Artini Holdings Limited
雅天妮集團有限公司

(Incorporated in the Bermuda with limited liability)

Stock Code : 789

2025/26

ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Long *(Chairman)*
Mr. Chen Shaojia *(Chief Executive)*

Independent Non-executive Directors

Mr. Yuen Wai Kin
Mr. Ma Sai Yam
Ms. Ji Lingzi

AUDIT COMMITTEE

Mr. Yuen Wai Kin *(Chairman)*
Ms. Ji Lingzi
Mr. Ma Sai Yam

REMUNERATION COMMITTEE

Mr. Ma Sai Yam *(Chairman)*
Mr. Chen Long
Mr. Yuen Wai Kin
Ms. Ji Lingzi

NOMINATION COMMITTEE

Mr. Yuen Wai Kin *(Chairman)*
Mr. Chen Long
Ms. Ji Lingzi
Mr. Ma Sai Yam

COMPANY SECRETARY

Mr. Wong Yun Fai

AUTHORISED REPRESENTATIVES

Mr. Chen Long
Mr. Wong Yun Fai

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Unit No. 8502, Level 85
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

PRINCIPAL BANKERS

CMB Wing Lung Bank Limited
China Construction Bank (Asia) Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited

LEGAL ADVISERS

As to Bermuda law

Conyers Dill & Pearman
2901, One Exchange Square
8 Connaught Place
Central
Hong Kong

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Units 4301–07
Cosco Tower
183 Queen's Road Central
Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

LISTING EXCHANGE INFORMATION

Place of Listing

The Stock Exchange of Hong Kong Limited

Stock Code

789

COMPANY'S WEBSITE

www.artini.com.hk

Chairman's Statement

With innate artistic talent,

ARTINI

embraces artistic designs of its products with the essence of Chinese elegance:

A timeless classic through assimilation and white empties.

DEAR SHAREHOLDERS,

On behalf of the board (the "Board") of directors (the "Directors") of Artini Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2026 (the "Year") to all shareholders of the Company (the "Shareholders").

REVIEW

In 2026, the global economy has continued to experience an uneven recovery due to the combined impact of multiple structural factors. Although global inflationary pressures have recently shown slight signs of peaking and easing, the long-term accumulation of rising living costs, coupled with the lagging effects of a high-interest-rate environment, continues to erode the purchasing power of the general public. Furthermore, ongoing geopolitical tensions and the restructuring of global supply chains have further heightened uncertainty in the macroeconomic market. Faced with a complex business environment and intensifying industry competition, the Group has consistently adhered to the principle of prudent management and remains committed to achieving steady progress whilst maintaining stability. During the Year, the Group recorded a total revenue of approximately HK$162,124,000, representing a year-on-year increase of approximately 7.6%. However, due to the combined effects of a decrease in the overall gross profit margin and resource investments during the strategic transition period, a net loss of approximately HK$9,633,000 was recorded for the Year. Despite facing short-term profitability pressure, we have made substantial progress in optimizing our business structure and laying out our core business tracks.

Looking back over the Year, the beauty and health products sales business has seen significant growth, with revenue from this segment officially becoming the Group's largest source of income and its core growth engine. As public demand for personal health management and anti-ageing solutions continues to grow, the Group, drawing on its efficient execution and precise market insights, has successfully established this segment as a "second growth curve" characterized by strong resilience and high growth potential. In line with this broader trend, we have elevated the brand positioning to embody "Refined living" and "holistic physical and mental well-being". Not only has this created a positive synergy with the Group's existing fashion DNA, but it has also significantly enhanced its market competitiveness and brand loyalty.

On the other hand, despite the lack of significant recovery in the overall luxury goods industry, resulting in a sharp decline in sales for the fashion accessories business, we continue to optimize our product portfolio and have accurately identified the consumer trends of "New Chinese Style" and "Chinese-inspired fashion", skilfully blending elements of China's rich traditional culture with precious metal design. Meanwhile, against a backdrop of rising comprehensive trade barriers, we have strategically allocated further resources to focus our efforts on deepening our presence in the Chinese market, advancing our brand positioning transformation and channel expansion into lower-tier markets, thereby enabling the Group's long-term development to be deeply integrated into the nation's new "dual circulation" development paradigm.

PROSPECT

Looking ahead, although geopolitical risks and global economic volatility are expected to continue to pose challenges to the consumer goods sector as a whole, the Group remains confident in its long-term prospects. We will steadfastly adopt a "dual-drive" strategy, focusing on a dual-track approach of "beauty and health" and "fashion accessories", to capitalize on the synergies between our two main business segments.

As market competition intensifies, we will further increase our investment in offline marketing and drive the deep integration of online and offline channels to enhance market penetration and customer loyalty. We are committed to providing consumers with a refined lifestyle experience "from the inside out", thereby expanding our new customer base and promoting cross-selling.

Furthermore, in line with the robust growth of our business and the Group's overall long-term strategy, the Group will prioritize "deepening our industrial chain layout" in the coming year. We will actively seek strategic opportunities for both horizontal and vertical expansion along the industrial chain, undertaking comprehensive integration and upgrading across the entire spectrum – from optimizing the supply chain at source and quality control to the end-user sales network. We will also actively respond to the nation's 14th Five-Year Plan by further increasing our investment of resources in the Chinese market, and actively explore suitable strategic partnerships or merger and acquisition opportunities, in order to build a solid competitive barrier for the industry and enhance the stability of our earnings.

APPRECIATION

I would like to express my gratitude to all of the staff for their commitment, dedication and professionalism that have led to the Group's continuous success. The Board would like to thank each member of staff for their hard work and dedication, and would also like to express its sincere gratitude to the Group's shareholders, customers and suppliers for their continuous valuable support.

Artini Holdings Limited

Chen Long
Chairman and Executive Director
Hong Kong, 30 June 2026

Five-Year Financial Highlights

(All amounts in HK$ thousands unless otherwise stated)

	For the year ended 31 March				
	2026	2025	2024	2023	2022
Revenue	**162,124**	150,700	71,180	63,692	76,968
Gross profit	**27,301**	34,229	15,860	16,179	14,053
Profit/(loss) for the year	**(9,633)**	7,609	6,825	(1,435)	(22,377)
Non-current assets	**26,007**	36,007	34,174	28,106	32,802
Current assets	**164,758**	161,432	116,035	126,216	130,696
Current liabilities	**14,586**	18,558	30,751	23,884	22,461
Net current assets	**150,172**	142,874	85,284	102,332	108,235
Total assets less current liabilities	**176,179**	178,881	119,458	130,438	141,037
Total equity	**176,039**	176,925	113,130	130,396	140,752
Gross profit margin (%)	**16.8**	22.7	22.3	25.4	18.3
Net profit/(loss) margin (%)	**(5.9)**	5.0	9.6	(2.3)	(29.1)
Basic and diluted earnings/(loss) per share (HK$)	**(0.007)**	0.006	0.006	(0.001)	(0.020)
Current ratio (times)	**11.3**	8.7	3.8	5.3	5.8
Return on equity (%)	**(5.5)**	4.3	6.0	(1.1)	(15.9)
Return on assets (%)	**(5.0)**	3.9	4.5	(0.9)	(13.7)

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in the fashion accessories business, and skincare and health products sales business.

Looking back over the Year, the global economy has continued to experience an uneven recovery due to the combined impact of multiple structural factors, with growth momentum facing significant pressure. Although global inflationary pressures have recently shown slight signs of peaking and easing, the long-term accumulation of rising living costs, coupled with the lagging effects of a high-interest-rate environment, continues to erode the purchasing power of the general public. Furthermore, ongoing geopolitical tensions and the restructuring of global supply chains have further heightened uncertainty in the macroeconomic market. Faced with a complex business environment and intensifying industry competition, the Group has consistently adhered to the principle of prudent management and remains committed to achieving steady progress whilst maintaining stability. In response to shifting consumer patterns, the Group has pressed ahead despite the challenges, actively optimising its product portfolio to meet market demand for products offering good value for money. Meanwhile, we continue to explore digital marketing and potential opportunities across various sectors, proactively adapting to emerging consumer trends and striving to maintain our market share in the face of adversity.

During the Year, the Group recorded a total revenue of approximately HK$162,124,000 (2025: approximately HK$150,700,000). Gross profit for the Year amounted to approximately HK$27,301,000 (2025: approximately HK$34,229,000), and loss for the Year amounted to approximately HK$9,633,000 (2025: profit of approximately HK$7,609,000).

Optimizing the Product Portfolio of the Fashion Accessories Business and Strengthening Market Presence

Despite the lack of significant recovery in the overall luxury goods industry during the Year, resulting in a sharp decline in sales for the Group's fashion accessories business, the Group has not slowed down its efforts to optimize this segment; rather, it has viewed this as a key opportunity to drive the brand's transformation. The Group continues to refine the market positioning of its brands, not only by deepening product innovation but also by focusing on enhancing brand value and cultural significance. We have accurately identified the consumer trends of "New Chinese Style" and "Chinese-inspired fashion", skilfully blending elements of China's rich traditional culture with precious metal design to launch product ranges that combine Eastern aesthetics with modern style. We are striving to consolidate our core customer base and attract a younger generation of consumers amidst challenging circumstances. Against a backdrop of rising global trade barriers and persistent geopolitical risks, the Group is actively adjusting its market strategy to minimize the adverse impact of potential fluctuations in tariff policies on its business. During the Year, we have strategically allocated further resources to focus our efforts on deepening our presence in the market of the People's Republic of China (the "PRC"). In line with the nation's macro-strategy of continuously expanding domestic demand and promoting high-quality economic development, as well as the far-reaching plans for the development of the Guangdong – Hong Kong – Macao Greater Bay Area, the Group has advanced its brand positioning transformation and channel expansion into lower-tier markets within the Chinese market. This has not only effectively enhanced the Group's resilience to risks but has also enabled its long-term development to be deeply integrated into the nation's new "dual circulation" development paradigm.

Focusing on the "Appearance Economy" and Big Health Sector to Build the Group's Core Growth Engine

During the Year, the beauty and health products business has seen significant growth, with revenue from this segment officially becoming the Group's largest source of income and its core growth engine. This impressive achievement has not only effectively mitigated the risks associated with the downturn in the traditional fashion accessories segment and driven the Group's overall revenue to grow against the market trend, but has also demonstrated the tremendous success of the Group's forward-looking strategic planning. As public demand for personal health management and anti-ageing solutions continues to grow, the Group, drawing on its efficient execution and precise market insights, has successfully established this segment as a 'second growth curve' characterized by strong resilience and high growth potential, thereby opening up broader profit opportunities for the Group.

During this period, the Group employed both online and offline marketing approaches to expand its market share. We continued to refine our omnichannel marketing strategy and, through the seamless integration of our proprietary online platform with our physical stores and third-party retail networks, established a comprehensive sales matrix covering a wide range of consumer segments, thereby significantly enhancing the brand's market penetration and market share. At a time when the "appearance economy" and the "big health" philosophy are deeply intertwined; consumers are showing unprecedented enthusiasm for a healthy lifestyle that nurtures both inner and outer well-being. In line with this broader trend, we have elevated the brand positioning of our beauty and wellness products to embody "Refined living" and "holistic physical and mental well-being". Not only has this created a positive synergy with the Group's existing fashion DNA, but it has also successfully redefined the Group's image in the minds of consumers as a "pioneer of modern lifestyle", significantly enhancing its market competitiveness and brand loyalty.

Furthermore, to further consolidate our market position, the Group focused on optimizing its existing product portfolio and industrial footprint during the year. We strengthened the refined management of our core product lines and, through more targeted allocation of marketing resources, maximized the commercial value of our existing beauty and health products to meet the diverse needs of consumers at various levels. Meanwhile, we have strengthened our strategic collaboration with high-quality suppliers and existing retail partners, fully leveraging our strengths in branding and distribution channels to further enhance the operational efficiency of our overall supply chain and sales network, thereby laying a solid foundation for the sustained and stable development of this business segment.

PROSPECT

Looking ahead to 2027, although geopolitical risks and global economic volatility are expected to continue to pose challenges to the consumer goods sector as a whole, the Group remains confident in its long-term prospects. Given that the beauty and health products business has emerged as the Group's largest source of revenue, we will steadfastly position it as the Group's "Core Growth Engine" in the coming year. Meanwhile, we will continue to optimize the operations of our fashion accessories business and capitalize on the synergies between our two main business segments. We will remain flexible and adaptable at all times, keeping a close eye on market developments and consumer trends to ensure that we can steadily advance our business expansion amidst an uncertain market environment.

A "Dual-drive" Approach Meets Diverse Needs and Strengthens the Integration of Online and Offline Channels

As competition in the e-commerce and social media marketing sectors intensifies, the Group will adopt a dual-track strategy focusing on "beauty and health" and "fashion accessories". We will further increase our investment in offline marketing, building a more stable and efficient marketing system by strengthening our physical store network and actively exploring the establishment of new outlets. Meanwhile, we are driving the deep integration of online and offline channels to enhance market penetration and customer loyalty. By continuously optimizing our core beauty and health product portfolio, whilst introducing innovative fashion accessories, we are committed to providing consumers with a refined lifestyle experience "from the inside out", thereby expanding our customer base, promoting cross-selling and further increasing our overall market share.

Comprehensively Strengthening the Industrial Chain Layout and Building Core Competitive Barriers

In line with the robust growth of our beauty and health products business and the Group's overall long-term strategy, the Group will prioritize 'deepening our industrial chain layout' in the coming year. We will actively seek strategic opportunities for both horizontal and vertical expansion along the industrial chain, undertaking comprehensive integration and upgrading across the entire spectrum – from optimizing the supply chain at source and quality control to the end-user sales network. By strengthening our in-depth collaboration with high-quality suppliers, research and development institutions and retail partners, we aim to achieve the efficient utilization of resources. This will not only help to reduce operating costs and improve overall gross profit margins, but will also build a solid competitive barrier for the Group and enhance the stability of our earnings.

Seizing the Opportunities of "Dual Circulation" Strategy and Deepening our Engagement with China's Big Health Market

The Group will also actively respond to the "dual circulation" economic development strategy set out in the country's 14th Five-Year Plan, and fully capitalize on the potential opportunities presented by China's vast consumer market. We plan to further increase our investment in the Chinese market to expand our market share and brand influence there. At the same time, the Group will continue to assess its existing business strategies and actively explore suitable strategic partnerships or merger and acquisition opportunities, with a view to creating new drivers of profit growth, ensuring the long-term sustainable development of the business, and thereby generating more substantial and stable returns for the shareholders of the Company.

FINANCIAL REVIEW

Revenue

Revenue of the Group is mainly derived from (i) fashion accessories platform business, representing wholesale, retail and distribution of fashion accessories mainly through self-operated and third-party sales online platforms; and (ii) skincare and health product sales platform business, representing wholesale, retail and distribution of skincare and health products mainly through self-operated online platform.

Revenue of the Group for the year ended 31 March 2026 was approximately HK$162,124,000 (2025: approximately HK$150,700,000), representing a slight increase of approximately 7.6% compared to the year ended 31 March 2025. The increase in the Group's revenue was primarily and aggregately driven by the increase in the sales of skincare and health product sales platform business from approximately HK$63,925,000 for the year ended 31 March 2025 to approximately HK$115,343,000 for the year ended 31 March 2026, representing an increase of approximately 80.4%. However, it was partially offset by the decrease in the sales of fashion accessories platform business from approximately HK$86,775,000 for the year ended 31 March 2025 to approximately HK$46,781,000 for the year ended 31 March 2026, representing a decrease of approximately 46.1%.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2026 was approximately HK$27,301,000 (2025: approximately HK$34,229,000), representing a decrease of approximately

20.2%. The Group's gross profit margin decreased from approximately 22.7% for the year ended 31 March 2025 to approximately 16.8% for the year ended 31 March 2026. Such downward fluctuation was primarily attributable to the combined effect of: (i) a decrease in gross profit margin of the sales of fashion accessories platform business from approximately 21.2% for the year ended 31 March 2025 to approximately 15.8% for the year ended 31 March 2026; and (ii) a decrease in gross profit margin of the sales of skincare and health product sales platform business, which dropped from approximately 24.8% for the year ended 31 March 2025 to approximately 17.2% for the year ended 31 March 2026.

Other gains and losses

The Group's net other losses for the year ended 31 March 2026 were approximately HK$3,997,000 (2025: net other gains approximately HK$10,144,000). This fluctuation was mainly due to (i) a decrease in the gain on deregistration of subsidiaries from approximately HK$9,116,000 for the year ended 31 March 2025 to approximately HK$2,467,000 for the year ended 31 March 2026; and (ii) the recognition of impairment losses on trademark of approximately HK$6,458,000 for the year ended 31 March 2026, whereas no such significant impairment was recorded for the year ended 31 March 2025.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 March 2026 amounted to approximately HK$15,807,000 (2025: approximately HK$17,978,000), representing a year-on-year decrease of approximately 12.1%. This decrease was primarily attributable to a reduction in operating selling expenses driven by the Group's cost-saving initiatives implemented during the year ended 31 March 2026. However, this reduction was partially offset by an increase in promotion expenses aimed at expanding the market share of the skincare and health product sales platform business.

Administrative expenses

The Group's administrative expenses for the year ended 31 March 2026 amounted to approximately HK$15,675,000 (2025: approximately HK$18,126,000), representing a year-on-year decrease of approximately 13.5%. This decrease was mainly attributable to the combined effect of: (i) a reduction in staff costs including directors' remuneration and other staff benefits; and (ii) a decrease in other professional expenses.

Profit/loss for the Year

As a result of the foregoing, the Group's loss for the Year was approximately HK$9,633,000 (2025: profit of approximately HK$7,609,000).

DIVIDEND

The Board does not recommend the payment of any final dividend for the years ended 31 March 2026 and 2025.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Year. The capital of the Group only comprises ordinary shares.

FOREIGN EXCHANGE EXPOSURE

The major business activities of the Group take place in the PRC and Hong Kong. Accordingly, the potential foreign exchange exposure of the Group is mainly attributable to fluctuations of Renminbi. The Group has not used or has no plan to use any forward contract or other derivative products to hedge exchange rates exposure as the management considers it more difficult to monitor and manage the risks arising from such forward contracts or derivative products. The management of the Group will, nonetheless, continue to monitor the Group's foreign currency risks exposures and consider adopting prudent measures as appropriate.

CHARGES ON ASSETS

As at 31 March 2026 and 2025, the Group did not have any charges on its assets.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not hold any significant investments, nor did it have any material acquisitions or disposals of any subsidiaries, associates or joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed "Management Discussion and Analysis" section of this report, the Group does not have any other plans for material investments or capital assets.

EMPLOYEES AND EMOLUMENTS

As at 31 March 2026, the Group had 24 employees (2025: 25), and the total staff cost including Directors' emoluments amounted to approximately HK$8,514,000 (2025: approximately HK$10,379,000). To enhance the expertise, product knowledge, marketing skills and overall operational management skills of its employees, the Group organised regular training and development courses for its employees, and provided them with a competitive remuneration package, including salary, allowance, insurance, commission and bonus. Meanwhile, in order to create a harmonious and family-like working atmosphere, the Group emphasises on communication with employees and continually developing paths for staff promotion. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

A directors' remuneration policy has been adopted. It aims to set out the Company's policy in respect of remuneration paid to executive Directors and non-executive Directors. The Directors' remuneration policy sets out the remuneration structure that allows the Company to attract, motivate and retain qualified Directors who can manage and lead the Company in achieving its strategic objective and contribute to the Company's performance and sustainable growth, and to provide Directors with a balanced and competitive remuneration. The remuneration policy is, therefore, aiming at being competitive but not excessive. To achieve this, remuneration package is determined with reference to a matrix of factors, including the individual performance, qualification and experience of Directors concerned and prevailing industry practice. It will be reviewed and, if necessary, updated from time to time to ensure its continued effectiveness.

The Company has adopted a share option scheme (the "Share Option Scheme") as an incentive to the Directors and eligible employees, details of which are set out in the circular of the Company dated 6 September 2024. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and up to the date of this report.

During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group generally financed its operations with internally generated resources and its own working capital. As at 31 March 2026, the Group had cash and cash equivalents of approximately HK$21,338,000 (2025: approximately HK$53,346,000). As at 31 March 2026 and 2025, there was no undrawn general banking facilities available to the Group, and the Group did not have any outstanding borrowing. The Group monitors its capital structure on the basis of gearing ratio, which is calculated as total liabilities over total equity. The gearing ratio of the Group was approximately 8.4% as at 31 March 2026 (2025: approximately 11.6%).

CAPITAL COMMITMENTS

As at 31 March 2026 and 2025, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2026 and 2025, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Year and up to the date of this report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is of the view that employees, customers and suppliers are one of the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees, customers and suppliers during the Year.

Customers

During the Year, the sales to the Group's five largest customers accounted for approximately 69.6% of the total revenue for the Year. The customers of the Group are mainly users of the fashion accessories products and skincare and health products; and wholesalers and trading companies engaging in sales of fashion accessories products and skincare and health products.

The Group continues to increase and maintain the collaboration with customers, to attract new and old customers to procure on the both Integrated Fashion Accessories Platform and Skincare and Health Product Sales Platform by providing quality services, stable high standard products. We aim to achieve a synergy by cross-platform traffic between those platforms. In addition, the platforms' independent development online marketing system supports a large number of registered customers through forming an intelligent marketing mode by immediately forwarding all kinds of promotions and sales activities notifications to customers. Collaborations with professional promotional companies have also been established to issue online or offline promotions about the online wholesale platform, in order to attract new customers.

Suppliers

During the Year, the purchases from the Group's five largest suppliers accounted for approximately 94.9% of the total purchase for the Year. The suppliers of the Group are mainly trading companies and manufacturers in precious metals; fashion accessories; and skincare and health products industry. Most of them are based in the PRC.

The Group maintains a list of approved and qualified suppliers (based on their prices, quality, past performance and capacity) and strives to establish long term business relationship with them.

Employees

The Group recognises employees as valuable assets of the Group. The Group strictly complies with the labour laws and regulations of the regions it operates and review regularly the existing staff benefits for improvement. The Group has been motivating the employees by providing reasonable remuneration package and implementing an annual appraisal system to provide opportunities for career development within the Group. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as the medical insurance, annual dinner, staff discounts on purchasing the Group's products. In addition, each department of the Group is responsible for determining its training needs for employees in its department to ensure that all employees can fulfill and enhance the relevant job qualifications in terms of education, technical and work experience.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group complies with the requirements under the Companies Ordinance (Cap. 622 of the laws of Hong Kong), the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") for the disclosure of information and corporate governance.

During the Year, as far as the Directors are aware of and save as disclosed in this annual report, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

ENVIRONMENTAL POLICIES, PERFORMANCE AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to maintaining the long term sustainability of the environment and devoted to building an environmentally friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction, so as to minimise its impact on the environment. For details, please refer to the Environmental, Social and Governance Report of this annual report.

DIRECTORS

Executive Directors

Mr. Chen Long, aged 32, was appointed as an executive Director, the chairman of the Board (the "Chairman"), a member of the nomination committee (the "Nomination Committee") and the remuneration committee (the "Remuneration Committee") of the Company with effect from 30 October 2023. He is also one of the authorized representatives of the Company under Rule 3.05 of the Listing Rules with effective from 29 November 2023. Mr. Chen obtained a bachelor's degree in E-commerce from Xiamen University of Technology (廈門理工學院) in June 2016 and a master's degree in business administration from School of Business of Hong Kong Baptist University in October 2025. Mr. Chen Long is a council member of the Shenzhen Fuzhou Chamber of Commerce* (深圳福州商會) and the vice president of the New Social Stratum Association of Bao'an District, Shenzhen* (深圳市寶安區新的社會階層人士聯合會). Mr. Chen Long has over 7 years of experience in the sales and distribution of consumer goods such as health, cosmetic and electronic products in China. Since July 2019, Mr. Chen Long has been the executive director and one of the ultimate shareholders of Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司), a company which is principally engaged in investment activities with investment in companies engaging in the sales and distribution of consumer goods, including health, cosmetic and electronic products.

Mr. Chen Shaojia, aged 44, was appointed as an executive Director and Chief Executive of the Company with effect from 29 November 2023. He has over 20 years of experiences in enterprise management, strategy formulation and finance. Since June 2018, Mr. Chen Shaojia has been the executive director of Hengji Cultural Information Technology (Shenzhen) Co., Ltd* (恒基文化信息科技(深圳)有限公司). From August 2017 to September 2018, he was the deputy general manager and chief financial officer of Shenzhen Qiantai Energy Regeneration Technology Co., Ltd* (深圳乾泰能源再生技術有限公司). From January 2007 to December 2015, he had been the financial manager, chief financial officer, deputy general manager and directors in various subsidiaries of Veson Holdings Limited (formerly known as SCUD Group Limited), a company listed on the Stock Exchange (Stock Code: 1399), and his last position was a director of SCUD Power (Shenzhen) Co., Ltd* (飛毛腿電源(深圳)有限公司).

Mr. Chen Shaojia obtained a bachelor's degree in accounting from Fuzhou University and a master's degree in business administration from School of Business of Hong Kong Baptist University in December 2007 and November 2013, respectively. He was qualified as a Senior Accountant and a Senior Economist by Shenzhen City Senior Professional Title Evaluation Committee in Accounting Sector and Shenzhen City Secondary Senior Economist Title Evaluation Committee in July 2020 and April 2023, respectively. He obtained the International Accountant Qualification Certificate issued by China Association of Chief Financial Officers in November 2017. Mr. Chen Shaojia obtained Senior International Finance Manager Certificate jointly issued by China Association of Chief Financial Officers and Association of International Accountants in August 2012, and Certified Senior Enterprise Risk Manager Certificate issued by Asia Association of Risk and Crisis Management in October 2012, respectively.

* *for identification purposes only*

Biographical Details of Directors

Independent Non-executive Directors

Mr. Yuen Wai Kin ("Mr. Yuen"), aged 40, was appointed as an independent non-executive Director with effect from 29 November 2023. Mr. Yuen was also be appointed as the chairman of the Audit Committee, member of the Remuneration Committee and the chairman of the Nomination Committee with effect from 29 November 2023. He has over 15 years of experience in accounting, finance and corporate secretarial matters gained from international accounting firm and Hong Kong listed companies. Since November 2022, Mr. Yuen has acted as the chief financial officer of DRJ Limited, a Hong Kong Trust or Company Service Provider licensed by Hong Kong Companies Registry and major subsidiary of DRJ International Group Limited (of which shares are trading in U.S. OTC markets, stock code: DRJG). In addition, since October 2019, he has also acted as the sole director of RJK Professional Service Limited, a private limited company incorporated in Hong Kong, which provides training service in area of regulatory compliance and corporate governance practices. Prior to joining DRJ Limited, from March 2022 to May 2022, he served as Senior Finance Manager and Company Secretary of Domaine Power Holdings Limited (formerly known as Hifood Group Holdings Co., Limited, a company listed on the Stock Exchange, Stock Code: 442). From March 2020 to December 2021, Mr. Yuen worked at Gemilang International Limited, a company listed on the Stock Exchange (Stock Code: 6163), and his last position was Group Financial Controller and Company Secretary.

Mr. Yuen obtained a bachelor's degree in accountancy and a master's degree in corporate governance from The Hong Kong Polytechnic University in October 2009 and August 2018 respectively. He is a Chartered Secretary and a Chartered Governance Professional and a member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. Mr. Yuen is also a member of The Hong Kong Institute of Certified Public Accountants.

Ms. Ji Lingzi ("Ms. Ji"), aged 38, was appointed as an independent non-executive Director with effect from 1 November 2024. Ms. Ji has also been appointed as a member of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 1 November 2024. Ms. Ji graduated from Anhui Normal University (安徽師範大學) with a Bachelor of Arts degree in English Education in December 2009. Ms. Ji graduated from the Hong Kong Polytechnic University with a Master of Science degree in China Business Studies in September 2017. Ms. Ji has over 13 years of experiences in finance and banking sectors. Ms. Ji has been the general manager of Shenzhen Mingsheng Private Equity Fund Management Co., Ltd.* (深圳銘盛私募股權基金管理有限公司) since March 2021. Since April 2026, she has been a non-independent director of B-Soft Co., Ltd. (創業慧康科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 300451). From August 2019 to March 2021, Ms. Ji worked as an investment and financing director of Sunshine 100 China Holdings Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 2608). From July 2012 to August 2016, Ms. Ji served in the institutional business department of the Shenzhen branch of China Construction Bank Corporation* (中國建設銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 939) and Shanghai Stock Exchange (stock code: 601939).

* *for identification purposes only*

Mr. Ma Sai Yam ("Mr. Ma"), aged 62, was appointed as an independent non-executive Director on 13 February 2020. Mr. Ma is also the chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee. Mr. Ma graduated from the University of London in the United Kingdom as an external student in August 1991 with a Bachelor of Science degree in Economics. Mr. Ma subsequently obtained a Postgraduate Certificate in Laws from The University of Hong Kong in June 1995 and a Master degree in laws from Renmin University of China in the PRC in January 2012. Mr. Ma is a practicing solicitor in Hong Kong and has accumulated over 20 years of experience in the legal field. Mr. Ma was admitted to practice law as a solicitor in Hong Kong in September 1997 and has been a member of The Law Society of Hong Kong since then. Mr. Ma has been a partner and a practicing solicitor of Ma Tang & Co., since March 2002. Prior to his current position, Mr. Ma served as a consultant and a practicing solicitor of Tang, Lai & Leung from June 2000 to March 2002. From May 2015 to May 2022, Mr. Ma has been an independent non-executive director of Golden Power Group Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 3919) and transferred from GEM of the Stock Exchange (Stock Code: 8038) on 10 November 2017. Since October 2016, he has also been an independent non-executive director of Jiande International Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 865).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the Shareholders as a whole. The Directors continuously observe the principles of good corporate governance in the interests of Shareholders and devote considerable effort to identifying and formalizing best practice.

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix C1 of the Listing Rules. The Company has complied with all the provisions in the CG Code during the year ended 31 March 2026.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions throughout the year ended 31 March 2026.

BOARD OF DIRECTORS

Composition

As at 31 March 2026, the Board comprised two executive Directors and three independent non-executive Directors. The composition of the Board during the year ended 31 March 2026 and up to the date of this report are as follows:

Executive Directors

Mr. Chen Long *(Chairman)*

Mr. Chen Shaojia *(Chief Executive)*

Independent Non-Executive Directors

Mr. Yuen Wai Kin

Mr. Ma Sai Yam

Ms. Ji Lingzi

The biographical details of all current Directors are set out on pages 15 to 17 of this annual report. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed herein, as at the date of this annual report, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors and independent non-executive Directors bring a variety of experiences and expertise to the Company.

FUNCTIONS OF THE BOARD

The principal function of the Board is to consider and approve strategies, financial objectives, annual budget and investment proposals of the Group and to assume the responsibilities of corporate governance of the Group. The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

BOARD MEETINGS AND BOARD PRACTICES

The Company adopted the practice of holding Board meetings regularly throughout the Year. The Board will also meet on other occasions when a board-level decision on a particular matter is required. The company secretary of the Company (the "Company Secretary") will assist the Chairman to prepare the agenda of the meeting and each Director may request to include any matters in the agenda. Generally, at least 14 days' notice would be given for regular Board meetings. The Directors will receive details of agenda items for decision at least 3 days before each Board meeting. The Company Secretary is responsible for distributing detailed documents to Directors prior to the meetings of the Board to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meetings and receive accurate, timely and clear information. All Directors may access the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. All Directors will also be provided with sufficient resources to discharge their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Company Secretary is also responsible for ensuring that the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail regarding the matters considered by the Board and decisions reached.

The Board is also responsible for performing the following corporate governance duties:

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

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

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

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

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

During the Year and up to date of this report, the corporate governance duties performed by the Board were mainly set out below:

(1) reviewed the existing policies and practices on corporate governance;

(2) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;

(3) reviewed the effectiveness of the internal control system;

(4) reviewed compliance with the CG Code and disclosure in the Corporate Governance Report; and

(5) reviewed and monitored the continuous professional development and training of the Directors.

Throughout the Year, four Board meetings and one annual general meeting were held. Details of the attendance of Directors are as follows:

Name of the Directors	Number of Board meetings attended/held	Number of general meetings attended/held
Executive Directors		
Mr. Chen Long	4/4	1/1
Mr. Chen Shaojia	4/4	1/1
Independent Non-Executive Directors		
Mr. Yuen Wai Kin	4/4	1/1
Mr. Ma Sai Yam	4/4	1/1
Ms. Ji Lingzi	4/4	1/1

Among the independent non-executive Directors, at least one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The Company has received from each of its independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules for the Year. The Company, based on such confirmation, considers all independent non-executive Directors are independent during the Year.

CHAIRMAN AND CHIEF EXECUTIVE

During the year ended 31 March 2026, the positions of the Chairman and the Chief Executive were held by separate individuals, with Mr. Chen Long being the Chairman and Mr. Chen Shaojia being the Chief Executive. The Chairman is responsible for ensuring that the Board is functioning properly with good corporate governance practices and procedures. He also steers the Board and the Company towards corporate goals. The Chief Executive is responsible for effective implementation of the overall strategies and initiatives adopted by the Board. With the support of the Chief Executive and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and received adequate and reliable information on a timely basis.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has entered into an appointment letter with the Company, pursuant to which Mr. Yuen Wai Kin and Ms. Ji Lingzi are appointed for an initial fixed term of one year and Mr. Ma Sai Yam is appointed for an initial fixed term of three years and will continue thereafter until terminated by serving not less than three months' notice in writing to either party. Their terms of appointment shall be subject to the rotational retirement provision of the Bye-laws.

DELEGATION OF POWERS

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company to department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors received an induction on their appointments to ensure adequate understanding of the business and operations of the Group and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Directors are continually updated on developments in the relevant statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. All Directors are committed to comply with Code Provision A.6.5 of the CG Code on Directors' training and provided a record of training they received for the Year to the Company.

During the Year, the Company has provided regulatory updates and external courses for the Directors prepared by external professional institution to develop and refresh their knowledge and skills. The external courses which the Directors had participated was about Director's duties and corporate matters, internal control on the risk assessment and management and financial reporting and disclosure control. The programme is to ensure that their contribution to the Board remains informed and relevant.

The individual training record of each Director received for the Year is summarised below:

Directors	Training organised by professional organizations	Updating on new rules and regulations
Executive Directors		
Mr. Chen Long	√	√
Mr. Chen Shaojia	√	√
Independent Non-Executive Directors		
Mr. Yuen Wai Kin	√	√
Mr. Ma Sai Yam	√	√
Ms. Ji Lingzi	√	√

AUDIT COMMITTEE

Composition

The Audit Committee was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The updated terms of reference of the Audit Committee were adopted on 27 November 2018. As at 31 March 2026, the Audit Committee comprised three members, all being independent non-executive Directors, namely Mr. Yuen Wai Kin (Chairman), Ms. Ji Lingzi and Mr. Ma Sai Yam.

The primary duties of the Audit Committee include, among other things, (i) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor whilst reviewing and monitoring their independence and objectivity and to approve the remuneration and term of engagement of the external auditor; (ii) reviewing the Company's financial statements, annual report and accounts and interim report and quarterly reports (if prepared) for publication and financial reporting judgments contained therein; (iii) overseeing the effectiveness of the audit financial reporting system, risk management and internal control systems of the Group; (iv) reviewing the confidential arrangements that employees of the Company may use to report and by way of facilitating the above-mentioned duties; and (v) considering and identifying risks of the Group and considering the effectiveness of the Group's decision making processes in crisis and emergency situation and approving major decision affecting the Group's risk profile and exposures.

During the Year, three Audit Committee meetings were held. Details of the members' attendance of the Audit Committee meetings are as follows:

Name of the Members	Members' Attendance
Mr. Yuen Wai Kin	3/3
Mr. Ma Sai Yam	3/3
Ms. Ji Lingzi	3/3

During the Year, the Audit Committee has held meetings with the Company's auditor to discuss the auditing, risk management, internal control systems, the effectiveness of the internal audit function and financial reporting matters of the Group. The Audit Committee has reviewed the Group's consolidated financial statements for the Year and the interim financial report for the six months ended 30 September 2025, including the accounting principles and practice adopted by the Group.

REMUNERATION COMMITTEE

Composition

The Remuneration Committee was established on 23 April 2008 with written terms of reference in compliance with the CG Code. As at 31 March 2026, the Remuneration Committee comprised four members, namely Mr. Ma Sai Yam (Chairman), Mr. Chen Long, Mr. Yuen Wai Kin and Ms. Ji Lingzi, the majority of which are independent non-executive Directors except for Mr. Chen Long, an executive Director.

The role and function written in the terms of reference of the Remuneration Committee are no less exacting terms than the CG Code. The Remuneration Committee makes recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee also makes recommendation to the Board on the remuneration packages of individual executive Directors and senior management rewards which link to corporate and individual performance and with reference to the Board's corporate goals and objectives, as well as making recommendation on the remuneration of non-executive Directors, reviews and/or approves matters relating to share schemes under Chapter 17 of the Listing Rules. It is also responsible for ensuring no Directors or any of his/her associates can be involved in deciding his/her own remuneration and all provisions regarding the disclosure of remuneration including pensions as set out in the relevant provisions of the Listing Rules are fulfilled.

During the Year, one Remuneration Committee meeting was held and details of the members' attendance of the Remuneration Committee meeting(s) are as follows:

Name of the Members	Members' Attendance
Mr. Ma Sai Yam *(Chairman)*	1/1
Mr. Chen Long	1/1
Mr. Yuen Wai Kin	1/1
Ms. Ji Lingzi	1/1

For the year ended 31 March 2026, the Remuneration Committee reviewed the remuneration packages of all Directors and senior management.

Remuneration Policy for Directors and Senior Management

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

The emoluments of the Directors are recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics. Each of the executive Directors is entitled to a basic salary which is reviewed annually. In addition, each of the Directors may receive a discretionary bonus as the Board may recommend. Such amount has to be approved by the Remuneration Committee.

The senior management of the Company are the Directors. Details of their remuneration are set out in note 11 to the consolidated financial statements.

The Company has adopted the share option scheme on 23 April 2008 (the "2008 Share Option Scheme"), 26 August 2019 (the "2019 Share Option Scheme") and 30 September 2024 (the "2024 Share Option Scheme"). The purpose of the 2008 Share Option Scheme, 2019 Share Option Scheme and 2024 Share Option Scheme are to enable the Board, at its discretion, to grant options to selected eligible participants to motivate them and to optimise their performance and efficiency for the benefit of the Group.

NOMINATION COMMITTEE

Composition

The Nomination Committee was established on 23 April 2008 with written terms of reference in compliance with the CG Code. As at 31 March 2026, the Nomination Committee comprised four members, namely Mr. Yuen Wai Kin (Chairman), Mr. Chen Long, Ms. Ji Lingzi and Mr. Ma Sai Yam, the majority of which are independent non-executive Directors except for Mr. Chen Long, an executive Director.

The primary function of the Nomination Committee is to make recommendations to the Board on potential candidates to fill vacancies or additional appointment on the Board and senior management. All appointments of Directors were nominated by the Nomination Committee based on considerations including vacancy available, competence and experience, possession of requisite skills and qualifications, independence and integrity.

During the Year, one Nomination Committee meeting was held and details of the members' attendance of the Nomination Committee meeting(s) are as follows:

Name of the Members	Members' Attendance
Mr. Yuen Wai Kin *(Chairman)*	1/1
Mr. Chen Long	1/1
Mr. Ma Sai Yam	1/1
Ms. Ji Lingzi	1/1

During the Year, the Nomination Committee reviewed the composition, size, structure and diversity of the Board and assessed the independence of the independent non-executive Directors.

Nomination Policy

The Board has adopted the nomination policy (the "Nomination Policy") on 27 November 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

The process to identify potential candidates for the Board would be as follows:

(1) identifying potential candidates, including recommendations from the Board members, professional search firms and the Shareholders;

(2) evaluating the candidates based on the approved selection criteria through methods such as reviewing the resume and conducting the background checks;

(3) reviewing the profiles of the shortlisted candidates and interview them; and

(4) making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board and sees diversity at Board level as an essential element in achieving a sustainable and balanced development of the Company. A truly diverse Board will include and make good use of differences in the talents, skills, regional and industrial experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole in order for the Board to be effective. The selection process of the Board members will include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Mechanisms to Ensure Independent Views

The Company makes certain that the Board has access to independent views and input through the mechanisms listed below:

1. The Nomination Committee should review the Board composition and the independence of the independent non-executive Directors annually, in particular the portion of the independent non-executive Directors and the independence of the independent non-executive Director who has served for more than nine years.

2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.

3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions on the transactions with the controlling shareholders and/or its associates.

4. The chairman of the Board shall meet with independent non-executive Directors at least once annually.

5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy.

The mechanisms to ensure independent views are reviewed by the Nomination Committee for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

In respect of the gender diversity of the Board, as at the date of the Annual Report, we have three independent non executive Directors with different industry backgrounds and of both genders. Moreover, our Board members has a wide range of age, ranging from 32 years old to 62 years old.

The current gender ratio of the company workforce (including senior management) is 11 males and 13 females. Hence, the Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the company, which include market insight, creativity and innovation, and improved problem-solving. A mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation as proved by research. Moreover, a gender diverse team produces high quality decisions. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labor and female workers are more often seen during psychological consultation), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitivity in the future.

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the Year, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The reporting responsibility of the external auditor of the Company on the financial statements of the Company for the Year are set out in the Independent Auditor's Report.

Auditor's Remuneration

During the Year, the remuneration paid or payable to the Company's auditor, in respect of its audit and non-audit services were as follows:

Type of Services	HK$
Audit services	800,000
Non-audit services	30,000

Note: The annual audit service is payable to Rongcheng (Hong Kong) CPA Limited. The non-audit services include the agreed-upon procedures with respect to the preliminary announcement of the result of the Company payable to Rongcheng (Hong Kong) CPA Limited.

DIVIDEND POLICY

The Board has adopted the dividend policy (the "Dividend Policy") on 27 November 2018 which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the Shareholders. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis.

INVESTORS RELATIONS

Constitutional Documents

During the year ended 31 March 2026, there has been no change in the Company's constitutional documents.

SHAREHOLDERS' COMMUNICATION POLICY

Purpose

The Company recognises the importance of providing current and relevant information to the Shareholders. This shareholders' communication policy (the "Policy") aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

General Policy

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

Information is communicated to the Shareholders through periodic disclosure through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and other corporate publications on the Stock Exchange website and corporate communications on the Stock Exchange website (www.hkex.com.hk) and the Company' s website (http://www.artini.com.hk).

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or by email to info@artini.com.hk or through the Company's share registrar.

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company's website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

The Company's website will be updated with material posted to the Stock Exchange website immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders 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.

The Company has reviewed the shareholders' communication policy conducted for the year ended 31 March 2026 and considered that the shareholders' communication policy has been well implemented and effective.

Shareholders' Right

The Company shall adhere to the amendments to the Listing Rules effective from 1 January 2009 such that all votes of the Shareholders at general meetings will be taken by poll. The results of voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

The rights of the Shareholders are set out in the Bye-laws of the Company.

The Shareholders may put forward their proposals or enquiries to the Board by sending their written request to the Company's principal place of business in Hong Kong.

Pursuant to Bye-law 58 of the Bye-laws, Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company may request the Board to convene a special general meeting of the Company. The purposes of convening the meeting must be stated in the relevant requisition, signed by all the Shareholders concerned in one or more documents in like form and deposited at the Company's principal place of business in Hong Kong at Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date in accordance with the provisions of Section 74(3) of the Bermuda Companies Act.

Shareholder(s) can also submit a written requisition to move a resolution at a general meeting pursuant to Section 79 to 80 of the Bermuda Companies Act if they (a) represent not less than one-twentieth of the total voting rights of those Shareholders having the right to vote at a general meeting; or (b) are not less than one hundred Shareholders. The written requisition must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and deposited at the Company's principal place of business in Hong Kong at Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The written requisition must be signed by all the Shareholders concerned in one or more documents in like form and deposited at the Company's principal place of business in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution, and not less than one week before the meeting in the case of any other requisition. A sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all Shareholders in accordance with the requirements under the applicable laws and rules should also be accompanied.

COMPANY SECRETARY

Mr. Wong Yun Fai ("Mr. Wong") was appointed as Company Secretary with effect from 1 December 2023.

Being the Company Secretary, Mr. Wong plays an important role in supporting the Board by ensuring good information flow within the Board and that the Board policies and procedures are followed. Mr. Wong is responsible for advising the Board on corporate governance matters and should also facilitate induction and professional development of Directors. During the Year, Mr. Wong has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for the Company's risk management and internal control systems and for reviewing its effectiveness on an ongoing basis. The Group's internal audit department and senior management conduct reviews of the effectiveness of the risk management and internal control systems of the Group. The Audit Committee reviews the findings and recommendations of the internal audit department and the senior management in their meetings held at least on an annual basis and reports to the Board on such review.

The risk management and internal control systems are designed to manage, rather than eliminate business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations.

The Company has prepared an internal control report, covering all material controls, including financial and operation for the Year. The said internal control report compiled by the Company has been brought to the attention of the Board and the Audit Committee. The Board, having reviewed the effectiveness of the risk management and internal control systems and the systems are considered to be effective and adequate.

The Company has established the internal control department to provide day-to-day management of the compliance and control of the Group and report to the Board on control and compliance matters. The internal control department is headed by the internal control manager, and reports directly to the Board. The primary responsibilities of the internal control department include reviewing the internal control system and monitoring the compliance of the daily operating activities within the Group. In addition, it also carries out assessment in relation to the establishment of new company or entity and new products of the Group.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

The Board is also vested with the responsibility to disseminate to the Shareholders and the public any inside information in the form of announcements and circulars, in accordance with the Listing Rules.

We have "Anti-Corruption Policy" and "Whistleblowing Policy" in place. Further details of these policies and their implementation during the Year are set out in the ESG Report on page 44.

PRINCIPAL PLACE OF BUSINESS

The Company is a limited liability company incorporated in Bermuda and domiciled in Hong Kong and its principal place of business is Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of the principal subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

The analysis of the principal activities and geographical locations of the operations of the Group during the Year are set out in note 32 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 69.6% (2025: approximately 34.2%) of the total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 94.9% (2025: approximately 92.5%) of the total purchases for the Year. In addition, the Group's largest customer accounted for approximately 22.9% (2025: approximately 11.3%) of the total sales and the Group's largest supplier accounted for approximately 54.5% (2025: approximately 37.3%) of the total purchases for the Year.

At no time during the Year have the Directors, their associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the section of "Chairman's Statement", "Five-Year Financial Highlights", "Management Discussion and Analysis" and "Environmental, Social and Governance Report" of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 97.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out on page 99 and the note 30 to the consolidated financial statements respectively.

CHARITABLE DONATIONS

The Group did not make charitable donation during the Year (2025: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 26 to the consolidated financial statements.

CONNECTED TRANSACTIONS

The Group did not conducted any non-exempt connected transaction or continuing connected transaction during the Year. There was no connected transaction or continuing connected transaction that would be subject to, among other things, the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the Company has complied with the requirements under Chapter 14A of the Listing Rules.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors

Mr. Chen Long *(Chairman)*
Mr. Chen Shaojia

Independent Non-Executive Directors

Mr. Yuen Wai Kin
Mr. Ma Sai Yam
Ms. Ji Lingzi

Pursuant to Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board and that any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election at that meeting.

Pursuant to Bye-law 87 at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall be determined by lot, unless they otherwise agree between themselves. The retiring Directors shall be eligible for re-election. Accordingly, Mr. Chen Long and Mr. Chen Shaojia will retire and, being eligible, offer themselves for re-election at the annual general meeting.

None of the Directors proposed for re-election at the annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2026, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

Long positions in shares of the Company

Name of Director	Capacity	Number of issued ordinary shares/ underlying Shares held	Approximate percentage of the issued Shares as at 31 March 2026
Chen Long	Interest of a controlled corporation	715,571,525 *(Note)*	54.05%

Note: Mr. Chen Long and Ms. Lin Chenjie (wife of Mr. Chen Long) ultimately own 70% and 29% shareholding of Rapid Development Limited respectively, which held 715,571,525 Shares or approximately 54.05% of the issued share capital of the Company as at 31 March 2026, and is deemed to be interested in these shares.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register of interests required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed herein, 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 of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2026, to the best knowledge of the Directors, the following person (other than a Director and chief executives of the Company) who had Long positions in shares of the Company interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares of the Company

Name of shareholders	Capacity	Number of issued ordinary shares/ underlying Shares held	Approximate percentage of the issued Shares as at 31 March 2026
Rapid Development Limited *(Note 1)*	Beneficial owner	715,571,525	54.05%
Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司) ("Rapid Investment Development") *(Note 1)*	Interest of a controlled corporation	715,571,525	54.05%
Fuxing Investment Development (Shenzhen) Co., Ltd.* (賦興投資發展(深圳)有限公司) ("Fuxing Investment Development") *(Note 1)*	Interest of a controlled corporation	715,571,525	54.05%
Ms. Lin Chenjie *(Note 2)*	Interest of spouse	715,571,525	54.05%
Global Venture Capital Limited *(Note 3)*	Beneficial owner	125,000,000	9.44%
Beijing Hexin Gongsheng Investment Limited Partnership* (北京和信共生投資合夥企業(有限合夥)) *(Note 3)*	Interest of a controlled corporation	125,000,000	9.44%
Shenzhen Xinglongtian Technology Limited* (深圳市星龍天科技有限公司) *(Note 4)*	Interest of a controlled corporation	125,000,000	9.44%
Mr. Chen Wei *(Note 5)*	Interest of a controlled corporation	125,000,000	9.44%
Ms. Chen Jingjing *(Note 6)*	Interest of spouse	125,000,000	9.44%
Shenzhen Global Mobile Electronics Limited* (深圳市環球移動電子有限公司) *(Note 7)*	Interest of a controlled corporation	125,000,000	9.44%
Shenzhen Weishan Investment Development (深圳市維善投資發展有限公司) *(Note 7)*	Interest of a controlled corporation	125,000,000	9.44%
Mr. Wu Longfan *(Note 8)*	Interest of a controlled corporation	125,000,000	9.44%
Ms. Li Ailing *(Note 9)*	Interest of spouse	125,000,000	9.44%

* *for identification purpose only*

Notes:

1. Rapid Development Limited is wholly owned by Rapid Investment Development, which is in turn wholly owned by Fuxing Investment Development. As such, each of Rapid Investment Development and Fuxing Investment Development is deemed to be interested in the Shares owned by Rapid Development Limited.

2. Fuxing Investment Development is owned as to 70% by Mr. Chen Long, 29% by Ms. Lin Chenjie (wife of Mr. Chen Long) and 1% by Mr. Chen Naien (brother of Mr. Chen Long). As such, Mr. Chen Long is deemed to be interested in the Shares in which Fuxing Investment Development is interested in. Ms. Lin Chenjie is the spouse of Mr. Chen Long and is deemed to be interested in the Shares in which Mr. Chen Long is interested in.

3. As at 31 March 2026, Global Venture Capital Limited ("Global Venture")directly held 125,000,000 Shares of the Company and Beijing Hexin Gongsheng Investment Limited Partnership* (北京和信共生投資合夥企業(有限合夥)) (formerly known as Shenzhen Hexin Gongsheng Investment Limited Partnership* (深圳和信共生投資合夥企業(有限合夥))) ("Beijing Hexin") held 100% of the Shares of Global Venture. By virtue of the SFO, Beijing Hexin is deemed to be interested in all of the Shares held by Global Venture.

4. As at 31 March 2026, Shenzhen Xinglongtian Technology Limited* (深圳市星龍天科技有限公司) ("Shenzhen Xinglongtian") is the general partner of Beijing Hexin. By virtue of the SFO, Shenzhen Xinglongtian is deemed to be interested in all of the Shares held by Global Venture.

5. As at 31 March 2026, Mr. Chen Wei held 40% of Shenzhen Xinglongtian. By virtue of the SFO, Mr. Chen Wei is deemed to be interested in all the Shares held by Global Venture.

6. Ms. Chen Jingjing and Mr. Chen Wei are spouses, and therefore Ms. Chen Jingjing is deemed to be interested in all of Mr. Chen Wei interests in the Company by virtue of the SFO.

7. As at 31 March 2026, Shenzhen Global Mobile Electronics Limited* (深圳市環球移動電子有限公司) ("Shenzhen Global") held 99% of the Shares of Beijing Hexin; and Shenzhen Weishan Investment Development Limited* (深圳市維善投資發展有限公司) ("Shenzhen Weishan") held 100% of the Shares of Shenzhen Global. By virtue of the SFO, Shenzhen Global and Shenzhen Weishan are deemed to be interested in all the Shares held by Global Venture.

8. As at 31 March 2026, Mr. Wu Longfan held 60% of Shenzhen Xinglongtian and 99% of Shenzhen Weishan. By virtue of the SFO, Mr. Wu Longfan is deemed to be interested in all of the Shares held by Global Venture.

9. Mr. Wu Longfan and Ms. Li Ailing are spouses, and therefore Ms. Li Ailing is deemed to be interested in all of Mr. Wu Longfan interests in the Company by virtue of the SFO.

* *for identification purposes only*

Save as disclosed above, as at 31 March 2026, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

EQUITY-LINKED AGREEMENT

Details of the equity-linked agreement entered into during the Year or subsisting at the end of the Year are set out below:

2008 Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme and the 2008 Share Option Scheme on 23 April 2008. The Pre-IPO Share Option Scheme is no longer in effect and all grants under that scheme have either been exercised or have lapsed. The purpose of the 2008 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and the shares for the benefit of the Company and the Shareholders as a whole.

Participants under the 2008 Share Option Scheme included Directors and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters and service providers of any member of the Group.

The principal terms of the 2008 Share Option Scheme are summarised as follows:

The 2008 Share Option Scheme was adopted for a period of 10 years commencing from 23 April 2008 and remained in force until 22 April 2018. The Company may, by ordinary resolution in general meeting or, such date as the Board shall determine, terminate the 2008 Share Option Scheme at any time without prejudice to the exercise of options granted prior to such termination.

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

(i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;

(ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of the shares.

Upon acceptance of the options, the grantee shall pay HK$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant. The exercise period of any option granted under the 2008 Share Option Scheme must not be more than ten years commencing on the date of grant.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2008 Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of shares of the Company in issue on the date on which the Company's shares were first listed on the Stock Exchange ("Listing Date") (the "Scheme Mandate Limit"). The Scheme Mandate Limit may be renewed at any time subject to prior Shareholders' approval. At the Company's annual general meeting held on 28 September 2017, the Scheme Mandate Limit was renewed. Options lapsed in accordance with the terms of the 2008 Share Option Scheme or any other schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The maximum number of shares issued and to be issued upon exercise of the options granted to each grantee under the 2008 Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of this limit shall be subject to approval.

The 2008 Share Option Scheme has become expiry on 22 April 2018. Share options granted prior to such expiration shall continue to be valid and exercisable in accordance with the provisions of the 2008 Share Option Scheme. As at the date of this report, there are no outstanding share options and no further securities shall be available for issue under the 2008 Share Option Scheme.

There are no options granted, exercised, cancelled and lapsed for the year ended 31 March 2026 under the 2008 Share Option Scheme.

As at 1 April 2025 and 31 March 2026, there is no option available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the Share Option Scheme during the year ended 31 March 2026 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 March 2026 under the 2008 Share Option Scheme.

2019 Share Option Scheme

The Company adopted a new share option scheme on 26 August 2019 (the "2019 Share Option Scheme"). The purpose of the 2019 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the Shareholders as a whole.

The participants under the 2019 Share Option Scheme are as follows:

(1) directors and employee of the Company and any of its subsidiaries (including persons who are granted options or awards under the scheme as an inducement to enter into employment contracts with these companies) (employee participants);

(2) directors and employee of the holding companies, fellow subsidiaries or associated companies of the Company (related entity participants); and

(3) persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long growth of the Group (service providers).

The principal terms of the 2019 Share Option Scheme are summarized as follows:

The subscription price for Shares under the 2019 Share Option Scheme will be a price determined by the Directors, but shall not be less than the higher of:

(i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day;

(ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and

(iii) the nominal value of the Shares.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option. An offer of the grant of the option may be accepted by a participant within 21 days from the date of the offer of grant of the option. The vesting period for options shall not be less than 12 months. And the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

The initial total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the 2019 Share Option Scheme and any other share option scheme of the Group) to be granted under the 2019 Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue at the day on which the 2019 Share Option Scheme is approved (the "General Scheme Limit"). As at the date of this report, there are no outstanding share options and no shares are available for issue under the 2019 Share Option Scheme.

Saved as disclosed herein, there are no options granted, exercised, cancelled and lapsed for the year ended 31 March 2026 under the 2019 Share Option Scheme.

As at 1 April 2025 and 31 March 2026, there is no option available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the Share Option Scheme during the year ended 31 March 2026 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 March 2026 under the 2019 Share Option Scheme.

The total number of Shares issued and which may fall to be allotted and issued upon exercise of the options granted under the 2019 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each eligible participant in any 12-month period shall not exceed 1% of the issued Shares for the time being (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such participant and his/her associates abstaining from voting.

The vesting period for options shall not be less than 12 months.

The 2019 Share Option Scheme has been terminated upon adoption of the 2024 Share Option Scheme on 30 September 2024.

2024 Share Option Scheme

The Company adopted a new share option scheme on 30 September 2024 (the "2024 Share Option Scheme"). The purpose of the 2024 Share Option Scheme is to (i) attract and retain the best quality personnel for the development of the Group's businesses; (ii)to provide additional incentives or rewards to selected participants for their contribution to the creation of the Company's value; and (iii) to promote the long term financial success of the Group by aligning the interest of any participants to those of the shareholders. The 2024 Share Option Scheme was adopted for a period of 10 years commencing from 30 September 2024.

The participants under the 2024 Share Option Scheme are a person employed by any member of the Group who has successfully passed their probation period and any person who is a director (whether executive or non-executive) of any member of the Group, which shall include any person who is granted option(s) as an inducement to enter into employment contract with any member of the Group; a person who is employed by or is a director (whether executive or non-executive) of any of the holding companies, fellow subsidiaries or associated companies of the Company; and any eligible service provider.

The eligibility of any of the participants shall be determined by the Directors from time to time on the basis of the Directors' opinion in their absolute discretion as to his/her contribution or potential contribution to the development and growth of the Group, taking into account factors including but not limited to the nature and extent of contributions provided or potential contributions to be provided by such participant to the Group.

The maximum aggregate number of shares which may be allotted and issued or transferred by the Company upon exercise of all options which may be granted under the 2024 Share Option Scheme and any options or awards under any other schemes to be adopted by the Company from time to time (including, for the avoidance of doubt, such maximum aggregate number of shares which may be allotted and issued or transferred by the Company upon exercise of the service providers' options under the service provider sublimit) is 110,396,812 Shares, being no more than 10% of the shares in issue (excluding treasury Shares) on the adoption date.

The total number of shares issued and to be issued upon exercise of options (whether exercised or outstanding) together with all other options and awards granted under the 2024 Share Option Scheme and any other schemes of the Company in any 12-month period up to and including the date of such grant to each grantee must not exceed 1% of the shares in issue (excluding treasury Shares).

Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person together with all other options and awards (excluding all options and awards lapsed in accordance with the terms of the schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding treasury Shares), such grant shall be subject to separate approval by the shareholders in general meeting with the relevant grantee and his/her close associates (or associates if the Grantee is a connected person) abstaining from voting.

An offer under the 2024 Share Option Scheme shall remain open for acceptance by the eligible participant concerned for a period of 28 days from the offer date.

The vesting period in respect of any option granted to any participant shall not be less than 12 months from the offer date.

The exercise price in respect of any option shall be such price as the Board may in its absolute discretion determine at the time of grant, provided that it 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 commencement date; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the commencement date; and (iii) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

Since the adoption of the 2024 Share Option Scheme, no option has been granted. Therefore, no option was exercised, cancelled or lapsed since its adoption and up to the date of this annual report and there was no option outstanding as at 31 March 2026.

As at 1 April 2025 and 31 March 2026, there are 110,396,812 options available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the 2024 Share Option Scheme during the year ended 31 March 2026 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 March 2026.

USE OF PROCEEDS IN RELATION TO THE PLACING UNDER GENERAL MANDATE AND UPDATE IN EXPECTED TIMELINE FOR FULL UTILISATION

On 9 September 2024, the Company entered into the placing agreement (the "Placing Agreement") with KGI Asia Limited (the "Placing Agent"), pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 220,000,000 new ordinary Shares (the "Placing Share(s)") at the placing price of HK$0.270 per Placing Share (the "Placing"), to not less than six placees (the "Placees") who and whose ultimate beneficial owner(s) are Independent Third Parties.

The Placing was completed on 4 October 2024. A total of 220,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the placing price of HK$0.270 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The gross proceeds from the Placing and net proceeds from the Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK$59.4 million and approximately HK$58.9 million, respectively.

The net proceeds from the Placing are intended to be used by the Group for (i) operation and enhancement of fashion accessories business; (ii) conducting marketing activities; (iii) enhancement of online platform in relation to both fashion accessories business and skincare and health products sales business; and (iv) general working capital and general corporate purposes of the Group.

The Board would like to provide an update in relation to the expected timeline to utilize the remaining net proceeds in full as disclosed in the interim report of the Company for the six months ended 30 September 2025 (the "Interim Report"). As at 31 March 2026, the Group had utilised approximately HK$48.16 million of the net proceeds, representing approximately 81.8% of the total net proceeds. The amount of the unutilised net proceeds is approximately HK$10.74 million, representing approximately 18.2% of the total net proceeds.

The below table sets out the use of net proceeds from the Placing:

Use of proceeds from the Placing	Net proceeds from the Placing	Approximate percentage of the total net proceeds	Net proceeds unutilised as at 31 March 2025	Utilised net proceeds from Placing during the Year	Unutilized net proceeds as at 31 March 2026	Expected time to utilize the remaining net proceeds in full (as disclosed in the Interim Report)	Updated expected time to utilize the remaining net proceeds in full as at the date of this report
	(HK$' million)	%	(HK$' million)	(HK$' million)	(HK$' million)		
	(Approximate)	*(Approximate)*	*(Approximate)*	*(Approximate)*	*(Approximate)*		
Operation and enhancement of fashion accessories business	15.80	26.80	–	–	–	N/A	N/A
Conducting marketing activities	19.50	33.10	17.18	9.15	8.03	December 2025	December 2026
Enhancement of online platform in relation to both fashion accessories business and skincare and health products sales business	12.00	20.40	6.43	3.72	2.71	December 2025	December 2026
General working capital and general corporate purposes of the Group	11.60	19.70	2.66	2.66	–	N/A	N/A
Total	58.90	100.00	26.27	15.53	10.74		

As at 31 March 2026, the unutilized net proceeds from the Placing amounted to approximately HK$10.74 million, and as at the date of this report, the net proceeds have been utilized in accordance with such intended purposes as mentioned above.

The updated timeline for the full utilization of the net proceeds is due to the additional time required by the Company to utilize the remaining net proceeds in full. In light of the recent macroeconomic environment and dynamic market conditions, the Group has adopted a more prudent and flexible approach in implementing its business strategies. The Directors consider that taking additional time to identify the most effective marketing activities and to carefully execute the online platform enhancements will allow the Group to better allocate its resources and maximize returns. It is expected that the updated expected time to utilize the remaining net proceeds in full will not have significant impact on the business of the Group.

The expected timeline for utilizing the unutilized net proceeds is based on the best estimation of the Directors barring unforeseen circumstances, and would be subject to change based on the future development of market conditions. Details of the Placing has been set out in the announcements of the Company dated 9 September 2024 and 4 October 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year ended 31 March 2026 and up to the date of this report.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such indemnity provisions for the benefit of the Directors is currently in force and was in force throughout the Year.

FIVE-YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 7 of this annual report.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries (not being a contract of service with any Director of the Company or any person engaged in the full-time employment of the Company) was entered into or existed during the Year.

RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) for those Hong Kong employees who are eligible to participate in the MPF Scheme, which contributions are made based on a percentage of the employees' basic salaries and the employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme (the "Central Pension Scheme", together with the MPF Scheme, the "Defined Contribution Schemes") operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 31 March 2025 and 31 March 2026, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 March 2025 and 31 March 2026.

For each of the two years ended 31 March 2025 and 31 March 2026, the Group did not have any defined benefit plan.

Particulars of employee retirement benefit schemes of the Group are set out in note 27 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated.

DISTRIBUTABLE RESERVES

The Company does not have any distributable reserve in accordance with the provisions of the Bermuda Companies Act 1981 as at 31 March 2026 (2025: Nil).

Details of the distributable reserve are set out in note 30 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors and their respective associates, as defined in the Listing Rules are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, there were no significant transactions, arrangements and contracts of significance in relation to the Group's business to which the Company was a party and in which a director of the Company or an entity connected with a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Save as disclosed in this annual report, none of the Company or any of its subsidiaries entered into any contracts of significance with the Controlling Shareholder(s) or any of its subsidiaries, nor was there any contracts of significance between the Company or any of its subsidiaries and the Controlling Shareholder or any of its subsidiaries in relation to provision of services for the Year.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report of this report.

AUDITOR

Rongcheng (Hong Kong) CPA Limited was re-appointed as the auditor of the Company for the year ended 31 March 2026 in the annual general meeting of the Company held on 29 September 2025.

A resolution for the re-appointment of Rongcheng (Hong Kong) CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

The consolidated financial statements of the Company for the years ended 31 March 2024, 31 March 2025 and 31 March 2026 were audited by Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited).

By order of the Board

Chen Long
Chairman and Executive Director
Hong Kong, 30 June 2026

Environmental, Social and Governance Report

ABOUT THIS REPORT

Overview

Artini Holdings Limited (the "Company", together with its subsidiaries, collectively, the "Group" or "we" or "us") is delighted to present the Environmental, Social and Governance ("ESG") Report (the "Report") for the year ended 31 March 2026 (the "Year" or "FY2026" or "2026"), to provide an overview of the Group's approach, policy and performance on sustainable development.

About Artini

The Group is principally engaged in the sales of a wide selection of fashion accessories products mainly through the Group's self-operated online platform and third party sales online platforms (the "Integrated Fashion Accessories Platform Business") and the sales of skincare and health products through self-operated online platform (the "Skincare and Health Product Sales Platform Business").

The Integrated Fashion Accessories Platform Business represents wholesale, retail and distribution of fashion accessories mainly through self-operated online platform and third-party sales online platforms.

The Skincare and Health Product Sales Platform Business represents wholesale, retail and distribution of skincare and health products mainly through self-operated online platform.

The Group continues to increase and maintain the collaboration with customers, to attract new and old customers to procure on both Integrated Fashion Accessories Platform and Skincare and Health Product Sales Platform by providing quality services and stable high standard products. We aim to achieve synergies by cross-platform traffic between these platforms.

Reporting Period and Scope

The reporting period of this Report covers the period from 1 April 2025 to 31 March 2026 (the "Reporting Period"). Unless otherwise stated, the reporting scope covers fashion accessories business and skincare and health products business in the PRC and Hong Kong.

Reporting Basis

The Report is prepared in accordance with the ESG Reporting Code (the "ESG Code") as set out in Appendix C2 of the Listing Rules by the Hong Kong Exchanges and Clearing Limited (the "Stock Exchange"). Certain key performance indicators ("KPIs") which are considered as material by the Group are disclosed in the Report during the Reporting Period. The Group will continue to optimise and improve the disclosure of KPIs. For details of the Group's corporate governance, please refer to the section headed "Corporate Governance Report" of the Group's Annual Report.

Application of the Reporting Principles

This ESG Report has also been prepared based on the reporting principles of materiality, quantitative, balance and consistency in the ESG Code.

- Materiality: The Group identifies material ESG issues by stakeholder engagement and materiality assessment. Details are set forth in the section headed "Materiality Assessment". For the purpose of Part D of the ESG Code, the Group discloses information about climate-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or cost of capital over the short, medium or long term.
- Quantitative: Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used, and provision of comparative data.
- Balance: This ESG Report aims to disclose data objectively and provides stakeholders with a balanced overview of the Group's overall ESG performances.
- Consistency: This ESG Report uses consistent methodologies as the previous ESG reports to allow meaningful comparisons of ESG data for the Reporting Period with historical and future data. Any adjustments in the methodologies are explained in this ESG Report.

Endorsement and Approval

The Board (the "Board") of directors (the "Directors") acknowledges its responsibility for ensuring the accuracy and completeness of the Report and to the best of their knowledge, the Report has addressed all relevant material issues and has fairly presented the ESG performance of the Group. This ESG Report has been reviewed and approved by the Board.

Your Feedback

We believe that, sincerely listening to and understanding the comments and needs of all stakeholders is critical to the continual growth of our business. For any feedback and advice regarding the Report and our performance on sustainable development, please email to info@artini.com.hk.

BOARD STATEMENT

The Group is committed to implementing various initiatives to address the ESG concerns, recognizing that all of us, as well as our future generations could be affected by ESG issues and sustainability challenges. As such, as an influential listed company, the Board has the responsibility to evaluate and determine the Group's ESG-related risks and ensure that appropriate and effective ESG risk management and internal control systems are in place.

As the Group's principal decision-making and supervisory body, the Board assumes full responsibility for overseeing the Group's overall ESG performance and tracking the implementation of its sustainability strategies. The Board believes that an effective corporate governance structure is important for successfully integrating and managing its sustainability initiatives to drive the Group's business development. In order to effectively manage and monitor the Group's ESG performances, the Board has identified the ESG-related issues and potential risks, and would analyse and review the ESG (including climate-related) risks and opportunities, performance, progress, goals and the ESG-targets of the Group on a regular basis. The Board will also ensure the effectiveness of the Group's ESG risk management and internal control system and actively communicate with internal and external stakeholders to understand their expectations and requirements.

In FY2026, amid deepened advancement of the 14th Five-Year Plan and steady progress toward the long-range goals outlined in the Vision 2035, national green low-carbon development policies will continue to gain momentum, accelerating the ecological upgrading of consumer industries including fashion accessories and wellness consumption. Rooted in the Group's dual core businesses covering fashion ornament distribution and skincare & health product retail, we firmly embraces a people-and-nature harmonious sustainable development philosophy that integrates traditional Chinese cultural aesthetics with eco-friendly operation concepts. The Group will keep refining its eco-conscious product matrix by continuously advancing green office transformation, optimizing packaging material utilisation and upgrading low-carbon online-offline omnichannel operation systems. We will further strengthen standardised green governance across upstream and downstream supplier chains, enforce environmental and social assessment criteria for all cooperative vendors, and proactively deliver the Group's greenhouse gas ("GHG"), waste, energy and water intensity reduction targets. Meanwhile, we systematically embed climate risks, eco-compliance requirements and sustainable supply chain factors into the Group's strategy, daily operational workflows and full-cycle risk assessment frameworks, to drive balanced, long-term growth that unites commercial value, cultural inheritance and environmental stewardship.

In response to the key ESG issues relevant to the Group's operations, the Group has formulated a comprehensive suite of ESG Policies to deliver consistent guidance to its employees on managing ESG-related matters. These documents lay out the core operational principles that guide the Group to deliver tangible benefits to the environment and local communities where it operates. The Policies bind all Group personnel, covering the Company's directors, senior officers and frontline employees. External partners including subcontractors are also urged to comply with relevant provisions to align with widely accepted industry best practices. This set of ESG Policies further defines the Group's core environmental and social accountabilities, together with formal pledges to fulfil the legitimate expectations of key stakeholders, namely employees, external collaborators and local communities.

The Board believes that the Group's ESG engagement will significantly benefit the long-term development of the Group. The Board will continue to review and monitor the Group's ESG performances and provide consistent, comparable and reliable ESG information to the stakeholders on an annual basis.

ESG GOVERNANCE STRUCTURE

The Group is committed to integrating ESG factors into its operations in order to create sustainable value for stakeholders and take up the responsibilities as a corporate citizen. To continuously enhance the Group's sustainability framework, we have established a three-tier ESG governance structure, consisting of the Board, the management and functional departments. This structure is designed to clarify the roles and responsibilities of each level, enabling the systematic identification, assessment, management and overseeing of ESG (including climate-related) matters and their integration into strategic decision-making, business planning, risk management and day-to-day operations. This ensures that relevant objectives and strategies are duly formulated, implemented, monitored and reported in an effective manner.

The Group's ESG governance framework is summarised below:

The Board	• Review and approve major operational, ESG (including climate-related) strategies and policies • Oversee the progress and performance of ESG issues • Oversee ESG risk evaluation and the Group's risk & internal control frameworks
Management	• Assess ESG and climate risks, opportunities, strategies and management frameworks • Advise and support the Board on ESG matters, strategies, policies • Monitor ESG performance and target delivery progress • Lead functional departments to execute corporate sustainability strategies
Functional Departments	• Collect ESG information, take record and monitor ESG KPIs • Implement ESG policies and related initiatives • Communicate with stakeholders

As the Group's supreme governing body, the Board bears ultimate responsibility for the Group's oversight of ESG matters. It holds full overall oversight of all Group ESG affairs and takes lead responsibility for formulating the Group's holistic, long-term ESG strategy aligned with corporate development priorities. The Board continuously ensures the Group's ESG risk management and internal control mechanisms function robustly across all business segments, and receives consistent periodic ESG progress submitted by the management. Drawing on these regular submissions, the Board oversees all material ESG (including climate-related) risks and opportunities to the Group on an ongoing basis.

To support the Board in delivering robust ESG governance across the Group, the management carries out a full suite of coordinating and supervisory responsibilities. It regularly assesses ESG (including climate-related) risks, opportunities, corporate strategies and supporting management frameworks to maintain consistent risk oversight. The management provides professional advice and ongoing operational support to the Board on all ESG matters, including the development and refinement of ESG strategies and internal policies, and formally reports to the Board on an annual basis. It monitors the Group's overall ESG performance, continuously tracks progress against set sustainability targets, and compiles comprehensive annual ESG reports for formal submission to the Board. In addition, the management leads all relevant functional departments to drive consistent execution of the Group's corporate sustainability strategies across all business operations.

Working under the oversight of the management, dedicated ESG personnel take the lead in coordinating all functional departments on sustainability work. Teams collaborate across every business function to administer the Group's day-to-day ESG operations and resolve routine sustainability matters. They collect full sets of relevant ESG data and documentary evidence, which form the foundation for compiling the annual ESG Report. The dedicated departments also prepare and submit periodic ESG progress updates to the management, enabling leadership to consolidate insights and escalate key information to the Board for review.

To ensure that the Board possesses the appropriate skills and capabilities to oversee strategies for addressing climate-related risks and opportunities, the Group has established a mechanism and process for selecting qualified individuals to serve as Board members, thereby ensuring the supply and retention of relevant talents. The Group also arranges regular climate-focused training sessions for both the Board and the management, equipping them with up-to-date knowledge of emerging trends concerning climate-related risks and opportunities. Meanwhile, to ensure effective oversight of ESG progress, regular ESG review meetings are held by the management to analyse the latest sustainability outcomes, shifting stakeholder demands and the Group's overall ESG standing. Such internal reviews keep the management abreast of evolving ESG developments, empowering the team to pre-empt and mitigate material ESG risks that may disrupt business operations.

SUSTAINABLE DEVELOPMENT VISION AND STAKEHOLDER ENGAGEMENT

We truly understand that our responsibility is not only limited to providing customers with quality services, but also bearing responsibility for the extended impacts of our business operations, covering both social and environmental impacts to local communities. We are committed to creating long-term value for stakeholders and the whole community so as to promote the sustainable development of the Group and our society. Therefore, we integrate environmental and social considerations such as environmental protection, employee rights, occupational health and safety, product responsibility and anti-corruption into our daily operations and decision making processes, and formulate relevant policies and measures to implement sustainable development through practical actions.

We consider our staff, Shareholders, investors, customers, suppliers, business partners, government bodies and the community as key stakeholders of the Group. We believe that comments from stakeholders from different perspectives provide a solid foundation for formulating sustainable development strategies of the Group. In order to collect the valuable opinions from our stakeholders, we establish and maintain diverse communication channels with our stakeholders as set forth below, while promoting mutual trust and respect.

Stakeholder	Engagement Channels
Government and regulatory body	• Annual reports, interim reports, ESG reports and other public information
Shareholder and investor	• Annual general meetings and other general meetings of shareholders • Company website • Press releases/announcements • Annual reports, interim reports, ESG reports and other public information
Supplier and business partner	• Exhibitions • Meetings • On-site visits
Employee	• Trainings • Meetings • Performance evaluation • Leisure activities • Surveys
Customer	• Fax, email and customer service hotline • Product and service feedback • On-site visits
Community and Non-governmental Organisations	• Annual reports, interim reports, ESG reports and other public information • Sponsorships and donations

These channels allow our stakeholders to express their comments on the Group's sustainable development performance and future strategies, enabling us to formulate more appropriate business strategies to respond to their needs and expectations.

Materiality Assessment

The Group screens and confirms ESG topics for report disclosure through dual internal and external materiality assessment. In preparing the ESG Report, the Group first defined a total of 22 sustainability-related issues that are materially relevant to its daily business operations for subsequent prioritisation and evaluation.

The Group recognised core stakeholders by evaluating their correlation with business activities, mutual influence on the Group and accessible corporate resources. It directly engaged with key internal and external stakeholders by distributing questionnaires to collect their views and suggestions on the defined sustainability issues. Stakeholders were requested to score each listed ESG item according to its material impact on the Group's operational performance and their own interests, to support the identification and prioritisation of the issues to be included in the ESG Report which the Group believes would have significant impact on the Group's business and on its stakeholders.

Process

Stage 1 – Identification

A selection of ESG issues that may reasonably be considered important for the Group and its stakeholders from various sources, including listing rules requirement, industry trends and internal policies. 22 issues were identified and grouped into 5 categories: Quality of Working Environment, Environmental Protection and Green Operations, Operating Practices, Business Operations and Community Contribution.

Stage 2 – Prioritisation

Conducted online surveys to rate the importance of each issue from the perspective of a stakeholder and the Group using a scale of 1 to 5.

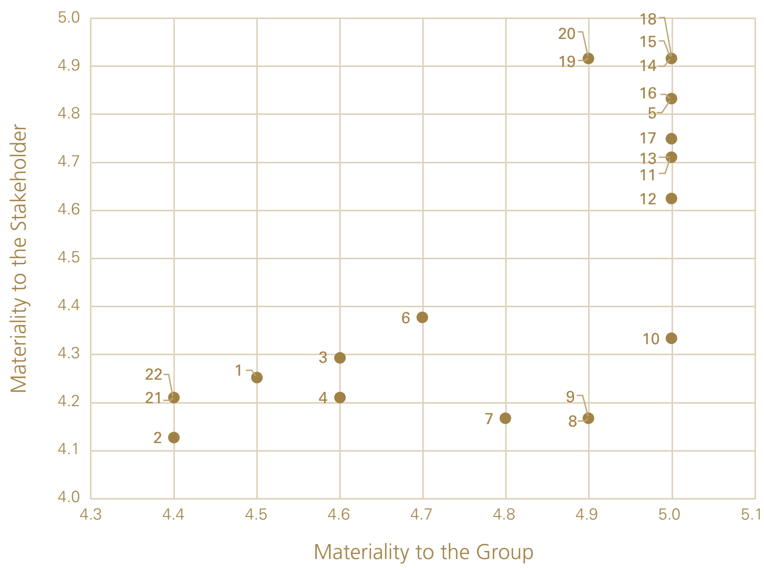
Developed the materiality matrix based on the scores of the surveys, set the threshold for materiality (i.e. at a score of average) and prioritised a list of sustainability issues.

Stage 3 – Validation

Management reviewed the materiality matrix and the threshold for materiality. ESG issues, with a score of average or above from the perspective of a stakeholder and the Group, were prioritised as the most important sustainability issues for the Group to address and report on.

Consolidating the results of internal assessment and the survey, the Group has compiled the materiality matrix, which is set out below:

Materiality Matrix of Issues



Issue No.	Quality of Working Environment	Issue No.	Environmental Protection and Green Operations	Issue No.	Operating Practices
1	Diversity and Equal Opportunity	7	Climate Change	14	Supplier Management
2	Employment Relationships	8	Greenhouse Gas Emissions	15	Supplier Environmental and Social Performance Assessments
3	Occupational Safety and Health	9	Air Emissions		
4	Training and Development	10	Saving Electricity and Water		
5	Prohibition of Child Labour and Forced Labour Prevention	11	Use of Resources	16	Integrity
		12	Waste Management	17	Disaster Emergency Plan
6	Employee Welfare	13	Green Procurement		

Issue No.	Business Operations	Issue No.	Community Contribution
18	Quality of Services	21	Participating in Voluntary Activities
19	Complaint Handling		
20	Privacy Protection	22	Charitable Donations

ENVIRONMENTAL

Sustainability Overview and Management Objectives

The Group is principally engaged in the Fashion Accessories Platform Business and the Skincare and Health Product Sales Platform Business. The main resources used by the Group include purchased electricity and domestic water supply. Considering the Group's business nature, we have no significant impact on the environment.

Whilst the Group's daily operations generate minimal environmental impact, we remain acutely alert to the adverse effects of climate change and assorted environmental risks. To attain long-term environmental sustainability, the Group optimises operational efficiency and implements diverse green initiatives to reduce GHG emissions and waste generation, lower resource utilisation and mitigate air pollution.

Regulatory Compliance

We are committed to complying with laws and regulations relating to air and GHG emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste. During the Reporting Period, the Group has complied with the following laws and regulations, including but not limited to:

- Environmental Protection Law of the PRC (《中華人民共和國環境保護法》);
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》);
- Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》);
- Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》);
- Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》); and
- Air Pollution Control Ordinance of Hong Kong

During the Reporting Period, to the best of the Directors' knowledge, the Group was not aware of any significant non-compliance issues regarding any environmental laws and regulations. Going forward, the Group will continue to reinforce environmental awareness across all tiers of staff and strengthen internal environmental compliance management to prevent any regulatory breaches.

Environmental Targets

During the Reporting Period, the Group's management conducted a comprehensive review of its existing environmental objectives. Following thorough assessment of operational trends and long-term sustainable development demands, the management has revised and rolled out updated environmental targets applicable up to the financial year ended 31 March 2031 ("FY2031"). For more information on GHG emissions targets, please refer to the "Metrics and Targets" section under "Climate Change".

Environmental Targets		
Waste Management	•	Reduce waste intensity by 2% in FY2031 compared to FY2026
Energy Consumption	•	Reduce energy consumption intensities by 2% in FY2031 compared to FY2026
Water Consumption	•	Reduce water consumption intensity by 2% in FY2031 compared to FY2026

Green Operations

In addition to full compliance with applicable environmental protection laws and regulations, we also advances green operational practices and implement various environmental-friendly initiatives across office premises to enhance staff's environmental protection awareness. Below are the core environmental measures adopted within our offices:

- Switch off idle lighting and power-consuming appliances to reduce unnecessary energy draw;
- Carry out periodic cleaning of air-conditioner filters to optimise cooling efficiency;
- Maximise the utilisation of natural daylight to reduce reliance on artificial lighting systems;
- Configure computers, photocopiers and other office equipment to activate sleep mode after 15 minutes of inactivity via built-in energy-saving functions;
- Promote the placement of potted greenery across work premises to foster eco-friendly working environment; and
- Implement the reuse of packaging bags and discarded cartons for the storage of stationery and office supplies.

As paper constitutes a core operational resource, the Group has introduced a range of practices to reduce its overall consumption, including but not limited to:

- Prioritise electronic mail over physical letters and fax for communications to reduce paper wastage;
- Enforce double-sided monochrome printing for internal paperwork to lower consumption of paper and printing toners; and
- Deploy a comprehensive electronic records management system to digitise corporate documentation and minimise reliance on hard copies.

Going forward, the Group will continue to introduce more energy-saving and waste reduction initiatives to advance sustainable operations and deliver its environmental targets.

Emissions and Use of Resources

Air Emission

During the Reporting Period, air emissions generated by the Group primarily originate from its vehicles. We closely monitor vehicle-related air pollutants arising from routine operational business requirements, and have put in place a suite of targeted measures to reduce associated emissions. The Group's air emissions data is presented as follows:

Air Emission[1]	**Unit**	**2026**	2025
Nitrogen Oxides ("NO_x")	Kilograms ("kg")	**2.41**	0.90
Sulphur Oxides ("SO_x")	kg	**0.004**	0.02
Particulate Matter ("PM")	kg	**0.04**	0.07

During the Reporting Period, the Group observed a mixed trend in its air pollutant emissions. While emissions of SO_x and PM saw a notable decline, NO_x emissions recorded an increase compared with the financial year ended 31 March 2025 ("2025" or "FY2025"). This variance is attributable to the Group's fleet management strategy. The reduction in SO_x and PM emissions resulted from the deployment of fewer vehicles, which lowered overall fuel consumption for a significant portion of the fleet. However, the increase in NO_x emissions is a direct consequence of the continued use of certain older vehicle, which has yet to equip with the latest exhaust treatment technologies.

The Group is aware of this trade-off and will continue to evaluate fleet renewal options to achieve more balanced emissions reductions across all pollutant types. Looking ahead, the Group will closely monitor vehicle utilisation and adopt relevant measures to steadily reduce air emissions.

Waste Management

Non-hazardous waste

Due to the business nature of the Group, there are limited wastes generated at our offices and retail premises. In managing the non-hazardous wastes, we follow the "3R" principle of reduce, reuse and recycle to minimise waste generation and disposal.

During the Reporting Period, non-hazardous waste produced by the Group mainly comprised office waste and domestic waste. To reduce the waste generated, we have implemented various measures to reduce the consumption of paper and other office supplies as below:

- Promote a paperless office culture and encourage employees to utilise digital communications when feasible;
- Monitor the consumption of office supplies to identify unnecessary wastage and advocate repeated use; and
- Place dedicated recycling bins to collect waste paper and other recyclable materials.

[1] The calculation of the corresponding air emission are based on the "How to Prepare ESG Report" and its Annex "Appendix 2: Reporting guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong, the "Technical Guidelines for the Compilation of Emission Inventories of Air Pollutants from Road Vehicles (Trial)《道路機動車大氣污染物排放清單編製技術指南(試行)》" issued by the Ministry of Ecology and Environment of the PRC, and the energy consumption indicators issued by the Electrical and Mechanical Services Department (EMSD) of Hong Kong.

Non-Hazardous Waste	Unit	2026	2025
Non-hazardous Waste	tonnes	**2.98**	4.22
Non-hazardous Waste Intensity	tonnes/revenue[2] in HK$'000,000	**0.018**	0.028

During the Reporting Period, the Group's non-hazardous waste decreased compared to FY2025, mainly attributable to the Group's office space consolidation and rationalisation of leased premises across regions.

Hazardous waste

Given the business nature of the Group, we do not generate any material quantities of hazardous waste.

Energy Efficiency

During the Reporting Period, the Group's energy consumption mainly derived from electricity utilised at office premises and fuel consumed by the vehicle fleet. The Group's energy consumption data is as follows:

Energy Consumption[3]	Unit	2026	2025[4]
Total Direct Energy Consumption	MWh	**2.15**	11.08
• Gasoline	litres	**240.00**	1,142.86
Total Indirect Energy Consumption	MWh	**5.77**	28.11
• Purchased Electricity	MWh	**5.77**	28.11
Total Energy Consumption	MWh	**7.92**	39.19
Energy Consumption Intensity	MWh/revenue[5] in HK$'000,000	**0.05**	0.26
	GJ/revenue[5] in HK$'000,000	**0.18**	0.94

Compared with FY2025, the Group's total energy consumption intensity decreased by approximately 81% during the Reporting Period. The reduction was driven by fewer usage of the corporate vehicle fleet, which reduced the Group's gasoline consumption. In addition, the consolidation and rationalisation of leased office premises across regions substantially reduced electricity usage, which also decreased by around 79% compared to FY2025.

2 The Group's revenue for FY2026 and FY2025 were approximately HK$162.124 million and HK$150.700 million respectively.

3 The calculation of energy consumption are based on the "How to Prepare ESG Report" and its Annex "Appendix 2: Reporting guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong, the "Oil information: Database documentation (July 2025 edition)" published by the International Energy Agency, as well as "China Energy Statistical Yearbook 2023" issued by the National Bureau of Statistics of the PRC.

4 To maintain the comparability of reported data due to changes in calculation methodologies, the Group has restated the relevant figures for FY2025.

5 The Group's revenue for FY2026 and FY2025 were approximately HK$162.124 million and HK$150.700 million respectively.

Use of Water

All water supplied to the Group's premises is sourced from local municipal water supply authorities and utility operators, therefore, there is no problem in water supply. Beyond securing reliable water access, the Group also proactively implements various measures to reduce water consumption. Guided by its green office policy, the Group continuously raises staff awareness of water conservation via multiple approaches, including reminding employees to fully close water taps after use, carrying out regular inspections and maintenance on water facilities, and displaying water-saving notices in pantries, washrooms and other means of communication channels. The Group's water consumption data is as follows:

Water Consumption[6]	Unit	2026	2025
Total Water Consumption	cubic metres	**222.61**	312.00
Water Consumption Intensity	cubic metres/revenue[7] in HK$'000,000	**1.37**	2.07

During the Reporting Period, the Group's water consumption intensity decreased by approximately 34% compared to FY2025, largely attributable to the consolidation and rationalisation of leased office premises across regions. Looking ahead, the Group will enhance water management and implement more water-saving initiatives to further lower water usage intensity.

Packaging Materials

The Group's fashion accessories, skincare and wellness product segments consume various packaging materials, including paper cartons, plastic packaging and wooden boxes. We are committed to continuously minimising the consumption of packaging materials across all product lines as part of our sustainable operational targets.

During the Reporting Period, the Group's packaging materials consumption data is as follows:

Packaging Materials	Unit	2026	2025
Packaging Materials Consumption	tonnes	**32.10**	38.00
Packaging Materials Intensity	tonnes/revenue[7] in HK$'000,000	**0.20**	0.25

During the Reporting Period, the Group's consumption of packaging materials declined compared with FY2025. This reduction was mainly driven by the Group's strategic shift towards e-commerce channels for our fashion accessories products, alongside the adoption of lightweight packaging designs to cut down packaging material usage.

6 Water consumption data only covers the Group's office premises located in Shenzhen. Water charges for Hong Kong offices and certain other PRC premises are bundled within property management charges, and relevant water usage figures are therefore not available.

7 The Group's revenue for FY2026 and FY2025 were approximately HK$162.124 million and HK$150.700 million respectively.

The Environment and Natural Resources

The Group's operations exert no material direct adverse impacts on the environment and natural resources. However, certain routine operational activities, including use of vehicles and purchased electricity, generate GHG emissions that contribute to global warming. Relative to manufacturing and other resource-intensive industries, the Group's impacts may not be considered as material due to low consumption levels. Even so, the Group remains committed to steadily reducing its environmental footprint through targeted sustainable practices. Detailed initiatives adopted to conserve natural resources and mitigate emissions can be found in the "Green Operations" and "Emissions and Use of Resources" section.

Climate Change

Climate change is one of the most pressing global challenges nowadays, which calls on all sectors to take collective and timely action to tackle its wide-ranging adverse impacts. In recent years, the frequency of extreme weather events including strong winds and heavy rainfall, as well as tides and floods has attracted widespread public attention. Such weather disturbances pose substantial threats to logistics and supply chain stability. Heavy rainfall, rising tides, and floods may inflict severe damage on physical assets including premises, storage facilities and inventory, potentially triggering material financial losses. Although such incidents are beyond everyone's control, the Group recognises climate change as one of the most significant risks over the coming five years, and advocates joint efforts from all stakeholders to mitigate its associated threats.

Actions to address climate change have been fully embedded within the Group's core business strategy, and such considerations are woven into the full spectrum of corporate governance and daily management workflows. For further details outlining the integration of climate oversight into the Group's governance framework, please refer to the "ESG Governance Structure" section.

Nevertheless, the Group maintains an unwavering commitment to advancing climate-related initiatives amid our consumer goods and retail-oriented operations. Moving forward, we will further enrich the depth and comprehensiveness of our sustainability disclosures, delivering transparent, reliable climate-related information to key stakeholders including investors and capital providers. The Group has strengthened the analytical frameworks to systematically evaluate climate-related risks and opportunities aligned with our respective market landscapes and operational footprints.

Climate-related Risks and Opportunities

The Group has applied the following time horizons when assessing climate-related risks and opportunities:

Time Horizon	Timeframe Definition
Short-term	0–5 years
Medium-term	6–10 years
Long-term	More than 10 years

The Group has identified a series of climate-related risks and opportunities that are material to our assets, operations and services over short-term, medium-term and long-term.

Risk Type	Physical Risk
Risk Drivers	*Acute Risk* • Tropical cyclones, storms, extreme flooding and extreme heat/heatwaves *Chronic Risk* • Changes in precipitation patterns and extreme variability in weather patterns, rising sea levels, and rising average temperatures
Time Horizon and Potential Impact	*Short-term, Medium-term* • Typhoons, heavy rain and flooding hinder the operation of supplier factories, warehouses and cross-border logistics networks. Severe rainfall and flood conditions may damage inventories of accessories and skincare products, triggering delayed order fulfilment and customer cancellations that adversely impact on the Group's revenue. • Typhoons, heavy rain and extreme heat may lead to temporary suspensions of the Group's office operations. Power outages at premises accommodating back-end systems and customer service teams disrupt the functionality of online platforms and impede the Group's overall operations. *Medium-term, Long-term* • Sustained rising temperatures and tightened water resource regulations in partial production areas drive a continuous increase in upstream suppliers' water and electricity costs, which may further increase the Group's overall product procurement expenditure. • Rising sea levels expose coastal warehousing facilities and cross-border ports to seawater inundation risks, potentially necessitating warehouse relocation and increasing warehousing and transportation overheads. Additionally, climate anomalies may disrupt air freight services, causing cargo delivery delays and a sustained uplift in shipping fees. • Persistently hot and humid ambient conditions accelerate the deterioration of skincare commodities and oxidation of metallic accessories, pushing up product return and exchange occurrence and increasing the Group's after-sales operating costs.

Risk Type	Transition Risk
Risk Drivers	*Policy and Legal Risk* • Increased carbon pricing, enhanced emissions reporting obligations, and tightening environmental legislation
Time Horizon and Potential Impact	*Medium-term, Long-term* • To comply with new climate regulatory standards, the Group may be required to adopt updated compliance workflows and deploy additional manpower to meet stricter carbon emissions reporting obligations, resulting in higher overall operating costs and heavier compliance expenditure. • Increase in carbon taxation and stricter pollutant discharge regulations across upstream suppliers drive a sustained uplift in the Group's procurement costs. To cover rising carbon levies and pollution treatment expenses imposed by updated environmental legislations, suppliers will adjust product pricing, resulting in persistent increase of the Group's purchasing expenditure. • To satisfy tightened compliance thresholds governing packaging materials, cosmetic raw materials and industrial wastewater discharges, some suppliers may face production curtailments or temporary factory shutdowns, disrupting the Group's supply chain stability and regular day-to-day operational arrangements.

Risk Type	Transition Risk
Risk Drivers	*Market Risk* • Shifting consumer behaviour, volatile market signals, and evolving customer preferences
Time Horizon and Potential Impact	*Medium-term, Long-term* • Growing consumer preference for low-carbon, eco-friendly fashion accessories and skincare goods reduces market demand for conventional high-carbon products, which may suppress the Group's product sales volume. To cater to such shifting consumer demands, the Group may need to revise its product portfolio, resulting in extra expenditures on product research and development as well as targeted green marketing campaigns. • Persistent market bias toward sustainable merchandise creates limited room for business expansion if the Group's low-carbon transformation progresses at a slow pace, which may lead to unsold inventory and impairment of existing product value. • Volatile market signals and fast-evolving sustainability preferences introduce unpredictable fluctuations in customer purchasing trends, forcing the Group to continuously adjust product positioning and promotional strategies and bringing ongoing uncertainty to revenue performance.

Risk Type	Transition Risk
Risk Drivers	*Reputation Risk* • Heightened stakeholder scrutiny, growing media oversight, and tightening climate-related public expectations
Time Horizon and Potential Impact	*Medium-term, Long-term* • Heightened stakeholder scrutiny and intensified media coverage amplify the spread of any environmental non-compliance incidents. Failures in ESG governance or environmental performance will rapidly tarnish the Group's brand reputation and public image. • Public expectations on corporate climate accountability keep rising. If the Group's low-carbon initiatives and environmental disclosures fail to meet market benchmarks, recognition among consumers and supply chain partners will decline, exerting downward pressure on the Group's revenue performance.

Opportunity Type	Resource efficiency • Use of more efficient distribution processes and modes of transport, use of recycling
Time Horizon and Potential Impact	*Medium-term, Long-term* • Optimising distribution workflows, scaling recycling initiatives and shifting to low-carbon, high-efficiency transport solutions unlock notable resource efficiency gains for the Group. Such operational upgrades decrease unnecessary resource wastage across the value chain, delivering sustained reductions in the Group's day-to-day operating expenses.

Opportunity Type	Energy resource • Use of lower-emission energy sources, and participation in carbon market
Time Horizon and Potential Impact	*Medium-term, Long-term* • The adoption of low-emission energy alternatives provides the Group with cost-effective pathways to reduce carbon footprints and mitigate long-term GHG exposure risks. • Active participation in carbon markets enables the Group to manage residual emissions in a flexible, economical manner while hedging against future carbon regulatory and pricing risks.

Opportunity Type	Market • Entry into new markets, access to new and more efficient suppliers
Time Horizon and Potential Impact	*Medium-term, Long-term* • Penetration into emerging green markets and collaborative partnerships with financial institutions and governmental bodies diversifies the Group's revenue streams and unlocks new commercial growth opportunities. • Engagement with innovative, high-efficiency suppliers streamlines product delivery cycles, strengthens supply chain agility and delivers sustained reductions in the Group's overall procurement expenditure.

Our Responses and Approaches

To mitigate potential adverse impacts brought by climate change, the Group maintains ongoing monitoring of physical climate risks including typhoons and flooding, with targeted precautionary measures rolled out. For example, tailored contingency plans are deployed across all warehousing and operational premises, while flexible remote working policies are introduced for office staff to sustain business continuity amid extreme weather events.

In parallel, the Group actively tracks climate transition risks arising from updated regulatory rules, technological advances and shifting market demands, which may drive up operating expenses and trigger legal or reputational liabilities. We continuously follow evolving carbon disclosure mandates, environmental policies and buyer preferences for sustainable merchandise to capture emerging risks ahead of time.

To advance low-carbon transformation, the Group has launched a full suite of environmental initiatives to cut energy usage and carbon emissions throughout its supply chain and internal operations. A holistic risk management framework is adopted to strengthen short-term operational resilience while building long-term strategic flexibility for the low-carbon shift. Comprehensive details of these eco-friendly practices are set out in the "Green Operation" section.

Additionally, the Group's management conducts systematic assessments, continuous monitoring and formal reviews of climate-related risks and opportunities, and reports to the Board on an annual basis. The processes for identifying, assessing, prioritising and monitoring such climate-related risks and opportunities are fully embedded within the Group's risk management system and integrated into its overall risk evaluation and decision-making. The Group fully considers the unique characteristics of climate-related risks. It is noted that the impacts of such risks vary by geographical location and type of business activity, as well as their nature of uncertainty, complex interdependencies, and potential systemic effects. To effectively address the climate-related risks, the Group integrates risk management deeply into its day-to-day operations to achieve comprehensive and precise control over climate-related risks, laying a robust foundation for the Group's long-term sustainable growth.

Climate-related Financial Matters[8]

The Group has systematically identified climate-related physical and transition risks, with their potential business impacts detailed in the "Climate-related Risks and Opportunities" section. We maintain ongoing tracking of market and policy shifts to dynamically adjust our strategic plans accordingly.

Analyses of short-, medium- and long-term climate-related risks impacting the Group's cash flows, financing access and cost of capital are also covered in the aforementioned section. In line with prevailing industry standards and practices, the Group will conduct systematic climate risk assessments where feasible. Such assessments will start with qualitative evaluations of potential financial impacts, before progressing to quantitative modelling and measurement to build a climate-financial data framework underpinning its long-term sustainable operations.

8 During the Reporting Period, no material climate-related financial impacts that can be separately presented, nor separately quantifiable expected financial impacts over the short, medium and long term, were identified.

Capital Deployment and Allocation of Financial Resources

In FY2026, the Group allocated adequate financial resources to ESG (including climate-related) initiatives to ensure the effective implementation of relevant strategies and action plans, demonstrating solid commitment to long-term sustainable development. Moving ahead, the Group intends to scale up investment in climate-related efforts, including ESG consultancy and low-carbon equipment upgrades. By strengthening dedicated manpower and financial resources, the Group will further integrate sustainable development principles into its daily operations and decision-making processes.

Metrics and Targets

GHG Emissions

Climate change and global warming have drawn mounting global attention in recent years. The Group remains committed to reducing carbon dioxide and other GHG emissions across all day-to-day operations. The carbon footprint of the Group's daily operations is mainly comprised of GHG emissions generated from the use of purchased electricity, vehicle fuel consumption, and business travel.

The Group's GHG emission data is presented as follows:

GHG Emissions[9]	Unit	2026	2025[10]
Direct Emissions (Scope 1)[11]	tonnes CO_2e	**0.54**	3.05
Indirect Emissions (Scope 2)[12]	tonnes CO_2e	**2.16**	11.31
Other Indirect Emissions (Scope 3)[13]	tonnes CO_2e	**5.46**	4.95
Total GHG Emissions	tonnes CO_2e	**8.16**	19.31
GHG Emissions Intensity	tonnes CO_2e/revenue[14] in HK$'000,000	**0.05**	0.13

9 GHG emission calculations cover the reporting scope of this Report and were performed by reviewing and collecting operational data prior to calculation. The calculations are also based on international, national or regional standards with reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, the "How to Prepare ESG Report" and its Annex "Appendix 2: Reporting guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong, the Oil Information: Database Documentation (July 2024 edition) issued by the IEA, the 2025 Sustainability Report published by CLP Power Hong Kong Limited, "Methodology for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises in Other Industries (Trial)《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》" jointly issued by National Development and Reform Commission and National Centre for Climate Change Strategy and International Cooperation, "2023 Electricity CO_2 Emission Factor《2023年電力二氧化碳排放因子》" issued by the Ministry of Ecology and Environment of the People's Republic of China, "IPCC Sixth Assessment Report on Climate Change《IPCC氣候變遷第六次評估報告》" and International Civil Aviation Organization (ICAO) Carbon Emission Calculator.

10 To maintain the comparability of reported data due to changes in calculation methodologies, the Group has restated the relevant figures for FY2025.

11 Emissions in Scope 1 include the emission from the use of corporate vehicles owned by the Group.

12 Emissions in Scope 2 include the emission from the purchased electricity. Emissions in Scope 2 were calculated using the location-based method.

13 Emissions in Scope 3 included the Group's emissions from the business travel. This Report discloses GHG emissions data for Scope 3 Categories 6. The remaining categories are not disclosed at this stage due to data collection constraints. The Group will continue to enhance its data collection systems and strengthen communication with value chain partners to improve the completeness of data.

14 The Group's revenue for FY2026 and FY2025 were approximately HK$162.124 million and HK$150.700 million respectively.

During the Reporting Period, the Group's GHG emission intensity decreased by approximately 61% compared with FY2025. This notable reduction was mainly driven by a series of decarbonisation initiatives implemented throughout the year. The Group reduced the corporate vehicle usage, leading to lower gasoline consumption. In addition, the consolidation and rationalisation of leased office premises in different regions significantly reduced electricity consumption, while unnecessary business travel was also minimised to further decrease the emissions. Looking ahead, the Group will continue to closely monitor its GHG emissions, making improvement and refinement on respective measures where necessary.

GHG Emissions Mitigation and Target

The Group has established its GHG target, with the scope of the target aligned with the reporting scope of this Report, as detailed in the table below. By setting this target, the Group seeks to continuously refine its decarbonisation initiatives, advance energy saving and carbon reduction in a responsible manner.

Target Information	
Target Set	With FY2026 set as the base year, the Group strives to achieve a 2% reduction in GHG emissions intensity by FY2031 (GHG covered CO_2, CH_4 and N_2O); Achieve carbon neutrality by 2050 in Hong Kong region and by 2060 in the PRC, in line with the national and local objectives.
Target Type	Intensity
Objective of Target	Mitigation, adaptation
Monitoring Progress	The Board and the management review the target and performance on GHG emission annually, and assess whether a revision on the target is required.

The Group will continue to assess, accurately record and disclose its annual GHG emissions, and aims to establish a clear accountability framework to deliver on its emission policies and targets. We will regularly review such targets and policies, enhance our data collection systems and develop appropriate emission reduction strategies based on forecasts for future years.

SOCIAL

People-oriented

We have always regarded our staff as our most valuable asset and also the key to the Group's continual growth and success. The Group provides our staff with diverse career development and training opportunities to support their personal advancement. Additionally, the Group provides our staff with competitive remuneration and benefits, and implements various measures to safeguard their occupational health and safety, fostering a harmonious working environment.

The Group's core corporate values are encapsulated in the motto "Create, Share and Grow Together". We encourage employees to embrace innovation, continuously push boundaries and pursue excellence. We advocate a proactive, aspirational work ethos for individuals to fulfil their personal potential. We place great emphasis on teamwork, recognising that collective strength enables us to overcome all challenges. Committed to win-win outcomes, we collaborate closely with partners to forge ahead and build a sustainable, promising future together.

During the Reporting Period, the Group was not aware of any material violations of employment-related laws and regulations, including but not limited to the Employment Ordinance, the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》).

Employment and Labour Practices

Employment Standards

The Group firmly recognises that child labour and forced labour are wholly unacceptable practices, and upholds a firm stance to proactively eradicate such labour violations across all its operations. Respecting fundamental human rights, the Group maintains full compliance with all applicable local laws and regulations regarding child and forced labour. The Group has formulated the Recruitment Management Policy ("招聘管理規定") to effectively mitigate any risk of labour malpractice.

During recruitment process, applicants' ages are verified via official identity documents to eliminate any risk of child labour engagement. All our employees are protected by employment contracts with employment terms clearly stated and shall not be subject to forced labour. The Group respects employees' right to free expression and maintains a structured grievance mechanism, allowing staff to escalate concerns to management in a proper manner.

The Group adopts zero tolerance for all form of intimidation or physical abuse in daily operations. Should any instances of child labour or forced labour be identified, the Group will implement immediate remedial measures to protect affected parties and notify relevant social welfare agencies to arrange appropriate support. During the Reporting Period, the Group was not aware of any material violations of laws and regulations relating to child labour and forced labour, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

Talent-oriented Employment

To attract high-calibre and suitable talents, the Group has established the Recruitment Management Policy ("招聘管理規定") and Strategic Talent Reserve Policy ("戰略人才儲備制度") to govern its employee recruitment workflows. The Group adheres to recruitment principles of open recruitment, equal competition, merit-based recruitment and internal mobility priority over external recruitment. External recruitment is carried out via diversified channels, including online job platforms, talent fairs, campus recruitment, print media and professional headhunting firms. As an equal opportunity employer, we consistently uphold fair, transparent and inclusive hiring practices. During candidate screening and interviews, assessments are solely based on applicants' credentials and professional capabilities. No discrimination or unfair treatment will be rendered on the grounds of age, gender, ethnicity, skin colour, sexual orientation, disability or marital status.

Meanwhile, to align human resource management with the Group's growth and development, the Group has formulated the Performance Appraisal Management System ("績效考核管理制度") and the Career Path & Promotion Management Policy ("員工職業通道與晉升管理規定") to optimise the deployment of human capital. The Group maintains a structured career progression framework. All employees undergo annual performance reviews, through which they receive tailored feedback on their job performance and career advancement. The review outcomes serve as a key reference for staff remuneration adjustments and internal promotions. We also provide different training and learning opportunities for our employees. Staff are granted access to external training programmes and seminars to enhance their professional competencies, achieve personal growth and progress alongside the Group.

Remuneration and Benefits

To foster a convenient, smooth, safe, healthy and positive workplace, the Group has established management systems for remuneration, working hours and holidays. All relevant provisions are clearly documented in the Staff Handbook for easy reference by employees. The Group offers competitive remuneration packages to attract and retain outstanding talent. Staff compensation comprises basic salary, position allowance and other subsidies. Eligible employees are entitled to overtime pay or compensatory leave for overtime work.

The Group has also formulated the Welfare Management Policy ("福利管理規定") to deliver a full spectrum of employee allowances, including but not limited to meal, housing and transportation subsidies. Additional perks such as birthday gifts are provided to enhance staff well-being.

The Group strictly adheres to all statutory minimum wage and social welfare regulatory requirements. For employees based in PRC, full social insurance coverage is provided, covering pension, medical, unemployment, work injury and maternity insurance schemes.

Employment statistics

As of 31 March 2026, the Group had 24 employees, with a turnover rate of 25%. Detailed data are listed below:

Employee Number (as at 31 March)		2026
Overall		24
By Gender	Male	11
	Female	13
By Age Group	<30 years old	7
	30–40 years old	12
	41–50 years old	3
	51–60 years old	1
	>60 years old	1
By Employment Type	Full-time	24
	Part-time	0
By Geographical Region	Hong Kong	8
	PRC	16

Employee Turnover Breakdown[15,16]		2026 Turnover rate
Overall		25%
By Gender	Male	27%
	Female	23%
By Age Group	<30 years old	43%
	30–40 years old	17%
	41–50 years old	33%
	51–60 years old	0%
	>60 years old	0%
By Geographical Region	Hong Kong	0%
	PRC	38%

[15] Excluding employees leaving employment due to personal health issues, end of temporary employment and unsatisfactory performance during probationary period.

[16] Employee turnover rate = Total number of employees turnover in the specific category during the Reporting Period / Total number of employees in the specific category at the end of the Reporting Period

Regulatory compliance

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations regarding employment and labour practices.

Health and Safety

Given the nature of the Group's operations, none of its business activities entail high occupational health and safety risks. Even so, the Group remains dedicated to cultivating a zero-work-injury workplace. First-aid kits and emergency contact details are installed at accessible locations across all premises for immediate use when needed.

All employees are covered by medical insurance to secure their well-being in the event of workplace accidents. Should any serious work injury occur, the Group will conduct a full root-cause investigation and implement targeted corrective and improvement measures to avoid similar incidents reoccurring. Meanwhile, a workplace smoke-free policy has been enforced to safeguard employees' physical health. Standard operating procedures for typhoons and heavy rainstorms are also in place to protect staff during their daily commutes to and from work.

During the Reporting Period, the Group recorded zero workplace injuries and fatalities, and identified no material breaches of occupational safety laws and regulations. Consistent safety performance was maintained across the three financial years ended 31 March 2024, 31 March 2025 and 31 March 2026, with no work-related fatalities or injuries reported throughout these periods.

Regulatory Compliance

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations regarding occupational health and safety, including but not limited to the Occupational Safety and Health Ordinance and the Law on the Prevention and Control of Occupational Diseases of the People's Republic of China (《中華人民共和國職業病防治法》).

Development and Training

The Group recognises that employees' personal advancement is closely aligned with the sustained growth of its business. Accordingly, the Group is committed to supporting our staff's professional development and nurturing a strong sense of belonging, enabling all employees to grow within a harmonious workplace.

The Group has formulated the Training Management Policy ("培訓管理規定") to establish a structured training framework that supports all employees' professional development. Through this systematic training mechanism, the Group delivers tailored learning opportunities catering to both new recruits and serving staff to elevate their overall competence.

Training initiatives are designed to equip all staff with up-to-date industry insights and technical capabilities, sustaining their professional competitiveness. To ensure our Directors remain well-versed in prevailing listing requirements, we regularly circulate materials outlining the latest amendments to the Listing Rules. During the Reporting Period, we encouraged our colleagues to participate in diverse career training to enhance their capabilities to discharge their respective duties. Mandatory foundational trainings were also provided, including new employee orientation, on-the-job training, as well as occupational safety and emergency response training.

Employees are encouraged to develop and equip themselves with professional qualifications for future challenges. As part of the annual appraisal process, employees are guided to discuss and formulate their development plans. The Group provides support and incentives for employees to pursue relevant professional certifications and courses.

Employee Training Statistics (excluding self-learning materials)		2026 Percentage of Trained Employees[17]	2026 Average Training Hours[18]
Overall		71%	18.17
By Gender	Male	55%	13.09
	Female	85%	22.46
By Employee Category	Management	71%	15.79
	General staff	71%	19.15

Supply Chain Management and Quality Assurance

In order to protect the interests of our customers to the greatest extent, the Group offers a free product return and exchange service for customers who identify product quality defects within seven days of receipt. The feedback from customers relating to product quality will be reviewed thoroughly to ensure timely identification of significant issues within our value chain.

To guarantee product quality and safety at source, we have established the "Factory Qualification Ranking Assessment Standard" (《工廠資質等級評審標準》) and "Product Quality Control System" (《產品品質管控制度》), alongside a suite of policies to guarantee all supplied merchandise complies with stipulated quality benchmarks. For new supplier onboarding, on-site inspections will be performed as part of the evaluation process prior to obtaining qualification status. Suppliers who pass the evaluation will enter a formal cooperation agreement together with a six-month trial period. For existing suppliers, we also conduct qualification assessments on a regular basis to verify their ongoing adherence to the Group's performance standards. The assessment criteria include the quantity of supply, the number of complaints and the quality of service. For suppliers that fail to meet the qualification requirements, the Group will recommend corrective actions for the supplier to improve their performance. Should no meaningful progress be observed following remedial measures, the Group reserves the right to terminate the partnership.

To be qualified as our suppliers, their supplied products are required to comply with the four quality testing standards set out below:

- Environmental protection testing standard
- Coating wear resistance testing standard
- Salt mist corrosion testing standard
- Appropriateness of wearing standard

17 Percentage of trained employees = Total number of employees received training in the specific category during the Reporting Period / Total number of employees in the specific category at the end of the Reporting Period

18 Average training hours = Total training hours in the specific category during the Reporting Period / Total number of employees in the specific category at the end of the Reporting Period

The Group attaches importance not only to suppliers' product quality performance, but also to their environmental and social risk management. In addition to requiring suppliers to meet environmental protection testing standards for their products, we also expect them to maintain sound business ethics and integrity and prohibit any violations of laws and regulations on collusion, bribery and other malpractices. If suppliers are found to have any material adverse impact on the environment or community they operate in, the Group will consider terminating the cooperation.

During the Reporting Period, the Group have not experienced any product recall, material non-compliance with laws and regulations in relation to product health and safety, nor received any material complaints from consumers. The geographical details of suppliers are summarised as follows:

	2026	2025
Hong Kong	–	2
PRC	**12**	31
Total	**12**	33

Compared with FY2025, the Group has shifted its core operations to the PRC following business restructuring, leading to a reduction in the number of suppliers based in Hong Kong. The Group also consolidated its procurement channels, phased out inefficient suppliers with substandard quality and optimised overall supply chain management during the Reporting Period.

Quality Services

Caring Services

The mission of the Group is to offer quality products and services to customers, nurture long-term loyal client relationships, as well as to establish itself as an industry trend leader in the fashion accessories through a diversified portfolio of high-quality merchandise.

To strengthen business ties with clients and foster a reputable corporate image, the Group has formulated the Customer Service Management Measures to standardise all customer-facing service workflows. The Group prioritises active engagement with customer opinions and feedback to sustain robust client partnerships. Instant customer support is available across all sales platforms and channels. Customers may reach out to our customer service team at any time for enquiries or complaints. Upon receipt of customer grievances, the Group conducts thorough investigations, delivers timely and appropriate responses, and implements targeted remedial measures accordingly.

Privacy Protection

As an online platform operator, the Group places paramount importance on rigorous privacy protection and information security. A confidentiality statement is incorporated into the Staff Handbook to raise employees' awareness of personal data protection, with explicit prohibitions against unauthorised disclosure of customers' private information.

The Group also publishes the Privacy Protection Statement on its online platforms, which transparently outlines how user account data, including passwords, contact numbers, email addresses and credit card details, are utilised, together with the security controls implemented by the Group to protect such information. All sales platforms are equipped with Secure Sockets Layer (SSL) encryption technology to secure data in transit and prevent unauthorised leakage of customers' personal information.

During the Reporting Period, the Group identified no material data leakage incidents and received no complaints from customers or regulatory authorities relating to inadequate privacy protection or loss of personal customer data.

Protection of Intellectual Property Rights

The Group upholds intellectual property rights and prohibits all conducts that constitute an infringement thereof. Given the nature of our business operations, the Group's key intellectual property compliance risks relate to licensed software usage, marketing materials and products offered on the sales platforms. The Group supplies fully licensed software for all staff and prohibits the installation or deployment of pirated software. For marketing materials and the products offered on the sales platforms, we strictly abide by local regulations related to intellectual property rights.

Promotion and Advertising

The Group primarily carries out marketing promotions via its official website and social media platforms. All promotional materials, including press releases, editorial articles and website content, are subject to formal internal approval prior to publication to guarantee that all content is compliant, accurate and factual.

During the Reporting Period, the Group identified no material breaches of relevant laws and regulations, including but not limited to the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and Internet Security Law of the People's Republic of China (《中華人民共和國網絡安全法》). Such regulatory requirements cover product liability matters encompassing product and service quality, advertising, product labelling, customer privacy safeguards and consumer rights protection.

Regulatory compliance

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations regarding product responsibility.

Integrity

As a responsible corporate citizen, the Group upholds robust corporate governance and strictly comply with the applicable laws and regulations, including but not limited to, the Prevention of Bribery Ordinance and the Anti Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), prohibiting any behaviour of corruption, bribery, money laundering, fraud and extortion, in order to maintain good moral integrity, establish a corporate culture of integrity and pragmatism, and safeguard the interests of the Group.

Employees across all tiers are required to conduct themselves with integrity, impartiality and honesty. The Group ensures every new joiner receives relevant compliance guidance via the Staff Handbook upon onboarding, which sets out clear codes of conduct and stipulate that employees are not allowed to demand or accept any benefit, including money, gifts, rewards, services or privileges, in connection with their duties.

The Group has implemented the formal Anti-Corruption Policy and Whistleblowing Policy, which apply to all employees. The documents contain detailed definitions and illustrative examples on fraud and corruption activities prohibited within the Group to foster our employees' understanding. Employees are encouraged to report any legitimate concern regarding potential irregularities in financial reporting, internal controls or other unethical behaviour. The policies protect employees from any form of retribution for false allegations brought out of good faith. Upon receiving reports of suspicious misconduct, the Group's Audit Committee will perform an initial assessment of the matter. Depending on the severity of substantiated breaches, confirmed violations may result in warnings, disciplinary actions, termination of employment, and/or reporting to regulatory authorities. During the Reporting Period, the Group also delivered anti-corruption training to all Directors and employees.

Regulatory Compliance

During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees, and we were not aware of any material non-compliance with laws and regulations regarding anti-corruption.

Community Contribution

The Group advocates a culture of social responsibility and actively encourages all employees to take part in a wide range of community-focused charitable initiatives, including monetary and material donations, environmental conservation campaigns and outreach volunteer programmes. Through such participation, staff can deliver tangible support to local communities and uphold the Group's social obligations. No charitable donations were disbursed by the Group during the Reporting Period. However, the management team remains committed to continuously exploring viable charitable and community engagement opportunities, with the aim of deploying corporate resources to elevate the living standards and overall well-being of the communities where the Group operates.

Looking forward, the Group plans to allocate more manpower and financial resources to sustainable social initiatives. It will proactively develop long-term community partnership projects, expand employee volunteer schemes, and integrate social welfare objectives into the Group's medium- and long-term sustainability roadmap, so as to drive inclusive community development and advance sustainable growth through consistent, meaningful practical action.

APPENDIX I: HKEX ESG REPORTING CODE CONTENT INDEX

Mandatory Disclosure	Requirements	Section/Remark
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance Structure
Reporting Principles – Materiality	(i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	Application of the Reporting Principles
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).	Application of the Reporting Principles
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Application of the Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	Reporting Period and Scope

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Remark
A: Environment		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Sustainability Overview and Management Objectives; Emissions and Use of Resources
KPI A1.1	The types of emissions and respective emissions data	Emissions and Use of Resources
KPI A1.2	[Repealed 1 January 2025]	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Given the nature of our business, we do not produce any significant amount of hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Emissions and Use of Resources
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Sustainability Overview and Management Objectives; Emissions and Use of Resources
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Sustainability Overview and Management Objectives; Emissions and Use of Resources

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Remark
Aspect A2: Use of Resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials	Sustainability Overview and Management Objectives; Emissions and Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Emissions and Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Emissions and Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Sustainability Overview and Management Objectives; Emissions and Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Emissions and Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Emissions and Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Sustainability Overview and Management Objectives; The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	[Repealed 1 January 2025]	/
KPI A4.1	[Repealed 1 January 2025]	/

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Remark
B: Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Employment and Labour Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Employment and Labour Practices
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Health and Safety
KPI B2.2	Lost days due to work injury	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Health and Safety

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Remark
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g.: senior management, middle management)	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Employment and Labour Practices
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Employment and Labour Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Employment and Labour Practices
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management and Quality Assurance
KPI B5.1	Number of suppliers by geographical region	Supply Chain Management and Quality Assurance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain Management and Quality Assurance
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supply Chain Management and Quality Assurance
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supply Chain Management and Quality Assurance

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Remark
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	There was no major recall of products sold during the Reporting Period.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	There was no substantial complaints received during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Quality Services
KPI B6.4	Description of quality assurance process and recall procedures	Quality Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Quality Services
Aspect B7: Anti-corruption		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff	Integrity

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Remark
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Community Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Community Contribution

Part D: Climate-related Disclosures		Section/Remark
(I) Governance		
19	An issuer shall disclose information about:	
19(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
19(a)(i)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	ESG Governance Structure
19(a)(ii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	ESG Governance Structure
19(a)(iii)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	ESG Governance Structure
19(a)(iv)	How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35).	ESG Governance Structure
19(b)	An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
19(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	ESG Governance Structure
19(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ESG Governance Structure

Part D: Climate-related Disclosures		Section/Remark
(II) Strategy		
Climate-related risks and opportunities		
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
20(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Climate Change
20(b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.	Climate Change
20(c)	Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Climate Change
20(d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Change
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
21(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate Change The Group will keep refining its method in determining the scope of value chain in its climate risk assessment.
21(b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Change The Group will keep refining its method in determining the scope of value chain in its climate risk assessment.

Part D: Climate-related Disclosures		Section/Remark
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
22(a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
22(a)(i)	Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities.	Climate Change
22(a)(ii)	Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Climate Change
22(a)(iii)	Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan.	The Group does not have a climate-related transition plan.
22(a)(iv)	How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Climate Change
22(b)	Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	ESG Governance Structure; Climate Change
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Since we began disclosing our responses to and plans for addressing climate-related risks and opportunities in accordance with paragraph 22(a) starting this Reporting Period, this information is not available.

Part D: Climate-related Disclosures		Section/Remark
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	
24(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Climate Change Regarding quantitative information, the Group adopted Financial Effects Relief during the Reporting Period. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this Report.
24(b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	No significant risk of material adjustment
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
25(a)	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy.	Climate Change Regarding quantitative information, the Group adopted Capabilities Relief during the Reporting Period. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this Report.
25(b)	How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Part D: Climate-related Disclosures		Section/Remark
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
26(a)	The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
26(a)(i)	The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis.	Climate Change The Group has not yet conducted climate-related scenario analysis. The Group plans to proactively allocate human resources and funding to undertake relevant scenario analysis work in the future.
26(a)(ii)	The significant areas of uncertainty considered in the issuer's assessment of its climate resilience.	
26(a)(iii)	The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	
26(b)	How and when the climate-related scenario analysis was carried out, including:	
26(b)(i)	Information about the inputs used, including:	
26(b)(i)(1)	Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios.	The Group adopted Capabilities Relief and has not yet conducted climate-related scenario analysis. The Group plans to proactively allocate human resources and funding to undertake relevant scenario analysis work in the future.
26(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios.	
26(b)(i)(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	
26(b)(i)(4)	Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	
26(b)(i)(5)	Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	
26(b)(i)(6)	Time horizons the issuer used in the analysis.	

Part D: Climate-related Disclosures		Section/Remark
26(b)(i)(7)	What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis).	The Group adopted capabilities relief and has not yet conducted climate-related scenario analysis. The Group plans to proactively allocate human resources and funding to undertake relevant scenario analysis work in the future.
26(b)(ii)	The key assumptions the issuer made in the analysis.	
26(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	
(III) Risk Management		
27	An issuer shall disclose information about:	
27(a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
27(a)(i)	The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes).	The Group has not yet conducted climate-related scenario analysis.
27(a)(ii)	Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	The Group has not yet conducted climate-related scenario analysis.
27(a)(iii)	How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Climate Change
27(a)(iv)	Whether and how the issuer prioritises climate-related risks relative to other types of risks.	Climate Change
27(a)(v)	How the issuer monitors climate-related risks.	ESG Governance Structure; Climate Change
27(a)(vi)	Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	The Group has not yet conducted climate-related scenario analysis.
27(b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	ESG Governance Structure; Climate Change
27(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Change

Part D: Climate-related Disclosures		Section/Remark
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
28(a)	Scope 1 greenhouse gas emissions.	Climate Change
28(b)	Scope 2 greenhouse gas emissions.	Climate Change
28(c)	Scope 3 greenhouse gas emissions.	Climate Change The Group disclosed the Scope 3 Category 6 GHG emissions and adopted Reasonable Information Relief for the remaining categories due to data collection constraints.
29	An issuer shall:	
29(a)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	Climate Change
29(b)	Disclose the approach it uses to measure its greenhouse gas emissions including:	
29(b)(i)	The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions.	Climate Change
29(b)(ii)	The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	Climate Change
29(b)(iii)	Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	Climate Change
29(c)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	Climate Change

Part D: Climate-related Disclosures		Section/Remark
29(d)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Climate Change
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group adopted Reasonable Information Relief during the Reporting Period. The Group will consider providing quantitative information in the future when appropriate, including the amount and percentage of assets or business activities vulnerable to climate-related transition risks.
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group adopted Reasonable Information Relief during the Reporting Period. The Group will consider providing quantitative information in the future when appropriate, including the amount and percentage of assets or business activities vulnerable to climate-related physical risks.

Part D: Climate-related Disclosures		Section/Remark
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group adopted Reasonable Information Relief during the Reporting Period. The Group will consider providing quantitative information in the future when appropriate, including the amount and percentage of assets or business activities aligned with climate-related opportunities.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Quantitative information has not been disclosed at this stage due to confidentiality constraints.
Internal carbon prices		
34	An issuer shall disclose:	
34(a)	An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	The Group did not apply a carbon price in decision-making during the Reporting Period.
34(b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
34	Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group did not factor climate-related considerations into remuneration policy during the Reporting Period.

Part D: Climate-related Disclosures		Section/Remark
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group did not include industry-based metrics in our disclosure of the Reporting Period.
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37(a)	The metric used to set the target.	Climate Change
37(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	Climate Change
37(c)	The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region).	Reporting Period and Scope; Climate Change
37(d)	The period over which the target applies.	Climate Change
37(e)	The base period from which progress is measured.	Climate Change
37(f)	Milestones or interim targets (if any).	Climate Change
37(g)	If the target is quantitative, whether the target is an absolute target or an intensity target.	Climate Change
37(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Climate Change

Part D: Climate-related Disclosures		Section/Remark
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38(a)	Whether the target and the methodology for setting the target has been validated by a third party.	The target and the methodology for setting the target have not been validated by a third party.
38(b)	The issuer's processes for reviewing the target.	ESG Governance Structure; Climate Change
38(c)	The metrics used to monitor progress towards reaching the target.	ESG Governance Structure; Climate Change
38(d)	Any revisions to the target and an explanation for those revisions.	Climate Change
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate Change
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40(a)	Which greenhouse gases are covered by the target.	Climate Change
40(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	
40(c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	
40(d)	Whether the target was derived using a sectoral decarbonisation approach.	The target was not derived using a sectoral decarbonisation approach.

Part D: Climate-related Disclosures		Section/Remark
40(e)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
40(e)(i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	The Group did not use or did not plan to use carbon credits during the Reporting Period.
40(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits.	
40(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	
40(e)(iv)	Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	

容诚 | RCHK

To the shareholders of Artini Holdings Limited
(Incorporated in the Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Artini Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 97 to 156, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KEY AUDIT MATTER *(continued)*

Impairment assessment of intangible assets

Refer to Note 18 to the consolidated financial statements.

As of 31 March 2026, the Group has intangible assets related to trademarks of approximately HK$18,692,000.

The Group engaged an external valuation firm to perform the impairment assessments of trademarks by comparing the carrying values of cash generating units (“CGUs”) to which the trademarks have been allocated to, with their respective recoverable amounts using discounted cash flow method. The preparation of discounted cash flow forecasts for the purpose of assessing the recoverable amount of trademarks involves significant estimation, including future revenue growth rates, future profit margins and discount rates applied.

We identified the impairment assessment of trademarks as a key audit matter because the balances of trademarks as of 31 March 2026 are material to the consolidated financial statements and the Group’s impairment test involves significant management judgements, assumptions and estimates.

How our audit addressed the key audit matter

Our audit procedures in relation to the impairment assessment of trademarks included, but not limited to:

- evaluating the appropriateness of the methodology adopted by management in its impairment assessment;
- evaluating the completeness, capabilities, independence and objectivity of the external valuation firm engaged by the Group and internal valuation specialists;
- assessing and challenging with the assistance of our internal valuation specialists, the reasonableness of the key assumptions adopted including discount rates, forecast revenue growth rates and forecast gross profit margins;
- obtaining supportive evidence for the significant judgements and estimates of the valuations and the key inputs used in the valuations;
- checking the mathematical accuracy of the valuation; and
- considering the reasonableness of the disclosures in the consolidated financial statements in reference to the requirements of prevailing accounting standards.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Leung Man Kit
Practising Certificate Number: P08413
Hong Kong, 30 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	6	**162,124**	150,700
Cost of sales		**(134,823)**	(116,471)
Gross profit		**27,301**	34,229
Other income	7	**1,300**	683
Other gains and losses, net	8	**(3,997)**	10,144
Selling and distribution expenses		**(15,807)**	(17,978)
Administrative expenses		**(15,675)**	(18,126)
Finance costs	9	**(189)**	(360)
(Loss)/profit before income tax	10	**(7,067)**	8,592
Income tax expense	13	**(2,566)**	(983)
(Loss)/profit for the year		**(9,633)**	7,609
Other comprehensive income/(expense):			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operations		**8,747**	(2,714)
Other comprehensive income/(expense) for the year, net of income tax		**8,747**	(2,714)
Total comprehensive (expense)/income for the year		**(886)**	4,895
(Loss)/profit per share			
– Basic and diluted (HK$)	14	**(0.007)**	0.006

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*15*	**1,783**	2,102
Goodwill	*16*	**–**	–
Right-of-use assets	*17*	**1,910**	4,337
Intangible assets	*18*	**22,301**	29,515
Deferred tax assets	*19*	**13**	53
		26,007	36,007
CURRENT ASSETS			
Inventories	*20*	**45,743**	42,232
Trade and other receivables	*21*	**97,677**	65,854
Cash and bank balances	*22*	**21,338**	53,346
		164,758	161,432
CURRENT LIABILITIES			
Trade and other payables	*23*	**3,043**	2,456
Contract liabilities	*24*	**8,653**	7,125
Lease liabilities	*25*	**2,020**	2,727
Income tax payable		**870**	6,250
		14,586	18,558
NET CURRENT ASSETS		**150,172**	142,874
TOTAL ASSETS LESS CURRENT LIABILITIES		**176,179**	178,881
NON-CURRENT LIABILITIES			
Lease liabilities	*25*	**–**	1,925
Deferred tax liabilities	*19*	**140**	31
		140	1,956
NET ASSETS		**176,039**	176,925
CAPITAL AND RESERVES			
Share capital	*26*	**66,198**	66,198
Reserves		**109,841**	110,727
TOTAL EQUITY		**176,039**	176,925

The consolidated financial statements on pages 97 to 156 were approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Chen Long	**Chen Shaojia**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Share capital HK$'000	Share premium HK$'000	Other reserves HK$'000 *(Note (A))*	Translation reserve HK$'000	PRC statutory reserves HK$'000 *(Note (B))*	Share-based payment capital reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2024	55,198	913,906	(20,286)	(3,814)	–	–	(831,874)	113,130
Profit for the year	–	–	–	–	–	–	7,609	7,609
Other comprehensive expense for the year, net of income tax	–	–	–	(2,714)	–	–	–	(2,714)
Total comprehensive (expense)/ income for the year	–	–	–	(2,714)	–	–	7,609	4,895
Placing of shares, net *(note 26(a))*	11,000	47,900	–	–	–	–	–	58,900
Profit appropriation to statutory reserves	–	–	–	–	796	–	(796)	–
As at 31 March 2025 and 1 April 2025	**66,198**	**961,806**	**(20,286)**	**(6,528)**	**796**	**–**	**(825,061)**	**176,925**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(9,633)**	**(9,633)**
Other comprehensive income for the year, net of income tax	**–**	**–**	**–**	**8,747**	**–**	**–**	**–**	**8,747**
Total comprehensive income/ (expense) for the year	**–**	**–**	**–**	**8,747**	**–**	**–**	**(9,633)**	**(886)**
Profit appropriation to statutory reserves	**–**	**–**	**–**	**–**	**906**	**–**	**(906)**	**–**
As at 31 March 2026	**66,198**	**961,806**	**(20,286)**	**2,219**	**1,702**	**–**	**(835,600)**	**176,039**

Notes:

A. OTHER RESERVES

The other reserves comprise of the following:

i. Restructuring reserve

The restructuring reserve of debit balance of approximately HK$23,486,000 (2025: HK$23,486,000) represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries comprising of the Group prior to the reorganisation of the Group in 2008.

ii. Capital injection by a shareholder

Mr. Tse, Hoi Chau ("Mr. Tse") regards the integrated fashion accessories platform business a revitalisation of the Group's fashion accessories businesses, which had been in business for decades. As a vote of confidence in the Group's financial performance, Mr. Tse has personally provided a profit guarantee (the "Profit Guarantee") in favour of the Company in October 2018, pursuant to which Mr. Tse has guaranteed in favour of the Company that the audited consolidated net profit after tax (excluding non-recurring and extraordinary items and non-cash income and minority interests) of the Group (the "Adjusted Net Profit") for the year ended 31 March 2020 ("Year 2020") shall be no less than HK$24.0 million. In the event the Adjusted Net Profit has fallen short of the Profit Guarantee, Mr. Tse shall pay to the Company for the shortfall on a dollar-to-dollar basis in cash.

The Adjusted Net Profit for the Year 2020 was approximately HK$20.8 million. Due to the impact of the novel coronavirus epidemic, the performance of the Group for the Year 2020 was not as expected, therefore the Adjusted Net Profit did not meet the Profit Guarantee. Mr. Tse paid the compensation of approximately HK$3.2 million to the Company during the year ended 31 March 2021.

B. PRC STATUTORY RESERVES

The amounts represent the transfers from retained earnings to PRC statutory reserves which are made in accordance with the relevant rules and regulations in the People's Republic of China (the "PRC") and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors which comprise of:

i. General reserve fund

Subsidiaries in the PRC are required to transfer 10% of the net profits, as determined in accordance with the PRC accounting rules and regulations, to general reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this fund must be made before distribution of dividends to equity holders.

General reserve fund can be used to make good previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the general reserve fund after such conversion is not less than 25% of the subsidiary's registered capital.

ii. Enterprise expansion fund

Subsidiaries in the PRC are required to transfer a certain percentage of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the enterprise expansion fund. The percentage of appropriation is decided by the directors of the subsidiaries.

Enterprise expansion fund can be used for the subsidiaries' business development purposes and for working capital purposes. This fund can also be used to increase capital of the relevant subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distribution of dividends to the equity holders.

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before income tax	**(7,067)**	8,592
Adjustments for:		
Depreciation of property, plant and equipment	**1,137**	713
Depreciation of right-of-use assets	**2,608**	2,846
Gain on early termination of leases	**–**	(128)
Amortisation of intangible assets	**982**	407
Impairment losses recognised/reversed on trade receivables	**449**	(1,028)
Impairment losses (reversed)/recognised on other receivables	**(3)**	3
Impairment losses recognised on trademark	**6,458**	–
Finance costs recognised in profit or loss	**189**	360
Interest income recognised in profit or loss	**(122)**	(673)
(Reversal of write-down)/write-down on inventories	**(15)**	15
Gain on deregistration of subsidiaries	**(2,467)**	(9,116)
Net exchange (gains)/losses	**(426)**	6
Operating cash flows before changes in working capital	**1,723**	1,997
Increase in inventories	**(2,684)**	(18,863)
Increase in trade and other receivables	**(30,514)**	(21,225)
Increase/(decrease) in trade and other payables	**504**	(2,667)
Increase in contract liabilities	**1,021**	1,247
Cash used in operations	**(29,950)**	(39,511)
Income taxes paid	**(2,312)**	–
NET CASH USED IN OPERATING ACTIVITIES	**(32,262)**	(39,511)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(800)**	(2,676)
Purchase of intangible assets	**(2)**	(4,751)
Interest received	**122**	673
NET CASH USED IN INVESTING ACTIVITIES	**(680)**	(6,754)
CASH FLOWS FROM FINANCING ACTIVITIES *(Note 33)*		
Proceeds from placing of shares	**–**	58,900
Principal elements of lease payments	**(2,802)**	(2,987)
Interest paid on lease liabilities	**(189)**	(360)
Repayment to a director	**–**	(1,299)
Repayment to immediate holding company	**–**	(676)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(2,991)**	53,578
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(35,933)**	7,313
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**53,346**	48,282
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**3,925**	(2,249)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Represented by cash and bank balances	**21,338**	53,346

1. GENERAL INFORMATION

Artini Holdings Limited (the "Company") was incorporated in Bermuda on 30 May 2007 as an exempted company with limited liability under the Bermuda Companies Act 1981 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business is Unit No. 8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred as the "Group") are principally engaged in the sale of a wide selection of fashion accessories products mainly through the Group's self-operated online platform and third-party sales online platforms (the "Integrated Fashion Accessories Platform Business") and the sale of skincare and health products through self-operated online platform (the "Skincare and Health Product Sales Platform Business").

In the opinion of the directors of the Company (the "Directors"), the Company's immediate holding company is Rapid Development Limited, a company incorporated in British Virgin Islands with limited liability and its ultimate controlling shareholders are Mr. Chen Long ("Mr. Chen") and Ms. Lin Chenjie (wife of Mr. Chen).

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and HK(IFRIC) Interpretations, Hong Kong Interpretations and HK(SIC) Interpretations (collectively referred to as "Interpretations"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users.

Going concern assessment

The Directors 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.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

(b) Basis of measurement

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

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

(c) Functional and presentation currency

The consolidated financial statements have been presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

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

Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18")

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to "Basis of Preparation of Financial Statements" upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see Note 4(n)), and whenever there is an indication that the CGU may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(d) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(d) Revenue recognition *(continued)*

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

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

(i) Revenue from sale of fashion accessories products and skincare and health products are recognised at point in time when the goods are delivered to, and have been accepted by, customers.

(ii) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Contract assets and liabilities

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

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

For sales of skincare and health products to the wholesale market and through retail outlets and internet sales, revenue is recognised by the group at a point in time in line with the policy outlined above. Under the Group's standard contract terms, customers have a right of return before acceptance of the goods and accordingly a refund liability and a right to returned goods asset are recognised in relation to goods expected to be returned.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(e) Leasing

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(f) Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using rate of exchange prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(g) Retirement benefit costs

Payments to defined contribution retirement benefit plans, including state-managed retirement benefits schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as expenses when employees have rendered service entitling them to the contributions.

(h) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(i) Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 28.

The fair value determined at the grant date of the share options are expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in the share-based payment capital reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment capital reserve.

When the share options are exercised, the amount previously recognised in share-based payment capital reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment capital reserve will be transferred to accumulated losses.

Share options granted to suppliers/consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share-based payment capital reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(j) Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such 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. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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 POLICY INFORMATION *(continued)*

(j) Taxation *(continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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

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

(k) Property, plant and equipment

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items. 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	Over the terms of the leases
Office equipment	3 to 10 years
Furniture and fixtures	5 years
Motor vehicles	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(l) Intangible assets (other than goodwill)

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Non-contractual customer lists and relationships	36 months
Software	28 to 60 months

Intangible assets including trademarks that are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see Note 4(n)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments *(continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments *(continued)*

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Hong Kong Companies Ordinance, Cap. 622, came into operation on 3 March 2014. Under the Ordinance, shares of the Company do not have a nominal value. Consideration received or receivable for the issue of shares on or after 3 March 2014 is credited to share capital. Commissions and expenses are allowed to be deducted from share capital under s. 148 and s. 149 of the Ordinance.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments *(continued)*

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the period.

(n) Impairment on non-financial assets (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is indication that they may be impaired.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(n) Impairment on non-financial assets (other than goodwill) *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) 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 losses been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and cost necessary to make the sale.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and 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).

When some or all 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.

(q) Cash and cash equivalents

Bank balances and cash included in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

(r) Government grants

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(s) 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; or

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

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

(i) The entity and 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) Both entities are joint ventures of the same third party.

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

(v) The entity is a post-employment benefit plan for the benefit of the employees of 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 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.

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

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

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

(iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

(i) Impairment of trade receivables and other receivables

The Group estimates the impairment allowances for trade receivables and other receivables by assessing the ECL based on historical credit loss experience, forward looking factors, and the economic environment. This requires the use of estimates and judgments. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables, and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of each reporting period.

During the year ended 31 March 2026, impairment losses recognised on trade receivables of HK$449,000 (2025: impairment losses reversed of HK$1,028,000) and impairment losses reversed on other receivables of HK$3,000 (2025: impairment losses recognised of HK$3,000) have been recognised.

(ii) Estimated impairment of non-financial assets

Determining whether non-financial assets are impaired requires an estimation of the recoverable amounts of the CGUs to which non-financial assets have been allocated. The recoverable amount calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 March 2026, impairment losses on trademark have been recognised of HK$6,458,000 (2025: nil). Further details are set out in Note 18.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

(iii) Estimation of income taxes

The Group is subject to income and other forms of taxes in different jurisdictions and significant judgement is required in determining the tax liabilities to be recognised. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for taxes based on estimates of the taxes that are likely to become due. The Group believes that its provisions for taxes is adequate for the reporting periods based on its assessment of many factors including past experience and interpretations of tax law. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

(iv) Impairment of interests in subsidiaries

The carrying amount of the Company's interests in subsidiaries is reviewed periodically in order to assess whether the recoverable amount has declined below the carrying amount. The asset is tested for impairment whenever events or changes in circumstances indicate that the recorded carrying amount may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. It is difficult to precisely estimate selling prices because quoted market prices for interests in subsidiaries are not readily available. In determining the value in use, expected cash flows generated by the Company's interests in subsidiaries are discounted to their present value, which requires significant judgement relating to level of sale volume and amount of operating costs of the subsidiaries. The Company uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume and amount of operating costs of the subsidiaries.

6. REVENUE AND SEGMENT INFORMATION

a. Revenue

Revenue represents the net amounts received and receivables that are derived from sales of fashion accessories products and sales of skincare and health products during the years ended 31 March 2026 and 2025.

b. Segment information

The Group's operating segments, based on information reported to the board of Directors, being the chief operating decision-maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments for the years ended 31 March 2026 and 2025 were as follows:

Integrated Fashion Accessories Platform Business	Wholesale, retail and distribution of fashion accessories products mainly through self-operated online platform and third-party sales online platforms.
Skincare and Health Product Sales Platform Business	Wholesale, retail and distribution of skincare and health products mainly through self-operated online platform.

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

i. Segment revenue and results, assets and liabilities and other information

The following is an analysis of the Group's revenue and results, assets and liabilities and other information by reportable and operating segments:

Year ended 31 March 2026

	Integrated Fashion Accessories Platform Business HK$'000	Skincare and Health Product Sales Platform Business HK$'000	Unallocated HK$'000	Consolidated HK$'000
Revenue (At point in time)				
Segment revenue – external sales	46,781	115,343	–	162,124
Results				
Segment results	(6,665)	5,284	–	(1,381)
Unallocated other profits				3,510
Unallocated expenses				
– Auditor's remuneration				(800)
– Depreciation of property, plant and equipment				(1,027)
– Depreciation of right-of-use assets				(2,406)
– Salaries and retirement benefit scheme				(3,429)
– Other professional fee				(1,015)
– Unallocated expenses				(334)
– Finance costs				(185)
Loss before income tax				(7,067)
Assets				
Segment assets	63,118	119,158	–	182,276
Unallocated assets				
– Property, plant and equipment				1,500
– Right-of-use assets				1,805
– Other receivables, prepayment and deposit				1,874
– Cash and bank balances				3,310
Total assets				190,765
Liabilities				
Segment liabilities	(2,318)	(8,780)	–	(11,098)
Unallocated liabilities				
– Other payables and accruals				(1,688)
– Lease liabilities				(1,925)
– Deferred tax liabilities				(15)
Total liabilities				(14,726)
Other information				
Depreciation of property, plant and equipment	–	(110)	(1,027)	(1,137)
Depreciation of right of use assets	(15)	(187)	(2,406)	(2,608)
Impairment losses recognised on trade receivables	(129)	(320)	–	(449)
Impairment losses reversed on other receivables	–	1	2	3
Impairment losses recognised on trademarks	(6,458)	–	–	(6,458)
Reversal of write-down of inventories	15	–	–	15
Amortisation of intangible assets	(10)	(972)	–	(982)
Interest income	64	47	11	122
Finance costs	(1)	(3)	(185)	(189)

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

i. Segment revenue and results, assets and liabilities and other information *(continued)*

Year ended 31 March 2025

	Integrated Fashion Accessories Platform Business HK$'000	Skincare and Health Product Sales Platform Business HK$'000	Unallocated HK$'000	Consolidated HK$'000
Revenue (At point in time)				
Segment revenue – external sales	86,775	63,925	–	150,700
Results				
Segment results	7,352	158	–	7,510
Unallocated other profits				10,075
Unallocated expenses				
– Auditor's remuneration				(800)
– Depreciation of property, plant and equipment				(617)
– Depreciation of right-of-use assets				(2,442)
– Salaries and retirement benefit scheme				(2,583)
– Other professional fee				(1,149)
– Unallocated expenses				(1,073)
– Finance costs				(329)
Profit before income tax				8,592
Assets				
Segment assets	138,353	50,358	–	188,711
Unallocated assets				
– Property, plant and equipment				1,727
– Right-of-use assets				4,211
– Other receivables, prepayment and deposit				1,152
– Cash and bank balances				1,638
Total assets				197,439
Liabilities				
Segment liabilities	(14,143)	(946)	–	(15,089)
Unallocated liabilities				
– Other payables and accruals				(875)
– Lease liabilities				(4,519)
– Deferred tax liabilities				(31)
Total liabilities				(20,514)
Other information				
Depreciation of property, plant and equipment	(72)	(24)	(617)	(713)
Depreciation of right of use assets	(166)	(238)	(2,442)	(2,846)
Impairment loss reversed/(recognised) on trade receivables	1,039	(12)	1	1,028
Impairment loss recognised on other receivables	(3)	–	–	(3)
Write-down of inventories	(15)	–	–	(15)
Amortisation of intangible assets	(17)	(390)	–	(407)
Interest income	93	145	435	673
Finance costs	(11)	(20)	(329)	(360)

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

i. Segment revenue and results, assets and liabilities and other information *(continued)*

The accounting policies of the above reportable and operating segments are the same as the Group's accounting policies.

Revenue reported above represents revenue generated from external customers. There was no inter-segment sales transactions between the Group's subsidiaries in the different segments during the years ended 31 March 2026 and 2025.

Segment results represent the loss incurred or profit earned by each segment without allocation of items not directly related to the relevant segments. This is the measure reported to CODM for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable and operating segments other than certain property, plant and equipment, right-of-use assets, deferred tax assets, other receivables, prepayments and deposits, and cash and bank balances.
- All liabilities are allocated to reportable and operating segments other than certain other payables and accruals, deferred tax liabilities and lease liabilities.

ii. Geographical information

The following table provides an analysis of the Group's revenue from external customers based on the location where the goods were delivered:

	2026 **HK$'000**	2025 HK$'000
America	**–**	30,792
The PRC, other than Hong Kong and Macao	**162,124**	119,645
Others	**–**	263
	162,124	150,700

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

ii. Geographical information *(continued)*

The following table provides an analysis of the Group's non-current assets based on the geographical location of the assets:

	2026	2025
	HK$'000	HK$'000
Hong Kong	**3,305**	5,938
The PRC, other than Hong Kong and Macao	**22,689**	30,016
	25,994	35,954

Note: Non-current assets excluded deferred tax assets.

c. Information about major customers

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

	2026	2025
	HK$'000	HK$'000
Customer A	**37,049**	16,955

7. OTHER INCOME

	2026	2025
	HK$'000	HK$'000
Interest income	**122**	673
Government grant *(Note)*	**1,099**	–
Others	**79**	10
	1,300	683

Note: The government grant is unconditional and is not subject to any future performance obligation or repayment conditions.

8. OTHER GAINS AND LOSSES, NET

	2026 HK$'000	2025 HK$'000
Other gains and (losses), net comprise of:		
Net exchange gains/(losses)	**426**	(6)
Impairment losses (recognised)/reversed on trade receivables	**(449)**	1,028
Impairment losses reversed/(recognised) on other receivables	**3**	(3)
Impairment losses recognised on trademark	**(6,458)**	–
Gain on deregistration of subsidiaries	**2,467**	9,116
Gain on early termination of leases	**–**	128
Others	**14**	(119)
	(3,997)	10,144

9. FINANCE COSTS

	2026 HK$'000	2025 HK$'000
Interest on lease liabilities	**189**	360

10. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax has been arrived at after charging/(crediting):

	2026 HK$'000	2025 HK$'000
Staff costs (included directors' and chief executive's emoluments)	**7,648**	9,106
Salaries, wages and other benefits		
Contributions to defined contribution retirement plans	**866**	1,273
	8,514	10,379
Auditor's remuneration	**800**	800
Cost of inventories recognised as an expense, including written-off of inventories and provision of impairment loss on inventories	**134,823**	116,471
(Reversal of write-down)/write-down of inventories	**(15)**	15
Depreciation of property, plant and equipment	**1,137**	713
Depreciation of right-of-use assets	**2,608**	2,846
Amortisation of intangible assets	**982**	407
Short-term leases expenses	**–**	9
Other professional fee	**1,015**	2,516

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

a. Directors' and chief executive's emoluments

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

	Notes	**Directors' fees** HK$'000	**Salaries, allowances and benefits in kind** HK$'000	**Retirement benefit scheme contributions** HK$'000	**Total** HK$'000
For the year ended 31 March 2026					
Executive directors					
Mr. Chen Long		**1,560**	**330**	**113**	**2,003**
Mr. Chen Shaojia		**1,110**	**330**	**113**	**1,553**
Independent non-executive directors					
Ms. Ji Lingzi	*(ii)*	**120**	**–**	**–**	**120**
Mr. Ma Sai Yam		**120**	**–**	**–**	**120**
Mr. Yuen Wai Kin		**120**	**–**	**–**	**120**
		3,030	**660**	**226**	**3,916**
For the year ended 31 March 2025					
Executive directors					
Mr. Tse Hoi Chau	*(i)*	300	–	5	305
Mr. Chen Long		930	954	110	1,994
Mr. Chen Shaojia		750	774	100	1,624
Independent non-executive directors					
Ms. Ji Lingzi	*(ii)*	50	–	–	50
Mr. Lau Yiu Kit	*(iii)*	70	–	–	70
Mr. Ma Sai Yam		120	–	–	120
Mr. Yuen Wai Kin		120	–	–	120
		2,340	1,728	215	4,283

Notes:

(i) Mr. Tse Hoi Chau resigned as an executive director on 1 November 2024.

(ii) Ms. Ji Lingzi was appointed as independent non-executive director on 1 November 2024.

(iii) Mr. Lau Yiu Kit resigned as an independent non-executive director on 1 November 2024.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

a. Directors' and chief executive's emoluments *(continued)*

During the years ended 31 March 2026 and 2025, no emoluments was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the Directors has waived or agreed to waive any emoluments during the years ended 31 March 2026 and 2025.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive director's emoluments shown above were mainly for their services as director of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

b. Employees' emoluments

Of the five individuals with the highest emoluments, four (2025: four) of the Directors for the year ended 31 March 2026, details of whose emoluments are included in the disclosure in Note 11(a) above.

The emoluments of the remaining one individual (2025: one) was as follows:

	2026 **HK$'000**	2025 HK$'000
Salaries, allowances and benefits in kind	**480**	480
Retirement benefit scheme contributions	**24**	24
	504	504

The emoluments of the one individual (2025: one) who is not the Directors with the highest emoluments are within the following band:

	2026	2025
Nil to HK$1,000,000	**1**	1

During the current and prior years, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12. DIVIDENDS

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

13. INCOME TAX EXPENSE/(CREDIT)

	2026 HK$'000	2025 HK$'000
Current tax		
– PRC Enterprise Income Tax	**2,417**	975
Deferred tax		
– Current year	**149**	8
Income tax expense	**2,566**	983

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5% (the "Regime"). The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000. The Hong Kong profit tax for the years ended 31 March 2026 and 2025 is provided based on the Regime.

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 March 2026 and 2025.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2025: 25%) for the year ended 31 March 2026.

14. (LOSS)/PROFIT PER SHARE

The calculation of basic (loss)/profit per share is based on the loss for the year of approximately HK$9,633,000 (2025: profit of approximately HK$7,609,000) and the weighted average of approximately 1,323,968,128 (2025: 1,211,858,000) ordinary shares of the Company in issue during the year.

Diluted (loss)/profit per share equals to basic (loss)/profit per share, as there were no potential dilutive ordinary shares in issue for the years ended 31 March 2026 and 2025.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost					
As at 1 April 2024	20	783	63	1,315	2,181
Additions	2,303	95	278	–	2,676
Exchange adjustments	–	(3)	–	–	(3)
As at 31 March 2025 and 1 April 2025	**2,323**	**875**	**341**	**1,315**	**4,854**
Additions	**–**	**–**	**–**	**800**	**800**
Exchange adjustments	**–**	**19**	**16**	**–**	**35**
As at 31 March 2026	**2,323**	**894**	**357**	**2,115**	**5,689**
Accumulated depreciation and impairments					
As at 1 April 2024	13	674	41	1,314	2,042
Provided for the year *(Note 10)*	583	82	47	1	713
Exchange adjustments	–	(3)	–	–	(3)
As at 31 March 2025 and 1 April 2025	**596**	**753**	**88**	**1,315**	**2,752**
Provided for the year *(Note 10)*	**987**	**56**	**54**	**40**	**1,137**
Exchange adjustments	**–**	**13**	**4**	**–**	**17**
As at 31 March 2026	**1,583**	**822**	**146**	**1,355**	**3,906**
Carrying amounts					
As at 31 March 2026	**740**	**72**	**211**	**760**	**1,783**
As at 31 March 2025	1,727	122	253	–	2,102

16. GOODWILL

	HK$'000
Cost	
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	152,181
Impairments	
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	152,181
Carrying amount	
As at 31 March 2026	**–**
As at 31 March 2025	–

Notes:

(a) Goodwill arises from acquisition of Primeview Technology Limited ("PVT") on 31 October 2016. The goodwill is allocated to the CGU of the electronic commerce ("E-commerce Business") and fully impaired in prior year.

(b) Goodwill arises from acquisition of Magic B2B Limited and Guangzhou Artini Technology Limited on 31 October 2017. This goodwill is allocated to the CGU of Integrated Fashion Accessories Platform Business.

During the year ended 31 March 2024, the management has determined that an impairment loss of HK$2,534,000 in relation to goodwill allocated to the CGU of the Integrated Fashion Accessories Platform Business.

The recoverable amount of the CGU has been determined from value in use calculation based on cash flow projection from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2.5%.

	2024
Discount rate	19.97%
Operating margin	20.00%
Average growth rate within the five-year period	9.50%

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on past experience.

17. RIGHT-OF-USE ASSETS

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

	Office premises and warehouse HK$'000
At 1 April 2024	8,404
Additions	323
Depreciation for the year *(Note 10)*	(2,846)
Early termination of leases	(1,540)
Exchange adjustments	(4)
At 31 March 2025 and 1 April 2025	**4,337**
Additions	**167**
Depreciation for the year *(Note 10)*	**(2,608)**
Exchange adjustments	**14**
At 31 March 2026	**1,910**

For both years, the Group leases office premises and warehouse for its operations. Lease contracts which effective interest rates of 5.88% (2025: 5.86%) are entered into for fixed terms of 12 months to 3 years (2025: 12 months to 3 years), but may have extension and termination options included. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is beyond its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

18. INTANGIBLE ASSETS

	Trademarks HK$'000 *(Note (a))*	Customer lists HK$'000 *(Note (b))*	Software HK$'000 *(Note (b))*	Total HK$'000
Cost				
As at 1 April 2024	32,840	109	19	32,968
Addition	–	–	4,751	4,751
As at 31 March 2025 and 1 April 2025	32,840	109	4,770	37,719
Addition	–	–	2	2
Exchange adjustments	–	–	281	281
As at 31 March 2026	32,840	109	5,053	38,002
Accumulated amortisation and impairments				
As at 1 April 2024	7,690	109	2	7,801
Amortisation for the year *(Note 10)*	–	–	407	407
Exchange adjustments	–	–	(4)	(4)
As at 31 March 2025 and 1 April 2025	7,690	109	405	8,204
Amortisation for the year *(Note 10)*	–	–	982	982
Impairment losses recognised *(Note 8)*	6,458	–	–	6,458
Exchange adjustments	–	–	57	57
As at 31 March 2026	14,148	109	1,444	15,701
Carrying amounts				
As at 31 March 2026	18,692	–	3,609	22,301
As at 31 March 2025	25,150	–	4,365	29,515

18. INTANGIBLE ASSETS *(continued)*

Notes:

(a) The Group acquired trademarks related to an Italian brand ("Asbeny"), which are considered to have indefinite useful lives, in March 2018. The recoverable amounts of the CGUs to which Asbeny has been allocated, has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2.0% (2025: 2.0%).

	2026	2025
Discount rate	**22.04%**	22.03%
Operating margin	**16%**	24%
Growth rate within the five-year period	**2.5–5%**	3–5%

The discount rates used are pre-tax and reflect specific risks relating to the Asbeny. The operating margin and growth rate within the five-year period have been based on past experience.

Due to loss incurred for the integrated fashion accessories platform business operating segment for the year ended 31 March 2026, the management of the Group concluded that there was indication of impairment and conducted impairment assessment on trademarks with carrying amounts (before any impairment) as at 31 March 2026 of approximately HK$25,150,000. For the purposes of impairment testing, trademarks were allocated to the Asbeny CGU for which there were separately identifiable cash flows (Asbeny CGU was grouped within the integrated fashion accessories platform business operating segment). An impairment loss was recognised for the amount by which the carrying amount of the Asbeny CGU exceeds its recoverable amount.

The estimated recoverable amount of the Asbeny CGU of approximately HK$18,692,000, which was lower than the respective carrying amount of the Asbeny CGU. An impairment loss of approximately HK$6,458,000 had been recognised on trademarks and included in "other gains and losses, net" in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2026. The impairment losses were primarily attributable to a decline in the forecast profitability of the Asbeny CGU, driven by lower projected revenue and profit margins compared to prior year estimates. As the Asbeny CGU has been reduced to its recoverable amount of HK$18,692,000, any adverse change in the assumption used in the calculation of recoverable amount would result in further impairment losses. No impairment losses recognised or reversed during the year ended 31 March 2025.

(b) The Group's customer lists with finite useful lives were amortised on a straight-line basis over a period of 36 months, and the Group's software with finite useful lives were amortised on a straight-line basis over a period ranging from 28 to 60 months during the year ended 31 March 2026 (2025: over a period ranging from 28 to 60 months).

19. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2026 HK$'000	2025 HK$'000
Deferred tax assets	**13**	53
Deferred tax liabilities	**(140)**	(31)
	(127)	22

Details of the deferred tax assets/(liabilities) recognised and movements during the current and prior years:

	Intangible assets HK$'000	Lease liabilities HK$'000	Rights-of-use assets HK$'000	Total HK$'000
As at 1 April 2024	–	464	(434)	30
(Charge)/credit to profit or loss *(Note 13)*	20	(431)	403	(8)
As at 31 March 2025 and 1 April 2025	**20**	**33**	**(31)**	**22**
(Charge)/credit to profit or loss *(Note 13)*	**(145)**	**(48)**	**44**	**(149)**
As at 31 March 2026	**(125)**	**(15)**	**13**	**(127)**

Below tax losses arising from the PRC operations will be expired as follows:

	2026 HK$'000	2025 HK$'000
Year 2025	**–**	3,997
Year 2026	**3,208**	3,028
Year 2027	**3,289**	3,105
Year 2028	**2,433**	2,150
Year 2029	**1,244**	1,321
Year 2030	**–**	–

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences amounting to approximately HK$127,000 (2025: approximately HK$22,000) representing the accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

20. INVENTORIES

	2026 HK$'000	2025 HK$'000
Raw material	**30,813**	18,175
Work in progress	**325**	7,234
Finished goods	**14,605**	16,823
	45,743	42,232

As at 31 March 2026, reversal of write-down of inventories of HK$15,000 (2025 write-down of inventories: HK$15,000) is made and recognised as cost of inventories sold during the year.

21. TRADE AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables *(Note (a))*	84,400	53,858
Less: Allowances for credit losses *(Note (b))*	(4,074)	(3,625)
Trade receivables, net	80,326	50,233
Other receivables *(Note (c))*	78	1,616
Less: Allowances for credit losses	(16)	(19)
Other receivables, net	62	1,597
Deposits and prepayment	17,289	14,024
	97,677	65,854

Notes:

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer's quality and determining the credit limits for that customer.

As at 31 March 2026 and 2025, other receivables included receivables from a few independent third parties.

(a) Trade receivables

The Group generally allows an average credit period of 30 to 180 days (2025: 30 to 180 days) to its customers. The aged analysis of the Group's trade receivables presented (net of allowance for credit losses) based on invoice date as at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2026 HK$'000	2025 HK$'000
0 – 30 days	12,645	10,669
31 – 60 days	10,580	9,989
61 – 90 days	12,450	10,554
91 – 180 days	29,693	11,530
181 – 365 days	12,668	7,472
Over 365 days	2,290	19
	80,326	50,233

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of each individual group entity:

	2026 HK$'000	2025 HK$'000
Renminbi	80,326	46,378
United States Dollars	–	3,855
	80,326	50,233

21. TRADE AND OTHER RECEIVABLES *(continued)*

Notes: (continued)

(b) Movements in loss allowance account in respect of trade receivables during the years are as follows:

	Trade receivables HK$'000	Total HK$'000
As at 1 April 2024	4,653	4,653
Impairment losses reversed	(1,028)	(1,028)
As at 31 March 2025 and 1 April 2025	**3,625**	**3,625**
Impairment losses recognised	**449**	**449**
As at 31 March 2026	**4,074**	**4,074**

Other than the above allowances, the Group did not provide any allowances on the remaining past due receivables as, in the opinion of the Directors, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

(c) **Other receivables**

Movements in loss allowance account in respect of other receivables during the years are as follows:

	2026 HK$'000	2025 HK$'000
As at 1 April	**19**	16
Impairment losses (reversed)/recognised	**(3)**	3
As at 31 March	**16**	19

Other than the above allowances, the Group did not provide any allowances on the remaining past due receivables as, in the opinion of the Directors, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

Furthermore, in the opinion of the Directors, there has not been a significant change in credit quality of the Group's other receivables which are neither past due nor impaired and the amounts are still considered recoverable.

22. CASH AND BANK BALANCES

	2026 HK$'000	2025 HK$'000
Cash and bank balances	**21,338**	53,346

As at 31 March 2026, the Group's bank balances carry interest at market rates ranged from 0.05% to 0.45% (2025: 0.1% to 3.5%) per annum.

The Group's cash and bank balances denominated in RMB which is not a freely convertible currency in the international market and the remittance of RMB out of the PRC is subject to exchange restrictions imposed by the Government of the PRC in respect of the relevant group companies were as follows:

	2026 HK$'000	2025 HK$'000
Currency:		
RMB	**18,028**	34,636

23. TRADE AND OTHER PAYABLES

	2026 HK$'000	2025 HK$'000
Trade payables	**742**	982
Other tax payables	**309**	289
Payrolls and staff cost payables	**324**	317
Other payables and accruals	**1,668**	868
	3,043	2,456

The Group's trade payables principally comprise amounts outstanding for trade purchases. Payment terms with suppliers are mainly on credit term of 30 to 90 days (2025: 30 to 90 days).

The aged analysis of the Group's trade payables presented based on invoice date as at the end of the reporting period is as follows:

	2026 HK$'000	2025 HK$'000
Within 3 months	**650**	539
More than 3 month less than 1 year	**92**	443
	742	982

24. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2026 HK$'000	2025 HK$'000
As at 1 April	**7,125**	5,946
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(16,459)**	(71,224)
Increase in contract liabilities as a result of receipt in advance of sales of products	**18,409**	72,403
Exchange adjustments	**(422)**	–
As at 31 March	**8,653**	7,125

Note: The deposits of the Group receives on sales of products remains as a contract liability until the date deliver products to customers and are expected to be utilised within one year.

25. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2026 HK$'000	2025 HK$'000
At the beginning of year	**4,652**	8,987
Additions	**167**	323
Early termination of leases	**–**	(1,668)
Interest expense	**189**	360
Payments during the year	**(2,991)**	(3,347)
Exchange adjustments	**3**	(3)
At the end of year	**2,020**	4,652
Lease liabilities payable		
Within one year	**2,020**	2,727
Within a period of more than one year but not exceeding five years	**–**	1,925
	2,020	4,652
Less: Amount due for settlement within 12 months shown under current liabilities	**(2,020)**	(2,727)
Amounts due for settlement after 12 months shown under non-current liabilities	**–**	1,925

The weighted average incremental borrowing rates applied to lease liabilities range from 4.35% to 5.88% (2025: from 4.35% to 5.88%).

26. SHARE CAPITAL

	Number of ordinary shares HK$0.05 each	Amount HK$'000
Authorised:		
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	6,000,000,000	300,000
Issued and fully paid:		
As at 1 April 2024	1,103,968,128	55,198
Placing of shares *(note (a))*	220,000,000	11,000
As at 31 March 2025, 1 April 2025 and 31 March 2026	1,323,968,128	66,198

Note:

(a) On 4 October 2024, the Company placed 220,000,000 new shares to not less than six places at the price of HK$0.270 per placing shares with total gross proceeds of HK$59,400,000 and the related issue expenses were approximately HK$500,000.

27. RETIREMENT BENEFIT SCHEMES

The employees of the Group in the PRC are members of government-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions under the schemes.

The Group participates in a defined contribution scheme which is registered under the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. For member of the MPF Scheme, the Group contributes 5% or HK$1,500 in maximum of relevant payroll costs to the scheme, which contribution is matched by employees. As at 31 March 2026, the Group was not entitled to any forfeited contributions to reduce its future contributions (2025: Nil).

The amounts of contributions made by the Group in respect of the retirement benefit scheme during the current and prior years are disclosed in Note 10.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS

2008 Share Option Scheme

The Company has a share option scheme which were adopted on 23 April 2008 whereby the Directors are authorised, at their discretion, to invite directors (including executive, non-executive and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers for the Group, to take up options at nominal consideration to subscribe for shares of the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the schemes shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the schemes, unless the Company obtains a fresh approval from its shareholders. Notwithstanding this, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the schemes shall not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to any individual in any 12-month period shall not exceed 1% of the total number of shares in issue at any point in time, without prior approval from the Company's shareholders. Options granted to any individual who is a substantial shareholder of the Company or independent non-executive director or any of their respective associates in the 12-month period up to and including date of such grant in excess of 0.1% of the Company's share capital at the date of grant and with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

Options granted under the share option scheme must be taken up within 28 days of the date of grant upon payment of HK$1 per grant of option. Options may generally be exercised at any time during the period after the options have been granted, such period to expire not later than 10 years after the date of the grant of the options. The subscription price for shares will not be less than the higher of (i) the closing price of the Company's shares on the date of options granted; (ii) the average closing price of the Company's shares for the 5 business days immediately preceding the date of options granted; and (iii) the nominal value of the Company's share.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

2019 Share Option Scheme

The Company adopted a new share option scheme on 26 August 2019 (the "2019 Share Option Scheme"). The purpose of the 2019 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the shareholders of the Company as a whole. The 2019 Share Option Scheme was adopted for a period of 10 years commencing from 26 August 2019.

2024 Share Option Scheme

The Company adopted a new share option scheme on 30 September 2024 (the "2024 Share Option Scheme"). It is proposed that the 2019 Share Option Scheme will be terminated upon adoption of the 2024 Share Option Scheme and no further options will be granted under the 2019 Share Option Scheme up to 30 September 2024. Termination of the 2019 Share Option Scheme shall not affect the validity of the outstanding options (if any) which shall continue to be enforceable according to the terms of the 2019 Share Option Scheme.

The purposes of the 2024 Share Option Scheme are to enable the Company to grant options to the eligible participants, including employee(s), related entity participant(s) and service provider(s), as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to attract and retain the best quality personnel for the development of the Group's businesses. The Company has no intention to use treasury Shares for the 2024 Share Option Scheme.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

The movements of the options granted during the year ended 31 March 2024 are as follows:

Year ended 31 March 2024

Name of category of participant	Particulars	Date of grant	Exercise price HK$	Exercise period	As at beginning of the year	Addition during the year	Lapsed during the year	As at end of the years
Directors								
Mr. Tse Hoi Chau	*Note (a)*	15 July 2020	0.197#	15 July 2020 to 14 July 2023	11,000,000	–	(11,000,000)	–
Mr. Tse Kin Lung	*Note (a)*	15 July 2020	0.197#	15 July 2020 to 14 July 2023	11,000,000	–	(11,000,000)	–
Ms. Yu Zhonglian	*Note (a)*	15 July 2020	0.197#	15 July 2020 to 14 July 2023	11,000,000	–	(11,000,000)	–
Others								
– Consultants	*Note (a)*	15 July 2020	0.197#	15 July 2020 to 14 July 2023	71,000,000	–	(71,000,000)	–
– Employees	*Note (a)*	15 July 2020	0.197#	15 July 2020 to 14 July 2023	6,200,000	–	(6,200,000)	–
					110,200,000	–	(110,200,000)	–
Weighted average exercise prices					0.1970	–	–	–

Adjustments were made to the exercise price and the number of Shares entitled to be issued upon full exercise of the share options as a result of the Share Consolidation became effective on 11 September 2020. The exercise price of the share options was adjusted from HK$0.0394 per Share to HK$0.197 per Share.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

There were 71,000,000 share options held by ten consultants of the Company (the "Consultants") respectively. Details of shares options granted to the Consultants under the 2019 Share Option Scheme are as follows:

	Number of share options granted to consultants									
	Name of the grantees	Date of grant	Outstanding as at 1 April 2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	Outstanding as at 31 March 2024	Exercise period of the share options	Adjusted exercise price (HK$)
Consultant A	Mr. Yu Zhong Sen	15 July 2020	11,000,000	–	–	11,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant B	Ms. Yu Qi	15 July 2020	6,000,000	–	–	6,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant C	Ms. Tsang Kai Yi	15 July 2020	3,000,000	–	–	3,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant D	Mr. Yu Xiao Chao	15 July 2020	11,000,000	–	–	11,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant E	Mr. Zhuang Xiao Shuang	15 July 2020	11,000,000	–	–	11,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant F	Mr. Lei Jun	15 July 2020	11,000,000	–	–	11,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant G	Ms. Liu Hui Jun	15 July 2020	11,000,000	–	–	11,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant H	Mr. Liang Run Xing	15 July 2020	3,000,000	–	–	3,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant I	Ms. Lin Liyan	15 July 2020	3,000,000	–	–	3,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Consultant J	Ms. He Qiu Kuan	15 July 2020	1,000,000	–	–	1,000,000	–	–	15 July 2020 – 14 July 2023	0.197
Total			71,000,000			71,000,000				

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

Note:

a. Pursuant to the Company's announcement on 15 July 2020, a total of 551,000,000 share options to subscribe for ordinary shares of HK$0.01 each of the Company were granted to eligible participants, including the directors and employees of the Company and the consultants under the share option scheme adopted by the Company on 23 April 2008. Details of the share options granted are as follows:

Date of grant:	15 July 2020
Exercise price of share options granted:	HK$0.0394 per share
Number of share options granted:	551,000,000 share options
Closing price of the share on the date of grant:	HK$0.0390
Exercise periods:	15 July 2020 to 14 July 2023

Each of the share option shall entitle the holder of the share option to subscribe for one share upon exercise of such share option at an exercise price of HK$0.0394 per share, which represents the higher of (i) the closing price of HK$0.0390 per share as stated in the daily quotations sheet issued by the Stock Exchange on 15 July 2020, being the date of grant (the "Date of Grant 2020"); (ii) the average closing price of HK$0.0394 per share as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant 2020; and (iii) the nominal value of the share of HK$0.01 each in the capital of the Company.

As at 31 March 2023, the outstanding options granted on 15 July 2020 had an exercise price of HK$0.1970, after the adjustment of Share Consolidation and a weighted average remaining contractual life of 0.29 year.

No share options were exercised during the current year. Each option holder is entitled to subscribe for one ordinary share in the Company.

The fair values of share options granted on 15 July 2020 were determined by the Directors with reference to a valuation performed by an independent firm of professionally qualified valuers, Royson Valuation Advisory Limited. No liabilities were recognised due to these equity-settled share-based payment transactions.

The fair values of the share options granted which are existed during the year was measured based on the binomial option pricing model. The inputs into the model were as follows:

Granted on	**15 July 2020**
Fair value per share option at measurement date (HK$)	
– Directors	HK$0.017
– Employees	HK$0.016
– Consultants	HK$0.016
Exercise price (HK$)	HK$0.0394
Expected volatility (%)	70.40%
Expected option period (Years)	3 years
Risk-free rate (based on Hong Kong Exchange Fund Notes) (%)	0.094%
Expected dividend yield (%)	0%
Fair value	8,976,000

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

Note: (continued)

a. *(continued)*

Granted on	9 July 2015	9 July 2015	27 November 2015	27 November 2015
Tranche	K	L	M	N
Fair value per share option at measurement date (HK$)				
– Directors	HK$0.079	HK$0.082	N/A	N/A
– Employees	HK$0.072	HK$0.076	HK$0.071	HK$0.075
– Consultants	HK$0.072	HK$0.076	HK$0.071	HK$0.075
Exercise price (HK$)	HK$0.147	HK$0.147	HK$0.1488	HK$0.1488
Expected volatility (%)	88.18%	88.18%	88.81%	88.81%
Expected option period (Years)	5 years	4 years	5 years	4 years
Risk-free rate (based on Hong Kong Exchange Fund Notes) (%)	1.129%	1.129%	1.053%	1.053%
Expected dividend yield (%)	0%	0%	0%	0%
Fair value	2,368,000	2,462,000	9,105,000	9,627,000

The expected volatility was based on the historical volatility of the share price of the Company and comparable companies. The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Changes in the subjective input assumptions could materially affect the fair value estimate.

As at 31 March 2026, the Company had nil (2025: nil) share options outstanding under the share option scheme. The exercise in full of the remaining share options under the present capital structure of the Company, would not result in issue of additional ordinary shares of the Company (2025: nil) and additional share capital (2025: nil) and share premium (2025: nil) (before the cost of issuance).

29. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

a. Balances with related parties

Saved as disclosed in these consolidated financial statements, in the opinion of the Directors, the Group did not have any other significant balances with the related parties as at the end of the reporting period.

b. Key management personnel remuneration

During the years ended 31 March 2026 and 2025, the Group had remuneration paid to the Directors and other members of key management of the Group as follows:

	2026 **HK$'000**	2025 HK$'000
Short-term employee benefits:		
Salaries and other benefits	**3,690**	4,068
Post-employment benefits:		
Retirement benefit scheme contributions	**226**	215
	3,916	4,283

Details of related party transactions of the Group are set out in the consolidated financial statements. None of the related party transactions disclosed in the consolidated financial statements constitute connected transaction or continuing connected transaction (as defined in Chapter 14A of the Listing Rules) of the Company for the years ended 31 March 2026 and 2025. Accordingly, the Company has complied with the disclosure requirements in accordance with chapter 14A of the Listing Rules.

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**2026** **HK$'000**	2025 HK$'000 (Represented)
NON-CURRENT ASSET			
Interests in subsidiaries		**2,083**	2,083
Right-of-use assets		**1,805**	4,211
Property, plant and equipment		**740**	1,727
Amount due from a subsidiary		**50,642**	50,642
		55,270	58,663
CURRENT ASSETS			
Cash and bank balances		**1,062**	848
Deposit paid		**1,878**	1,150
		2,940	1,998
CURRENT LIABILITY			
Other payables		**812**	808
Lease liabilities		**1,925**	2,594
Amounts due to a subsidiary		**9,500**	–
		12,237	3,402
NET CURRENT LIABILITIES		**(9,297)**	(1,404)
TOTAL ASSETS LESS CURRENT LIABILITIES		**45,973**	57,259
NON-CURRENT LIABILITIES			
Lease liabilities		**–**	1,925
		–	1,925
NET ASSETS		**45,973**	55,334
EQUITY			
Share capital	*26*	**66,198**	66,198
Reserves	*a*	**(20,225)**	(10,864)
TOTAL EQUITY		**45,973**	55,334

The Company's statement of financial position was approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Chen Long	**Chen Shaojia**
Director	*Director*

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

a. Deficits of the Company

	Share premium HK$'000	Contributed surplus HK$'000 *(Note)*	Share-based payment capital reserve HK$'000	Accumulated losses HK$'000 (Represented)	Total HK$'000 (Represented)
As at 1 April 2024	913,906	136,624	–	(1,100,884)	(50,354)
Loss and total comprehensive expense for the year	–	–	–	(8,410)	(8,410)
Placing of shares, net *(Note 26(a))*	47,900	–	–	–	47,900
As at 31 March 2025 and 1 April 2025	**961,806**	**136,624**	**–**	**(1,109,294)**	**(10,864)**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(9,361)**	**(9,361)**
As at 31 March 2026	**961,806**	**136,624**	**–**	**(1,118,655)**	**(20,225)**

Note: The contributed surplus of the Company represented the difference between the underlying net tangible assets of the subsidiaries acquired by the Company, nominal value of the share capital issued by the Company at the time of the reorganisation of the Group in 2008, and compensation received from Mr. Tse in respect of a profit guarantee in 2022.

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes net of cash and cash equivalents and total equity of the Company, comprising issued share capital and reserves.

The management reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as raising of new borrowings.

The gearing ratio at the end of reporting period was as follows:

	2026 HK$'000	2025 HK$'000
Total liabilities	**14,726**	20,514
Equity	**176,039**	176,925
Gearing ratio	**8.4%**	11.6%

31. CAPITAL MANAGEMENT *(continued)*

a. Categories of financial instruments

	2026 HK$'000	2025 HK$'000
Financial assets		
Financial assets measured at amortised cost		
– Trade and other receivables (exclude prepayments)	**85,080**	63,708
– Cash and bank balances	**21,338**	53,346
	106,418	117,054
Financial liabilities		
Financial liabilities measured at amortised cost		
– Trade and other payables	**1,542**	1,588
– Lease liabilities	**2,020**	4,652
	3,562	6,240

b. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables and other receivables (exclude prepayments), cash and bank balances, trade and other payables and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

c. Market risk

The Group's activities expose it primarily to the market risks including foreign currency risk.

Foreign currency risk management

Foreign currency risk is the risk that the holding of monetary assets and liabilities and entering into transactions denominated in foreign currencies which will affect the Group's financial position and performance as a result of a change in foreign currency exchanges rates. At the end of the financial years, certain trade and other receivables, cash and bank balances and trade and other payables of the Group are denominated in or linked to foreign currencies, details of which are set out in respective notes, expose the Group to foreign currency risk.

31. CAPITAL MANAGEMENT *(continued)*

c. Market risk *(continued)*

Foreign currency risk management *(continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	2026 **HK$'000**	2025 HK$'000
Assets		
US$	**374**	14,977
RMB	**99,096**	84,869
Liabilities		
RMB	**742**	982
Net assets		
US$	**374**	14,977
RMB	**98,354**	83,887

As HK$ is linked to US$, the Group does not have material exchange rate risk on such currency. Thus, the Group is mainly exposed to the currency risk of RMB.

The following table demonstrates the sensitivity analysis of the carrying amounts of significant outstanding monetary assets and monetary liabilities denominated in RMB at the end of reporting period if there was a 5% change in the exchange rate of the HK$ against RMB, with all other variables held constant, of the Group's post-tax profit. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	Increase/ (decrease) in RMB rate %	**2026** **Increase/ (decrease) in profit** **HK$'000**	2025 Increase/ (decrease) in profit HK$'000
If HK$ weakens against RMB	5	**4,918**	4,194
If HK$ strengthens against RMB	(5)	**(4,918)**	(4,194)

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposure during the year ended 31 March 2026. The analysis is performed on the same basis in 2025.

31. CAPITAL MANAGEMENT *(continued)*

d. Credit risk management

As at 31 March 2026 and 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

At the end of reporting period, the Group has a certain concentration of credit risk as 31% (2025: 21%) and 93% (2025: 71%) of the total trade and other receivables was due from the Group's largest debtor and the five largest debtors, respectively within both the Skincare and Health Product Sales Platform Business and the Integrated Fashion Accessories Platform Business segments. In order to minimise the credit risk, the management continuously monitor the level of exposure to ensure that follow up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts. The Group has no significant concentration of credit risk on the remaining trade receivables, with exposure spread over a number of counterparties and customers.

The amounts presented in the consolidated statement of financial position are net of ECL allowances for receivables, if any, estimated by the Directors based on prior experience and adjustment of forward-looking factors. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

31. CAPITAL MANAGEMENT *(continued)*

d. Credit risk management *(continued)*

(a) Trade receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables:

	Expected loss rate %	**Gross carrying amount** HK$'000	**Loss allowance** HK$'000
As at 31 March 2026			
Current	**1.12%**	**66,105**	**738**
0–30 days past due	**2.80%**	**5,797**	**162**
31–60 days past due	**5.92%**	**6,528**	**386**
61–365 days past due	**23.46%**	**4,157**	**975**
Over 1 year past due	**100%**	**1,813**	**1,813**
		84,400	**4,074**
As at 31 March 2025			
Current	1.13%	42,255	476
0–30 days past due	2.81%	2,495	70
31–60 days past due	6.00%	999	60
61–365 days past due	36.79%	8,053	2,963
Over 1 year past due	100.00%	56	56
		53,858	3,625

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the group's view of economic conditions over the expected lives of the receivables.

(b) Other receivables

The ECLs of other receivables are based on the 12-month ECLs that results from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since its initial recognition, the loss allowance will be based on life-time ECLs. When determining whether the credit risk has been increased significantly since its initial recognition, the Group considers reasonable and supportable information that is relevant, including both quantitative and qualitative information and analysis with reference to the Group's historical experience and informed credit assessment with forward-looking information. As at 31 March 2026, accumulated impairment loss on other receivables have been recognised at approximately of HK$16,000 (2025: HK$19,000).

31. CAPITAL MANAGEMENT *(continued)*

e. Liquidity risk management

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. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Group's operations.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. 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.

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Total undiscounted cash flows	Carrying amounts
	%	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2026					
Trade and other payables	**–**	**1,542**	**–**	**1,542**	**1,542**
Lease liabilities	**5.86%**	**2,350**	**–**	**2,350**	**2,020**
		3,892	**–**	**3,892**	**3,562**
At 31 March 2025					
Trade and other payables	–	1,588	–	1,588	1,588
Lease liabilities	5.86%	3,125	2,127	5,252	4,652
		4,713	2,127	6,840	6,240

f. Fair value measurement of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

32. SUBSIDIARIES

The following list contains the particular of the Company's subsidiaries as at 31 March 2026, all are private limited liability company and the class of shares held is ordinary unless otherwise stated:

Name of company	Place of incorporation/ establishment	Place of operation	Percentage of equity attributable to the Company 2026	Percentage of equity attributable to the Company 2025	Proportion of voting power held by the Company 2026	Proportion of voting power held by the Company 2025	Issued and fully paid-up/ registered capital	Principal activities
Directly held by the Company								
Artist Star International Development Limited	British Virgin Islands ("BVI")	Hong Kong	**100**	100	**100**	100	1,000 ordinary shares of US$1 each	Investment Holding
Indirectly held by the Company								
China Regent Investments Limited	Hong Kong	Hong Kong	**100**	100	**100**	100	HK$1	Operation of online platforms
China Traditional Medicine Group Co., Limited (formerly known as Q'ggle Biotech Development Limited)	Hong Kong	Hong Kong	**100**	100	**100**	100	HK$100	Operation of online platforms
Gain Trade Enterprise Limited	Hong Kong	Hong Kong	**100**	100	**100**	100	HK$100	Provision of management services
Instar International Company Limited	BVI	Hong Kong	**100**	100	**100**	100	100 ordinary shares of US$1 each	Investment holding
JCM Holding Limited	BVI	Hong Kong	**100**	100	**100**	100	500 ordinary shares of US1 each	Investment holding
King Erich International Development Limited	BVI	Hong Kong	**100**	100	**100**	100	300 ordinary shares of US$1 each	Investment holding
Riccardo International Trading Limited	BVI	Hong Kong	**100**	100	**100**	100	700 ordinary shares of US$1 each	Investment holding
Best Sign Limited	Samoa	Hong Kong	**100**	100	**100**	100	1 ordinary share of US$1 each	Inactive
Guangzhou Artini Technology Limited *(note (a))*	The PRC	The PRC	**100**	100	**100**	100	CNY1,000,000	Operation of online platforms
Traditional Medicine Health Technology (Shenzhen) Limited (formerly known as Artini Health (Guangzhou) Limited) *(note (a))*	The PRC	The PRC	**100**	100	**100**	100	CNY100,000,000	Operation of online platforms
Asbeny Jewelry (Shenzhen) Co. Ltd	The PRC	The PRC	**100**	100	**100**	100	CNY10,000,000	Operation of online platforms
Asbeny Jewelry (Guangzhou) Co. Ltd	The PRC	The PRC	**100**	100	**100**	100	CNY1,000,000	Operation of online platforms
Asbeny Jewelry (Xizang) Co. Ltd	The PRC	The PRC	**100**	100	**100**	100	CNY10,000,000	Operation of online platforms
Asbeny Jewelry (Guangxi) Co. Ltd	The PRC	The PRC	**100**	–	**100**	–	CNY10,000,000	Operation of online platforms

Note:

a. None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

33. NOTES SUPPORTING CASH FLOW STATEMENT

Reconciliation of liabilities arising from financing activities:

	Amount due to immediate holding company HK$'000	Amount due to a director HK$'000	Lease liabilities *(Note 25)* HK$'000
At 1 April 2024	676	1,299	8,987
Changes from cash flows:			
Principal elements of lease payment	–	–	(2,987)
Interest paid on lease liabilities	–	–	(360)
Repayment to director	–	(1,299)	–
Repayment to immediate holding company	(676)	–	–
Total changes from financing cash flows	(676)	(1,299)	(3,347)
Other changes:			
Interest expenses on lease liabilities	–	–	360
Addition of lease liabilities	–	–	323
Early terminating of leases	–	–	(1,668)
Exchange adjustments	–	–	(3)
Total other changes	–	–	(988)
At 31 March 2025 and 1 April 2025	**–**	**–**	**4,652**
Changes from cash flows:			
Principal elements of lease payment	**–**	**–**	**(2,802)**
Interest paid on lease liabilities	**–**	**–**	**(189)**
Total changes from financing cash flows	**–**	**–**	**(2,991)**
Other changes:			
Interest expenses on lease liabilities	**–**	**–**	**189**
Addition of lease liabilities	**–**	**–**	**167**
Exchange adjustments	**–**	**–**	**3**
Total other changes	**–**	**–**	**359**
At 31 March 2026	**–**	**–**	**2,020**