0.278
Continuous Contracts Employees	38,000,000	(500,000)	37,500,000	(6,000,000)	31,500,000	23/7/2020	23/7/2020 to 22/7/2030	0.094
Sub-total	47,343,302	(843,000)	46,500,302	(7,264,302)	39,236,000			
All other eligible participant	1,446,000	(1,446,000)	–	–	–	23/7/2018	6/7/2018 to 5/7/2028	0.278
All other eligible participant	–	–	–	–	–	23/7/2020	23/7/2020 to 22/7/2030	0.094
Sub-total	1,446,000	(1,446,000)	–	–	–			
Total	90,389,302	(10,289,000)	80,100,302	(23,264,302)	56,836,000			

No share options (2025: nil) were exercised and 23,264,302 share options (2025: 10,289,000 share options) were forfeited during the year ended 31 March 2026. The options outstanding at the end of the year have a weighted average remaining contractual life of 4.1 years (2025: 5.1 years) and the exercise price range from HK$0.094 to HK$0.278 per share (2025: HK$0.094 to HK$0.278 per share).

27. SHARE OPTION SCHEME (continued)

The fair values of options granted under the Share Option Scheme measured at the date of grant during the prior year ended 31 March 2019 was approximately HK$8,780,000. The following significant assumptions were used to derived the fair value using the Binomial Option Pricing Model:

	6 July 2018	6 July 2018
Grantee	Director	Employee
Total number of share option	34,708,000	23,232,604
Option value	0.174	0.157
Option life	10 years	10 years
Expected tenor	10 years	10 years
Exercise price	0.278	0.278
Stock price at the date of grant	0.275	0.275
Expected volatility	80.88%	80.88%
Risk-free rate	2.11%	2.11%

The fair values of options granted under the Share Option Scheme measured at the date of grant during the prior year ended 31 March 2021 was approximately HK$9,691,000. The following significant assumptions were used to derived the fair value using the Binomial Option Pricing Model:

	23 July 2020	23 July 2020
Grantee	Director	Employee
Total number of share option	52,800,000	108,000,000
Option value (HK$)	0.0484	0.0434
Option life	10 years	10 years
Expected tenor	10 years	10 years
Exercise price (HK$)	0.094	0.094
Stock price at the date of grant (HK$)	0.094	0.094
Expected volatility	78.43%	78.43%
Risk-free rate	0.49%	0.49%

Expected volatility was reference to Bloomberg calculated from the weighted average historical volatility of weekly return of share price of comparable companies and the Company. Risk-free rate represents the yields to maturity of Hong Kong Exchange Fund Note with respective terms to maturity as at the share options granted date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considers.

28. RESERVES

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

(a) The Group's merger reserve arose from the business combination under common control in respect of the acquisition of Peixin Group Limited in the year ended 31 March 2009.

(b) The Group's contributed surplus represents the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor.

(c) In 2020, the directors resolved to dispose of the 100% equity interest in a subsidiary which holding the Drama Scripts. On 19 June 2020, the Company and the original vendor (the "Vendor") entered into a settlement agreement ("Settlement Agreement"), pursuant to which, the Company disposed of 100% equity interest in the subsidiary to the Vendor, and the shares previously issued to the Vendor for acquisition would be disposed of in public market and the proceeds would be paid to the Company accordingly. During the prior year ended 31 March 2022, the Drama Scripts had been returned to the Vendor. The proceeds from disposal were expected to be less than the carrying amounts of the relevant intangible assets, and accordingly, impairment losses of approximately HK$533,000 had been recognised for the prior year ended 31 March 2022 on intangible assets.

    In March 2023, all the returned shares of 66,666,666 escrow consideration shares of the Company were disposed of in public market through the security account of a subsidiary of the Company for approximately HK$2,216,000 and credited to other reserve accordingly.

29. DISPOSAL OF SUBSIDIARIES

On 27 June 2025, the Group entered into a sale and purchase agreement with an independent third party for the disposal of two group entities, namely Precise Vision International Limited and Utter Enlightenment International Limited along with their respective subsidiaries. The sub-consolidated financial information for these entities is presented below:

	Notes	27 June 2025 HK$'000
Net assets disposed of:		
Property, plant and equipment		227
Trade receivables		–
Prepayments, deposits and other receivables		3,807
Cash and bank balances		11
Trade payables		(613)
Other payables and accruals		(16,068)
Subtotal		(12,636)
Exchange fluctuation reserve		(349)
Amounts due with intra-group companies		13,067
Gain on disposal of subsidiaries	8	218
Total consideration		300
Satisfied by:		
Cash		300

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	27 June 2025 HK$'000
Cash consideration	300
Cash and bank balances disposed of	(11)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	289

30. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following transactions and balances with related companies, of which certain directors are also Directors, during the years ended 31 March 2025 and 2026.

(a) Related party transactions:

	2026 HK$'000	2025 HK$'000
Management fee income from a related company (note 8)	**60**	60

Note: The management fee income from the provision of accounting and administrative services and the sharing of office space and facilities with the Group was received in a lump sum annually with reference to the actual costs incurred.

(b) Balances with related parties:

	2026 HK$'000	2025 HK$'000
Amounts due from related companies		
Honest Grand International Limited and its subsidiaries	**6,945**	7,030
Less: Impairment loss recognised	**(709)**	(113)
	6,236	6,917
Amount due to a related company		
Sky Merit International Ltd	**1,055**	1,055
Loans from directors		
Within one year		
Tsui Kwok Hing	**–**	10,991
Lo Kou Hong	**100**	100
Leung Nga Tat	**240**	75
Yau Pak Yue	**180**	75
Wang Qi	**160**	50
Lin Shuang	**69**	–
Chan Frank Clifford Shui Ting Chu	**37**	–
Chen Yun	**37**	–
Yuen Ka Tai, Wilson	**19**	–
Mui Kay Boon	**19**	–
	861	11,291

The amounts due are unsecured and interest-free and should be repaid within one year.

30. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group:

	2026 HK$'000	2025 HK$'000
Short-term employee benefits	**2,533**	2,752
Retirement scheme contributions	**182**	177
	2,715	2,929

Further details of directors' emoluments are included in note 11 to the consolidated financial statements.

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Investments in subsidiaries	(i)	**19,971**	19,971
		19,971	19,971
Current assets			
Amounts due from subsidiaries		**21,087**	25,210
Prepayments, deposits and other receivables		**606**	606
Cash and cash equivalents		**102**	155
		21,795	25,971
Current liabilities			
Other payables and accruals		**8,751**	1,518
Loans from directors		**861**	5,156
Amount due to subsidiary		**62**	62
		9,674	6,736
NET CURRENT ASSETS		**12,121**	19,235
NET ASSETS		**32,092**	39,206
CAPITAL AND RESERVES			
Share capital	26	**19,311**	19,311
Reserves	32	**12,781**	19,895
TOTAL EQUITY		**32,092**	39,206

Approved by the Board of Directors on 29 June 2026 and signed on its behalf by:

Lo Kou Hong
Co-chairman

Lin Shuang
Co-chairman

32. RESERVES OF THE COMPANY

A summary of the Company's reserves is as follows:

	Share premium HK$'000	Capital redemption reserve HK$'000	Share option reserve HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	563,658	254	5,378	59,511	(604,474)	24,327
Loss for the year	–	–	–	–	(4,432)	(4,432)
Total comprehensive loss for the year	–	–	–	–	(4,432)	(4,432)
Forfeit of share options	–	–	(715)	–	715	–
At 31 March 2025 and 1 April 2025	563,658	254	4,663	59,511	(608,191)	19,895
Loss for the year	–	–	–	–	(7,114)	(7,114)
Total comprehensive loss for the year	–	–	–	–	(7,114)	(7,114)
Forfeit of share options	–	–	(1,233)	–	1,233	–
At 31 March 2026	**563,658**	**254**	**3,430**	**59,511**	**(614,072)**	**12,781**

33. PARTICULARS OF THE SUBSIDIARIES

A summary of the Company's reserves is as follows:

Name	Place of incorporation/ registration	Nominal value of issued ordinary/ registered share capital	Percentage of equity interests attributable to the Company	Principal activities
Directly held:				
Xinhua News Media Limited	British Virgin Islands	US$1 Ordinary	100%	Provision of advertising media business
Sinopoint Corporation	British Virgin Islands/ Hong Kong	US$100 Ordinary	100%	Investment holding
Indirectly held:				
Lo's Cleaning Services Limited	Hong Kong	HK$100 Ordinary HK$26,768,000 Non-voting deferred	100%	Provision of cleaning and related services
Lo's Enviro-Pro Limited	Hong Kong	HK$100	100%	Investment holding
Marce International Limited	British Virgin Islands/ Hong Kong	US$100 Ordinary	100%	Investment holding
Peixin Group Limited	British Virgin Islands/ Hong Kong	–	70%	Investment holding
Shuyang ITAD Environmental Technology Limited*	PRC	RMB123,640,000	70%	Provision of waste treatment services

* Registered as wholly foreign-owned enterprises under PRC law

The Directors made an assessment as at the reporting period that there is no individual subsidiary that was non-controlling interest which is material to the Group and therefore no financial information is disclosed for these non-wholly owned subsidiaries.

Significant restrictions

Cash and short-term deposits of RMB held in the PRC are subject to local exchange control regulations. These local exchange control regulations provide for the restrictions on exporting capital from the PRC, other than through normal dividends.

34. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital 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. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025.

The Group monitors capital using a current ratio, which is current assets divided by the current liabilities, and gearing ratio, which is the total interest-bearing debts divided by total equity. The Group's policy is to maintain net positive current assets and a current ratio greater than one and a prudent level of gearing ratio that complies with debt covenant and requirement. The current ratios and gearing ratios at end of the reporting period are as follows:

	2026 **HK$'000**	2025 HK$'000
Current assets	**133,005**	147,379
Current liabilities	**(69,548)**	(69,577)
Net current assets	**63,457**	77,802
Current ratio	**1.9**	2.1
Promissory notes payable (note 24)	**3,000**	3,000
Total equity	**70,993**	85,330
Gearing ratio	**4.2%**	3.5%

35. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2026 HK$'000	2025 HK$'000
Financial assets:		
Financial assets at fair value through profit or loss	–	5,902
Financial assets at amortised cost (including cash and cash equivalents):		
Trade receivables	63,538	62,890
Financial assets included in prepayments, deposits and other receivables	9,299	12,883
Pledged time deposits	7,292	7,111
Cash and bank balances	50,258	56,239
	130,387	145,025
Financial liabilities:		
Financial liabilities at amortised cost:		
Trade payables	12,305	14,093
Financial liabilities included in other payables and accrued liabilities	42,823	30,911
Promissory notes payable	3,000	3,000
Amount due to a related company	1,055	1,055
Lease liabilities	2,828	1,594
Loans from directors	861	11,291
	62,872	61,944

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing such risks and they are summarised below.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's interest-bearing financial instruments are mainly cash, short-term deposits and promissory notes.

As at the end of the reporting period, the Group's exposure to interest rate risk is considered to be relatively small as the Group's financial instruments predominately were non-interest-bearing or carried at minimal interest rates.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has no specific policy to deal with foreign currency risk. However, management monitors the exposure and will consider hedging the foreign currency risk exposure for significant cash flow risks should the need arise. As at the end of the reporting period, the Group's exposure to foreign currency risk is minimal as all transactions are denominated in the operating units' functional currency.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its trade and other receivables and deposits with financial institutions.

Trade receivables arising from contracts with customers

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. At the end of the reporting period, the Group has certain concentrations of credit risk as 44% (2025: 42%) and 85% (2025: 79%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively, within the cleaning and related services and advertising media business segment. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 19.

Deposits and other receivables

For deposits, other receivables and amount due from a related company, the directors make periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and/or qualitative information that is reasonable and supportable forward-looking information. The directors believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECLs. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from deposits and other receivables are set out in note 20.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Deposits and other receivables (continued)

The Group's internal credit risk grading assessment comprises the following categories.

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There was an increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Credit-impaired	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired	Lifetime ECL – credit-impaired

Deposits with financial institutions

The Group limits its exposure to credit risk by placing deposits with financial institutions that meet the established credit rating or other criteria. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. At 31 March 2026 and 2025, the Group has low concentration of credit risk as the deposits are placed in various financial institutions.

Maximum exposure and year-end staging

The table below shows the credit quality by reference to internal credit rating and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year end staging classification as at 31 March 2026 and 2025. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECL			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
At 31 March 2026					
Trade receivables*	**–**	**–**	**–**	**63,542**	**63,542**
Financial assets included in deposits and other receivables					
– Normal**	**10,346**	**–**	**–**	**–**	**10,346**
Cash and bank balances					
– Not yet past due	**57,550**	**–**	**–**	**–**	**57,550**
	67,896	**–**	**–**	**63,542**	**131,438**

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

	12-month ECLs	Lifetime ECL			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
At 31 March 2025					
Trade receivables*	–	–	–	63,053	63,053
Financial assets included in deposits and other receivables					
– Normal**	13,446	–	–	–	13,446
Cash and bank balances					
– Not yet past due	63,350	–	–	–	63,350
	76,796	–	–	63,053	139,849

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the consolidated financial statements.

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and debts and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating-rate, the undiscounted amount is derived from existing interest rate at the end of the reporting period.

	Within one year or on demand HK$'000	Two to five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2026				
Trade payables	12,305	–	12,305	12,305
Financial liabilities included in other payables and accrued liabilities	42,823	–	42,823	42,823
Amount due to a related company	1,055	–	1,055	1,055
Promissory notes payable	3,000	–	3,000	3,000
Loans from directors	861	–	861	861
Lease liabilities	1,465	1,739	3,204	2,828
	61,509	1,739	63,248	62,872

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	Within one year or on demand HK$'000	Two to five years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
At 31 March 2025				
Trade payables	14,093	–	14,093	14,093
Financial liabilities included in other payables and accrued liabilities	30,911	–	30,911	30,911
Amount due to a related company	1,055	–	1,055	1,055
Promissory notes payable	3,240	–	3,240	3,000
Loans from directors	11,291	–	11,291	11,291
Lease liabilities	1,531	92	1,623	1,594
	62,121	92	62,213	61,944

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of the Group's financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

37. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

37. FAIR VALUE MEASUREMENTS (continued)

(a) Disclosures of level in fair value hierarchy at 31 March 2026:

Description	Fair value measurement using Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2026 HK$'000
Recurring fair value measurements:				
Financial assets at fair value through profit or loss	–	–	–	–
Investment in funds	–	–	–	–
	–	–	–	–

Disclosures of level in fair value hierarchy at 31 March 2025:

Description	Fair value measurement using Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2025 HK$'000
Recurring fair value measurements:				
Financial assets at fair value through profit or loss				
Investment in funds	5,902	–	–	5,902
	5,902	–	–	5,902

For years ended 31 March 2026 and 2025, there were no transfers of fair value measurements between Level 1 and Level 2, or transfers into or out of Level 3 for both financial assets and financial liabilities.

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Directors determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model and to understand the cause of fluctuations in the fair value of the assets and liabilities.

37. FAIR VALUE MEASUREMENTS (continued)

Level 1 fair value measurements

Description	Valuation technique	Inputs	Fair value 2026 HK$'000	2025 HK$'000
Financial assets at fair value through profit or loss	Market approach	Quoted prices	–	5,902

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Loans from directors HK$'000 (note 30(b))	Promissory notes payable HK$'000 (note 24)	Lease liabilities HK$'000 (note 25)	Total liabilities from financing activities HK$'000
At 31 March 2024	7,775	3,000	4,719	15,494
Changes in cash flows	3,516	–	(3,301)	215
Non-cash changes				
– Interest payable included in other payables	–	(240)	–	(240)
– Interest charged	–	240	176	416
At 31 March 2025 and 1 April 2025	11,291	3,000	1,594	15,885
Changes in cash flows	1,085	–	(2,877)	(1,792)
Non-cash changes				
– Lease termination	–	–	(188)	(188)
– Additions of right of use assets and lease liabilities	–	–	4,077	4,077
– Interest charged	–	–	222	222
– Reallocation	(11,515)	–	–	(11,515)
At 31 March 2026	**861**	**3,000**	**2,828**	**6,689**

39. PLEDGE OF ASSETS

Details the Group's pledged assets are included in note 21 to the consolidated financial statements.

40. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had contingent liabilities as follows:

(a) The Group has executed performance guarantees to the extent of an aggregate amount of approximately HK$2,215,000 (2025: approximately HK$2,222,000) in respect of certain services provided to various customers by the Group; and

(b) During the ordinary course of its business, the Group may from time to time be involved in litigation concerning employment and personal injuries sustained by its employees or third party claimants. The Group maintains insurance cover and, in the opinion of the Directors, based on current evidence, any such existing claims for personal injuries should be adequately covered by the insurance as at 31 March 2026 and 2025.

41. LITIGATIONS

Legal proceedings taken by former non-executive director

On 10 June 2025, a Chinese Arbitration Award being issued in related to a loan alleged to be borrowed, by Heng Qin Hetong Cultural Communication Company Limited and Fujian Yu Sheng Da Supply Chain Management Company Limited (the "related subsidiaries") from Mr. Wang Chunping, a non-executive director, retired on 25 September 2024. The alleged loan amount of RMB5.2 million had not been repaid on the agreed date of 30 June 2024 by the related subsidiaries, and therefore constituting a clear default. Thereafter, Mr. Wang initiated arbitration proceedings, which was accepted by the Fuzhou Arbitration Commission (the "Commission") on 13 November 2024 and on 10 June 2025, the Commission issued an Award in favor of Mr. Wang with terms that the related subsidiaries are ordered to repay Mr. Wang, *inter alia*, the principal loan amount of RMB5.2 million within 10 days from the date of the decision, and overdue interest on the principal loan amount at an annual rate of 3.1%, calculated from 11 November 2024, until full principal amount is repaid.

The legal advisor is of the view that while the repayment agreement referenced in the arbitral award stipulates that disputes may be resolved through arbitration, it does not explicitly state that arbitration is the final and exclusive remedy.

Additionally, since the debt under the repayment agreement has already been adjudicated by the court, the subsequent repayment agreement signed by Mr. Wang regarding the same loan does not involve any actual lending to the related subsidiaries. Consequently, it is highly likely that this agreement would be unenforceable.

Having consulted legal adviser, it is viewed that the Company has strong ground to oppose the alleged loan. The Company reserves the rights of taking legal action for the interest of the Company and its shareholders as a whole.

41. LITIGATIONS (continued)

Winding-up Petition

Subsequent to the year ended 31 March 2026, the Board has become aware that, on 17 June 2026, that a winding-up petition (the "Petition") was filed by Ngans Lawyers LLP (the "Petitioner") on 16 June 2026 at the High Court of the Hong Kong Special Administrative Region (the "High Court") against the Company, on the ground that the Company is indebted to the Petitioner for the outstanding service fee in the sum of approximately HK$588,808.00 in relation to a Retainer Agreement for Annual Legal Services in Chinese. The Petition is scheduled to be heard before the High Court on 9 September 2026.

Pursuant to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Companies (WUMP) Ordinance"), in the event that the Company is ultimately wound up as a result of the Petition, any disposition of the property directly owned by the Company (for the avoidance of doubt, excluding the property of the subsidiaries of the Company), any transfer of shares of the Company, or alteration in the status of the members of the Company, made after the commencement date of the winding up, which is 16 June 2026 when the Petition was filed (the "Commencement Date"), will be void unless a validation order is obtained from the High Court. Any disposition of the property, transfer or alteration made on or after the Commencement Date will not be affected if the Petition is subsequently struck out, dismissed or permanently stayed.

Given the effect of section 182 of the Companies (WUMP) Ordinance, the Board wishes to remind the shareholders and potential investors of the Company that, the transfer of the shares in the Company made on or after the Commencement Date would be void without a validation order from the High Court.

Pursuant to the circular dated 28 December 2016 issued by Hong Kong Securities Clearing Company Limited ("HKSCC") in relation to the transfer of the shares of listed issuers after a winding up petition has been presented, in view of these restrictions and the uncertainties that may arise in relation to the transfer of shares, for participant(s) who conduct share transfers through HKSCC (the "Participant(s)"), HKSCC may at any time, and without notice, exercise its powers under the General Rules of Central Clearing and Settlement System ("CCASS") to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominees Limited's name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly. These measures would generally cease to apply from the date when the Petition has been dismissed or permanently stayed, or the Company has obtained the necessary validation order from the High Court.

The filing of the Petition does not represent the successful winding up of the Company by the Petitioner. No winding up order has been granted by the High Court to wind up the Company as at the date of this report.

The Company will strongly oppose the Petition and is of the view that the Petition does not represent the interests of other stakeholders and may impair the value of the Company. The Company will take action to settle the dispute with the Petitioner and procure the withdrawal of the Petition as soon as possible. It is expected that the Petition would not materially affect the Group's operations as a whole in the near term. If an amicable settlement cannot be reached between the Petitioner and the Company, the Company will seek legal advice on an application for a validation order and take all legal measures to protect its legal rights.

The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Petition as appropriate or as required under the Listing Rules.

42. EVENT AFTER REPORTING PERIOD

On 6 May 2026, the Company and a subscriber (the "Subscriber") have entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Company has conditionally agreed to allot and issue, under general mandate, and the Subscriber has conditional agreed to subscribe for the 153,000,000 Subscription Shares at the Subscription Price of approximately HK$0.033 per Subscription Share. The Subscription money payable by the Subscriber of approximately HK$5.0 million under the Subscription Agreement shall be satisfied by way of off-setting against the principal amount and the interest of the debt confirmation agreement of HK$5,049,000 payable by the Company to the Subscriber. All the conditions as set out in the Subscription Agreement have been fulfilled and completion took place on 27 May 2026.

On 17 May 2026, the Board proposes to implement the Share Consolidation on the basis that every forty (40) issued and unissued Shares of par value of HK$0.01 each be consolidated into one (1) Consolidated Share of HK$0.40 each. The authorised share capital of the Company was HK$40,000,000 divided into 4,000,000,000 Existing Shares with par value of HK$0.01 each, of which 1,931,069,796 Shares have been allotted and issued as fully paid or credited as fully paid as at 31 March 2026.

On 22 June 2026, an extraordinary general meeting ("EGM") has taken place and the proposed ordinary resolution of share consolidation on the basis that every forty (40) issued shares of par value of HK$0.01 each existing then be consolidated into one (1) Consolidated Share of HK$0.40 each, was duly passed by the Shareholders at the EGM by way of poll. The Share Consolidation has become effective on Wednesday, 24 June 2026. Dealing in the Consolidated Shares has commenced at 9:00 a.m. on Wednesday, 24 June 2026. Please refer to the Circular published on 26 May 2026 for the details, including the trading arrangement, the Change in Board Lot Size, the exchange of share certificates and matching services for odd lots in connection with the Share Consolidation. Shareholders should note that the new share certificates of the Consolidated Shares are in grey colour, while the existing share certificates in blue colour will cease to be valid for delivery, trading and settlement purposes after 4:10 p.m. on Friday, 31 July 2026, but will remain valid and effective as documents of title.

43. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 29 June 2026.

FIVE YEARS FINANCIAL SUMMARY

RESULTS

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated/reclassified as appropriate, is set out below.

	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
REVENUE	**358,417**	360,134	322,246	273,619	276,426
(LOSS)/PROFIT BEFORE INCOME TAX	**(13,716)**	(6,453)	(13,713)	(17,800)	(16,729)
INCOME TAX (EXPENSES)/CREDITS	**–**	–	–	(192)	(425)
(LOSS)/PROFIT FOR THE YEAR	**(13,716)**	(6,453)	(13,713)	(17,992)	(17,154)
ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY	**(13,312)**	(7,444)	(13,402)	(17,671)	(16,651)
NON-CONTROLLING INTERESTS	**(404)**	991	(311)	(321)	(503)
(LOSS)/PROFIT FOR THE YEAR	**(13,716)**	(6,453)	(13,713)	(17,992)	(17,154)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**141,989**	154,997	161,737	175,797	190,965
TOTAL LIABILITIES	**(70,996)**	(69,667)	(69,984)	(70,135)	(77,054)
TOTAL EQUITY	**70,993**	85,330	91,753	105,662	113,911
ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY	**71,269**	85,119	92,530	106,110	114,099
NON-CONTROLLING INTERESTS	**(276)**	211	(777)	(448)	(188)
TOTAL EQUITY	**70,993**	85,330	91,753	105,662	113,911