



B & S International Holdings Ltd. 賓仕國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1705



FOOD
FRIEND



2026
ANNUAL REPORT

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微磨入微 香濃入心

顛覆即溶咖啡印象 · 專注每一杯咖啡的美好體驗



童心·跨界

玩出未來



香港
限定優惠裝



香港總代理：賓仕洋行

UHA 味覺糖®



經典角色

驚喜聯乘

為品牌注入新動力



香港總代理：賓仕洋行

優しい家族

日本直送



鮮・香・味美
天然飼料 日本古法飼養

和の
味わい

無添加
激素

地養卵



香港總代理：賓仕洋行

* 測試通過本地化驗機構認可。激素指雌激素及雄激素。
日本古法飼養：傳承超過50年的飼料配方・匠心調配優質天然飼料
(如海藻、木酢、艾草等)。



Julie's™

- 馬來西亞直送 -

鬆脆 Cheese~Up!



芝士味



檸檬味

香港總代理：賓仕洋行

玉子の家



日本直送

濃郁蛋香
完美呈現

蛋黃顏色
高於15級



蛋黃色咁



・無添加激素・

香港總代理：寶仕洋行

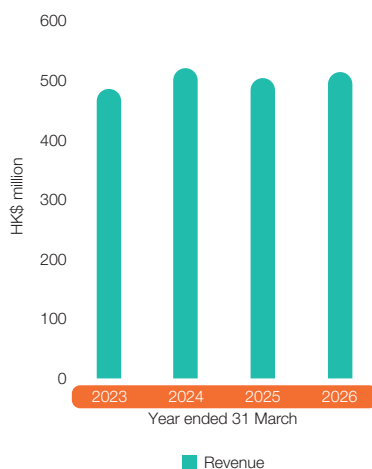
*測試通過本地化驗機構認可。激素指雌激素及雄激素。

FINANCIAL HIGHLIGHTS

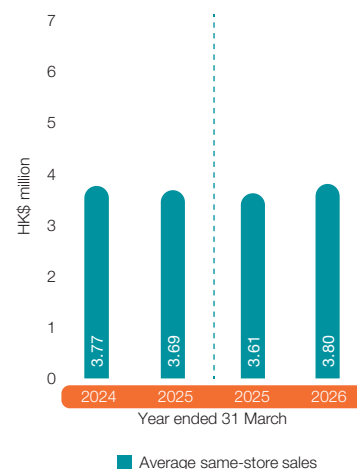
REVENUE BREAKDOWN



REVENUE



SAME-STORE SALES PERFORMANCE – TENREN (天仁茗茶)



- The Group has recorded net profit of approximately HK\$17.8 million for the year ended 31 March 2026 ("FY2026") as compared to that of approximately HK\$18.9 million recorded in the previous financial year ("FY2025").
- Further to an interim dividend of HK2.5 cents per share paid during FY2026 (FY2025: HK2.5 cents), our Board recommended the declaration and payment of a final dividend of HK2.5 cents per share (FY2025: HK2.5 cents) for FY2026 and a special dividend of HK5.0 cents per share (FY2025: Nil) for FY2026.

FINANCIAL HIGHLIGHTS

	For the year ended 31 March 2026 HK\$ million	For the year ended 31 March 2025 HK\$ million	Increase/ (decrease) %
Revenue	505.4	504.7	0.1%
Gross profit	117.5	110.9	6.0%
Net profit	17.8	18.9	(5.8%)
Basic earnings per share (HK cents)	4.30	4.45	(3.4%)

	For the year ended 31 March 2026 HK\$ million	For the year ended 31 March 2025 HK\$ million	Increase/(decrease) HK\$ million	%
Segment revenue				
– Distribution Business	252.7	260.5	(7.8)	(3.0%)
– Retail Business	252.7	244.2	8.5	3.5%
Segment results				
– Distribution Business	54.2	60.5	(6.3)	(10.4%)
– Retail Business	8.9	6.6	2.3	34.8%

CORPORATE INFORMATION

PLACE OF INCORPORATION

The Cayman Islands

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Kam Chuen Andrew
(Chief Executive Officer and Chairman)

Mr. Chan Siu Cheung Stephen

Mr. Chau Wing Kong William

Ms. Tin Hau Ling Janny

Independent Non-executive Directors

Mr. Pang Koon Kwai

Mr. See Hung Yan Peter

Mr. Chung Kwok Mo John

COMPANY SECRETARY

Mr. Tang Kwok Hay (*FCPA, FRM*)

AUTHORISED REPRESENTATIVES

Mr. Chan Kam Chuen Andrew

Mr. Tang Kwok Hay (*FCPA, FRM*)

AUDIT COMMITTEE

Mr. Chung Kwok Mo John (*Chairman*)

Mr. Pang Koon Kwai

Mr. See Hung Yan Peter

REMUNERATION COMMITTEE

Mr. Pang Koon Kwai (*Chairman*)

Mr. See Hung Yan Peter

Mr. Chung Kwok Mo John

NOMINATION COMMITTEE

Mr. See Hung Yan Peter (*Chairman*)

Mr. Pang Koon Kwai

Mr. Chung Kwok Mo John

REGISTERED OFFICE

Cricket Square, Hutchins Drive P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 01, 11/F, Block A

Ko Fai Industrial Building

7 Ko Fai Road, Yau Tong, Kowloon

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square

338 King's Road, North Point, Hong Kong

INDEPENDENT AUDITOR

PricewaterhouseCoopers

22/F, Prince's Building, Central, Hong Kong

Certified Public Accountants and Registered PIE Auditor

LEGAL ADVISER

Holman Fenwick Willan

22/F, Alexandra House

18 Chater Road

Central, Hong Kong

STOCK CODE

1705

COMPANY'S WEBSITE

www.bandshk.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of B & S International Holdings Ltd. (the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the annual report of the Company for FY2026.

REVIEW

Compared to FY2025, the Group has maintained stable financial performance in FY2026. During the year, our distribution business continued to promote its existing offerings while sourcing new products globally, but external market uncertainties and challenging economic conditions limited our ability to capitalize on emerging opportunities. Meanwhile, our retail business continued its efforts to drive revenue and enhance market share through targeted marketing and product development initiatives. These measures enabled us to deliver a stable performance despite the weak retail market conditions in Hong Kong.

Consequently, the Group recorded a revenue of approximately HK\$505.4 million and profit attributable to owners of the Company of approximately HK\$17.1 million for FY2026. We are proactively refining our business strategies to navigate current challenges and reaffirm our commitment to sustainable growth for our stakeholders in the years ahead.

CHAIRMAN'S STATEMENT

The Group is a well-established food and beverage company with over 30 years of operating history in Hong Kong. The Group is principally engaged in two business segments, namely: (i) the distribution business, and (ii) the retail business.

For the distribution business, the Group distributes and markets a diversified portfolio of overseas branded food and beverage products through its supply chain solutions to overseas brand owners and local retailers. These products include sweets and candies, biscuits, cakes and pastries, instant drink powders, dried meat products, tea leaves, pasta, fresh eggs and condiments, etc., which are sourced from Japan, Taiwan, Malaysia, Argentina, the People's Republic of China (the “PRC”) and Turkey, etc. The Group is able to offer a total of approximately 7,000 stock keeping units (“SKUs”) of food and beverage products from over 100 brands, including “UHA (味覺糖)” and “Hsin Tung Yang (新東陽)”, which are widely sold in supermarkets and convenience stores.



CHAIRMAN'S STATEMENT

For the retail business, the Group is licensed to set up and self-operate retail outlets for a few overseas food and beverage brands in Hong Kong, including “TenRen (天仁茗茶)” and “Chef Hung (洪師父)”. As at 31 March 2026, the Group had set up a total of 65 self-operated retail outlets. The Group has stayed innovative in the food retail market, and strives to introduce more high-quality brands and products from around the world.

PROSPECTS

Looking ahead, the Hong Kong retail industry is expected to face heightened challenges in 2026, driven by the weak consumer sentiment, rising operational costs and the continuing trend of residents spending abroad, particularly in mainland China and other destinations. These factors are likely to affect domestic consumption and create a demanding operating environment for local businesses in Hong Kong.

To navigate these headwinds, the Group will continue to expand the brand and product portfolio of its distribution business, targeting overseas offerings aligned with Hong Kong consumers' preferences. Through these efforts, the Group seeks to maintain its competitiveness and capture potential opportunities despite prevailing economic uncertainties.

For our retail business, we will continue to strengthen the leading market position of our TenRen brand through brand building, improving customer experience, product innovations, digitalisation and automation.

Amid ongoing economic uncertainty, we remain committed to adapting our business model, leveraging our strengths, and proactively responding to market dynamics. We are confident in our ability to overcome these challenges and maintain resilience to pursue sustainable growth.

APPRECIATION

Lastly, on behalf of the Board, I wish to extend my sincere appreciation to the management team and our employees for their unremitting efforts, and to express my gratitude to all shareholders, investors, customers and business partners for their steadfast support. We will continue to grasp every opportunity and endeavor to strive for the greatest interest for the shareholders and the Company.

Chan Kam Chuen Andrew

Chairman, Chief Executive Officer & Executive Director

Hong Kong, 26 June 2026

PRESTIGE

天仁匠心 研磨成粉
一口盡是 翠綠茶韻

天仁御選

SELECTION

NEW
TREND

日本原料



香港總代理：賓仕洋行

天仁茗茶

UHA

日本製

營養補充軟糖

Gummy Supplement

隨時隨地 輕鬆補給

給忙碌生活的
10秒應援!



POINT

01

簡單方便

POINT

02

無須配水送服

POINT

03

味道香甜

日

2粒

健康營養

Level Up

香港總代理：實仕洋行

f UHAHK.Beauty

ig UHAHK.Beauty

UHA味覚糖

都市忍者的 隨身補給

忍者めし

忍者式ダイエット

葡萄味



ハード
グミ



麝香葡萄味



香港總代理：賓仕洋行



編織奇妙想像



點綴

甜蜜生活

享受喫茶趣又 





CHEF
Since 1995

Hung[®]
Taiwanese
Beef Noodle
牛肉麵



世界級的
台灣味
牛肉麵



嚴選
食材

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue in FY2026 amounted to approximately HK\$505.4 million, representing an increase of approximately 0.1% from approximately HK\$504.7 million in FY2025. This represented a steady performance as compared with FY2025.

The Group's gross profit increased from approximately HK\$110.9 million in FY2025 to approximately HK\$117.5 million in FY2026, representing an increase of approximately HK\$6.6 million, which is equivalent to an increase of approximately 6.0%. Profit attributable to owners of the Company for FY2026 was approximately HK\$17.1 million (FY2025: approximately HK\$17.8 million), representing a decrease of approximately HK\$0.7 million or 3.9%. The decline in profit attributable to owners of the Company was mainly due to the reduced bank interest income, as both the Group's bank balance and prevailing bank interest rates decreased during FY2026 as compared with FY2025.

The Group is a well-established food and beverage company with over 30 years of operating history in Hong Kong. It has two business segments, namely (i) the distribution business; and (ii) the retail business.

DISTRIBUTION BUSINESS

For distribution business, we distribute and market a diversified portfolio of overseas branded food and beverage products to mainly retailers, such as supermarkets, pharmacies, convenience stores and department store chains in Hong Kong. We also provide supply chain solutions from importing the products from the overseas brand owners to marketing the products to retailers in Hong Kong. Our services include (i) arranging inbound logistics; (ii) relabeling the products to comply with the relevant Hong Kong food safety and labelling laws; (iii) repackaging the products to suit the needs of the retailers or consumers; and (iv) formulating marketing and sales strategies, including advising on retail prices, organising promotion campaigns as well as designing and producing customised display racks or stands to be placed at the customers' points of sales.

The Group is able to offer a total of approximately 7,000 SKUs of food and beverage products from over 100 brands, including "UHA (味覺糖)" and "Hsin Tung Yang (新東陽)" which are regarded as popular items in the market.

During FY2026, our distribution business remained focused on promoting our existing offerings while actively sourcing new high-quality products from around the world.

For FY2026, the revenue generated from the distribution business decreased to approximately HK\$252.7 million (FY2025: approximately HK\$260.5 million), representing a decrease of approximately HK\$7.8 million. Revenue generated from the distribution business contributed to approximately 50.0% of the Group's total revenue in FY2026.

MANAGEMENT DISCUSSION AND ANALYSIS

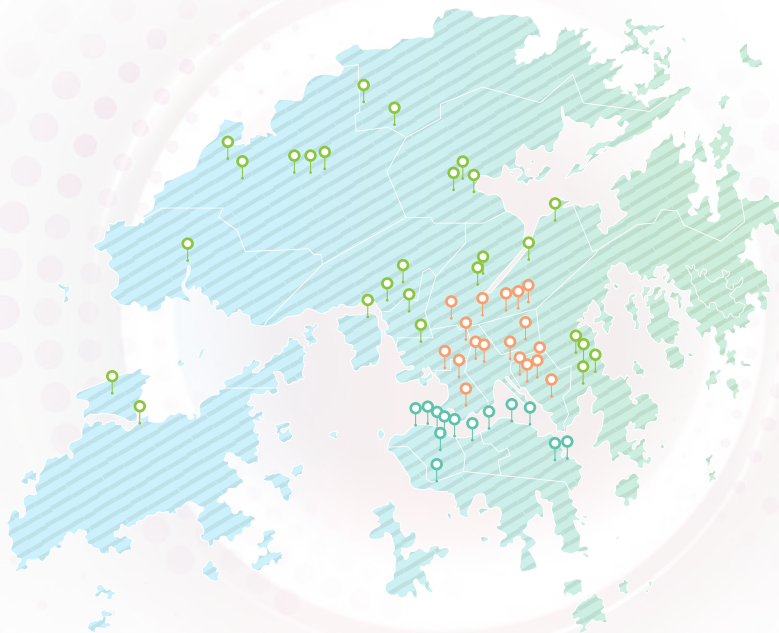
RETAIL BUSINESS

We principally prepare and sell overseas branded food and beverage products licensed to us at our self-operated retail outlets in Hong Kong. As at 31 March 2026, we had set up 65 self-operated retail outlets and details of the outlets are set out below:

	 TenRen TEA 天仁茗茶	 洪師父 世界級的台灣味 牛肉麵	OTHERS	TOTAL
2026	58	1	6	65
2025	58	2	5	65

During FY2026, the number of “TenRen (天仁茗茶)” retail outlets remained unchanged at 58 stores as at 31 March 2026 (FY2025: 58 stores). Our “TenRen (天仁茗茶)” retail network spans across Hong Kong Island, Kowloon and the New Territories in Hong Kong.

“TenRen (天仁茗茶)” Retail Outlets



During FY2026, the Group’s retail business remained committed to increasing revenue and market shares through marketing and product developments. Our successful branding and product marketing campaigns contributed to our retail sales during the year, reflecting the effectiveness of our strategic initiatives.

The revenue generated from the retail business increased to approximately HK\$252.7 million for FY2026 (FY2025: approximately HK\$244.2 million), representing an increase of approximately HK\$8.5 million. Revenue generated from the retail business contributed to approximately 50.0% of the Group’s total revenue in FY2026.

Revenue

from the retail business
was approximately

HK\$252.7 million

MANAGEMENT DISCUSSION AND ANALYSIS

Same-store sales performance

We evaluate our performance in each individual outlets by calculating the average same-store sales growth, which compares the average revenue derived from outlets that were in operation throughout the financial periods under comparison. The following table sets forth the average same-store sales performance of our “TenRen (天仁茗茶)” retail outlets:

	Year ended 31 March			
	2025	2026	2024	2025
Number of same-store	55		57	
Average same-store sales	HK\$3.61 million	HK\$3.80 million	HK\$3.77 million	HK\$3.69 million
Average same-store sales growth rate	5.3%		(2.1%)	

Average selling prices and volume

The average selling price of our “TenRen (天仁茗茶)” beverage products increased during FY2026. This was primarily due to the impact of inflation, rising wages, and increased raw material costs, which led us to make the decision to raise our product prices.

Despite the challenging market conditions, we remain committed to delivering high-quality products to our customers, while maintaining our competitiveness in the market. We will continue to closely monitor market trends and adjust our pricing strategies accordingly to ensure our long-term sustainability and success.

The following table sets forth the average selling price and average daily sales volume of our “TenRen (天仁茗茶)” tea drink products for the years indicated:

	Year ended 31 March	
	2026	2025
Average selling price (HK\$)		
Tea drink products (per cup)	31.0	30.6
Packaged tea leaves products (per unit)	106.1	105.2
Average daily sales volume		
Tea drink products (cup)	20,000	18,000
Packaged tea leaves products (unit)	105	100

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The Hong Kong's economy continue to be volatile and is susceptible to global economic trends, which could affect consumer spending on food and beverage products. Rising operating costs and weak consumer sentiment may also put pressure on profit margins. With intense competition and spending power remains weak due to the weak economy, local businesses are expected to be continuously affected by the adverse effects of these economic conditions.

Retail sector

Retail business operators in Hong Kong, especially the tea drinks serving retailers, continue to face the following challenges:

Fierce competition in the tea drinks serving industry

The competition within the tea drinks serving industry in Hong Kong is still fierce because of the large number of market participants, particularly the entry of new tea drinks brands from the PRC.

Given the keen competition, tea drinks operators would need to spend more effort on product offering and marketing to attract more consumers.

Severe labour shortage in Hong Kong

The food and beverage serving establishments in Hong Kong have been facing significant challenges due to the severe labour shortage in Hong Kong, which has made it extremely difficult to recruit and retain staff. Such labour shortage has resulted in an increase in market wages, together with the already high rental costs of private retail premises, has imposed a significant financial burden on food and beverage serving establishments in Hong Kong.

Distribution sector

In the distribution sector, distribution business operators in Hong Kong continue to face the following challenges:

High operating costs

Distribution business operators are facing high rental costs for warehouses and retail premises. This has constrained business expansion and increased operating costs across the distribution sector. On the other hand, as the distribution business is highly labour intensive and service-oriented, the persistent labour shortage in Hong Kong has placed further pressure on the distribution business operators.

The ease of online retailing

Nowadays, consumers can access to almost all products and services via the Internet, contributed by the growth of online retailing and the emergence of various payment platforms. Also, many food and beverage brands allow online purchases and offer fast delivery services, providing greater convenience to customers. This has intensified competition for traditional brick-and-mortar retailers, as customers can directly purchase online rather than buying from the franchised outlets of these brands.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking forward to the opportunities and challenges in the upcoming financial year, the Group will continue to adhere to products of high quality and the multi-brand development strategy.

In the retail business, the weak consumer market sentiment is expected to continue to pose challenges to our revenue growth. To mitigate this challenge, we have prepared a comprehensive set of sales and marketing initiatives which aimed at revitalising consumer interest and driving sales. The Group also plans to strengthen the leading market position of our TenRen business through brand building, improving customer experience, product innovations, digitalisation and automation.

On the other hand, the Group is proactively reviewing its lease agreements with landlords to optimise our cost structure and business model for the future. At the same time, we will continue to implement stringent cost-control measures, including managing manpower, rental expenses and other operating expenses, while further improving operational efficiency.

In the distribution business, the Group aims to enlarge its brand and product portfolio to remain competitive in the market and capitalise any potential opportunities that may arise despite the challenging economic environment in Hong Kong. This can be achieved by identifying overseas brands and products that suit the preferences of Hong Kong consumers.

FINANCIAL OVERVIEW

Revenue

For the year ended 31 March 2026, the Group's revenue amounted to approximately HK\$505.4 million, representing an increase of approximately 0.1% from approximately HK\$504.7 million for the same period in 2025. The revenue generated from the retail business increased to approximately HK\$252.7 million for the year ended 31 March 2026, representing an increase of approximately HK\$8.5 million (FY2025: approximately HK\$244.2 million), which has contributed to approximately 50.0% of the Group's total revenue in FY2026. Such increase was mainly attributable to the Group's effective sales strategies and marketing initiatives, which successfully boosted sales volume.

The revenue generated from the distribution business decreased to approximately HK\$252.7 million for the year ended 31 March 2026, representing a decrease of approximately HK\$7.8 million (FY2025: approximately HK\$260.5 million), which has contributed to approximately 50.0% of the Group's total revenue in FY2026. Such decrease was mainly attributable to the intense competition from other distributors in wholesale market.

Cost of sales

For the year ended 31 March 2026, the Group's cost of sales amounted to approximately HK\$387.9 million, representing a decrease of approximately 1.5% from approximately HK\$393.8 million for the same period in 2025. Such decrease was mainly due to the margin enhancing strategy implemented by the Group in our distribution segment. Our cost of sales accounted for approximately 76.8% of the Group's total revenue for the year ended 31 March 2026 (FY2025: approximately 78.0%).

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

For the year ended 31 March 2026, the Group's gross profit amounted to approximately HK\$117.5 million, representing an increase of approximately 6.0% from approximately HK\$110.9 million for the same period in 2025. The Group's gross profit margin for the year ended 31 March 2026 increased by approximately 1.2% to approximately 23.2% as compared to that of approximately 22.0% for the same period in 2025. Such increase in gross profit margin was mainly due to the margin enhancing strategy implemented by the Group in our distribution segment.

Selling and distribution expenses

For the year ended 31 March 2026, selling and distribution expenses of the Group amounted to approximately HK\$44.3 million, representing an increase of approximately 11.3% from approximately HK\$39.8 million for the same period in 2025. Such increase was mainly due to the increase in advertising and promotion expenses as a result of increased marketing activities.

Administrative expenses

For the year ended 31 March 2026, administrative expenses of the Group amounted to approximately HK\$47.3 million, representing an increase of approximately 5.1% from approximately HK\$45.0 million for the same period in 2025. Such increase was primarily attributable to the expected credit losses provision of approximately HK\$0.5 million recognised on trade receivables during FY2026.

Finance costs, net

For the year ended 31 March 2026, net finance costs of the Group amounted to approximately HK\$2.9 million, representing an increase of approximately 45.0% from approximately HK\$2.0 million for the same period in 2025, which was mainly attributable to the decrease in bank interest income as both the Group's bank balance and prevailing bank interest rates decreased during FY2026 as compared with FY2025.

Income tax expense

For the year ended 31 March 2026, the Group recorded income tax expense of approximately HK\$3.2 million (FY2025: approximately HK\$3.1 million), representing an effective tax rate of approximately 15.1% (FY2025: approximately 14.1%). The increase in effective tax rate was primarily attributable to a significant decrease in non-taxable bank interest income recognised in FY2026.

Net profit

Profit attributable to owners of the Company for the year ended 31 March 2026 was approximately HK\$17.1 million, which decreased by approximately 3.9% from approximately HK\$17.8 million in FY2025. The net profit margin (calculated as the ratio of the net profit for the year to the revenue) for the year ended 31 March 2026 was approximately 3.5%, which decreased as compared to that of approximately 3.7% for the same period in 2025. Basic earnings per share for the year ended 31 March 2026 amounted to approximately HK4.30 cents, as compared to that of approximately HK4.45 cents for the same period in 2025. Such decrease was mainly attributable to the reduced bank interest income, as both the Group's bank balance and prevailing bank interest rates decreased during FY2026 as compared with FY2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital expenditure

During the year ended 31 March 2026, capital expenditure amounted to approximately HK\$37.2 million (FY2025: approximately HK\$41.9 million). This amount was used mainly for the addition of right-of-use assets.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining the highest standard of corporate governance to safeguard Shareholder's interests.

During the year ended 31 March 2026, the Company has applied the principles in the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange. The corporate governance principles of the Company emphasise an effective Board with a high level of integrity, sound internal controls, as well as a high degree of transparency and accountability, which does not only enhance corporate value for Shareholders but also protect the long-term sustainability of the Group.

In the opinion of the Board, during FY2026 and up to the date of this annual report, the Company has complied with all the code provisions of the CG Code, save and except for code provision C.2.1 which states that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Chan Kam Chuen Andrew is both our chairman and chief executive officer and is responsible for the overall management of the Group and directing the strategic development and business plans of the Group.

The Board believes that vesting the roles of the chairman and chief executive officer in the same individual (that is, Mr. Chan Kam Chuen Andrew) would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. The Board believes that the balance of power and authority is sufficiently maintained by the operation of the senior management and the Board, which is comprised of experienced and high-calibre individuals. The Board currently comprises four executive Directors (including Mr. Chan Kam Chuen Andrew) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, in order to maintain a high standard of corporate governance practices of the Company and ensure compliance with the code provisions of the CG Code.

LIQUIDITY AND FINANCIAL RESOURCES REVIEW

The Group is financially sound with cash and cash equivalents of approximately HK\$42.5 million as at 31 March 2026 (2025: approximately HK\$55.4 million). As at 31 March 2026, the gearing ratio of the Group was approximately 23.9% (2025: approximately 27.3%), which was calculated based on the total debt divided by the total capital as at the end of the financial year. Debt of the Group refers to bank borrowings and lease liabilities. As at 31 March 2026, the Group has total banking facilities of approximately HK\$113.7 million (2025: approximately HK\$113.7 million) of which approximately HK\$4.0 million (2025: approximately HK\$4.0 million) has been utilised. We aim to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings which enable us to continue our business in a manner consistent with the short-term and long-term financial strategies of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings

The borrowing structure, maturity profile and currency denomination of the Group's borrowings are as follows:

Borrowing structure:

	As at 31 March			
	2026	HK\$ million	2025	HK\$ million
	Effective interest rate		Effective interest rate	
Secured bank borrowings with repayable on demand clauses	Floating rate of 2.5% per annum over 1-month Hong Kong Interbank Offered Rate ("HIBOR")	4.0	Floating rate of 2.5% per annum over 1-month HIBOR	4.0

Maturity profile:

The repayment terms of the borrowings without taking into consideration the effect of repayable on demand clauses are as follows:

	As at 31 March	
	2026 HK\$ million	2025 HK\$ million
Within 1 year	4.0	4.0
	4.0	4.0

The borrowings are denominated in Hong Kong dollars.

Details of the Group's borrowings are set out in Note 26 to the consolidated financial statements.

FOREIGN CURRENCY RISK

The Group operates in Hong Kong and is exposed to foreign exchange risk from the purchase of goods from overseas suppliers and cash and cash equivalents denominated in foreign currencies, primarily with respect to the Japanese yen, the New Taiwan dollar and the United States dollar.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group will continue to take proactive measures and monitor closely of its exposure to such currency movement.

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews regularly the recoverable amount of each individual trade receivable by taking into account the market conditions, customers' profiles and contractual terms to ensure that adequate impairment is made for irrecoverable amounts. On top of these ongoing credit evaluations, the Board also closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

CAPITAL STRUCTURE

The shares of the Company (the "Shares") were successfully listed on the Main Board of the Stock Exchange on 14 March 2018. There has been no change in the capital structure of the Group during FY2026. The share capital of the Company only comprises ordinary Shares. As at 31 March 2026, the Company had 400,000,000 Shares in issue.

CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND CHARGED ASSETS

The Group has no material capital commitments, contingent liabilities nor charges on the Group's assets as at 31 March 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed a total of 608 employees (2025: 638) and the employee benefit expenses including directors' emoluments were approximately HK\$125.4 million (2025: approximately HK\$124.2 million). The Group offers a comprehensive remuneration package which is reviewed by the management on a regular basis.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the year ended 31 March 2026, the Group did not have any significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures.

EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting period up to the date of this annual report.

BIOGRAPHIES DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Kam Chuen Andrew (陳錦泉) (“Mr. Andrew Chan”), aged 65, is our chairman, chief executive officer and was appointed as our executive Director on 21 August 2017. He joined our Group in February 1992 and is primarily responsible for sourcing brands and products, liaising with suppliers, overall management of retail business, strategic planning and business development of our Group. Mr. Andrew Chan is a director of Wise Fine Enterprise Limited (“Wise Fine”), Saw Corporation Limited (“Saw Corporation”), National Jade Limited (“National Jade”) and Sunny Land Corporation Limited (“Sunny Land”), our operating subsidiaries. From May 1985 to February 1992, Mr. Andrew Chan worked at three different companies as sales and marketing manager and merchandise manager. Mr. Andrew Chan received his bachelor’s degree in arts from The University of Hong Kong in November 1985.

Mr. Andrew Chan is the brother of Mr. Chan Siu Cheung Stephen and the spouse of Ms. Tin Hau Ling Janny.

Mr. Chan Siu Cheung Stephen (陳紹璋) (formerly known as Mr. Chan Siu Cheung (陳小璋)) (“Mr. Stephen Chan”), aged 67, was appointed as our executive Director on 21 August 2017. He joined our Group in February 1990 and is primarily responsible for overall management of sales and marketing and liaising with customers of our Group. Mr. Stephen Chan is a director of Wise Fine, Saw Corporation and Sunny Land, our operating subsidiaries. In 1980s, he accumulated work experience in the field of sales and marketing at two trading companies in Hong Kong. In February 1990, he founded the business of our Group as a sole proprietor, with Mr. Chau Wing Kong William joining him as a partner in December 1990 and his brother Mr. Andrew Chan joining him as a partner in 1992.

Mr. Stephen Chan is the brother of Mr. Andrew Chan and the brother-in-law of Ms. Tin Hau Ling Janny.

Mr. Chau Wing Kong William (周永江) (“Mr. William Chau”), aged 65, was appointed as our executive Director on 21 August 2017. He is primarily responsible for overall management of finance, inventory control, logistics and operation of our Group. Mr. William Chau is a director of Wise Fine, Saw Corporation and Sunny Land, our operating subsidiaries. Mr. Chau accumulated work experience in the field of sales and marketing as well as inventory control at three companies in Hong Kong. From 1985 to 1989, he ran a silk screen printing business. In December 1990, he joined our Group as a business partner.

Ms. Tin Hau Ling Janny (田巧玲) (“Ms. Janny Tin”), aged 64, was appointed as our executive Director on 14 November 2017. She joined our Group on 14 November 2017 and is primarily responsible for strategic planning, business development and overseeing compliance matters of our Group. From April 1994 to March 1997, Ms. Janny Tin worked at a Hong Kong law firm where she was primarily responsible for conveyancing and litigation works. From July 1997 to May 2001, Ms. Janny Tin was a partner at another Hong Kong law firm and she was responsible for litigation works and administration. Ms. Janny Tin worked as a partner at Lo, Wong & Tsui Solicitors from May 2001 to April 2004. Ms. Janny Tin received her bachelor’s degree in laws from the University of London in the United Kingdom in August 1990. Ms. Janny Tin was admitted as a solicitor in the United Kingdom and Hong Kong in October 1993 and January 1994, respectively.

Ms. Janny Tin is the spouse of Mr. Andrew Chan and the sister-in-law of Mr. Stephen Chan.

BIOGRAPHIES DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Independent non-executive Directors

Mr. Pang Koon Kwai (彭觀貴) ("Mr. Pang"), aged 72, was appointed as our independent non-executive Director, the chairman of the remuneration committee and a member of each of the audit committee and nomination committee of the Company on 30 April 2019. Mr. Pang graduated with a bachelor degree in business administration from the University of Hawaii, College of Business in May 1978 and obtained a master degree in business administration from the Chaminade University of Honolulu in December 1979. Mr. Pang has worked in various banks and financial institutions over the years. From April 1999 to August 2009, Mr. Pang has worked in the predecessor companies and various subsidiaries of Industrial and Commercial Bank of China (Asia) group, with the last held position as the chief executive officer of 華商銀行 (Chinese Mercantile Bank*) in Shenzhen, a subsidiary of Industrial and Commercial Bank of China (Asia) Limited. From February 2011 to October 2013, Mr. Pang was the chief executive officer and chairman of 捷貸小額貸款公司 (Jet Credit Small Loan Company*) in Chongqing and the chief executive officer of Nation Wide Financial Service Company Limited in Hong Kong.

Mr. See Hung Yan Peter (施鴻仁) ("Mr. See"), aged 64, was appointed as our independent non-executive Director, the chairman of the nomination committee and a member of each of the audit committee and remuneration committee of the Company on 12 February 2018. From July 1986 to September 2015, Mr. See served various positions at Federal Express (Hong Kong) Limited with his last held position as the managing director of the customer service planning & engineering department, where he was primarily responsible for overall management of the planning and engineering business.

Mr. See received his high diploma in civil engineering (municipal) and associateship in civil and structural engineering from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1985 and November 1986, respectively. Mr. See then obtained his master's degree in science in management (business) from the Hong Kong Polytechnic University in October 1995.

Mr. Chung Kwok Mo John (鍾國武) ("Mr. Chung"), aged 57, was appointed as an independent non-executive Director, the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of the Company on 12 February 2018. He obtained a bachelor's degree in economics from Macquarie University in April 1992 and is a member of CPA Australia and Hong Kong Institute of Certified Public Accountants, with over 20 years of experience in auditing, financial management and corporate finance. Mr. Chung was an auditor of an international accounting firm from 1992 to 1999.

From 2000, Mr. Chung held several senior management positions, including chief financial officer, executive director and independent non-executive director, in several listed companies in Hong Kong. Mr. Chung was an independent non-executive director of (i) Shangshan Gold International Holdings Limited (stock code: 1939) from September 2018 to June 2025; and (ii) BYD Electronic (International) Company Limited (stock code: 285) from June 2013 to June 2026. Mr. Chung is currently an independent non-executive director of the following companies listed on the Stock Exchange: (i) Zhengye International Holdings Company Limited (stock code: 3363); and (ii) YTO International Express and Supply Chain Technology Limited (stock code: 6123).

* For identification purposes only

BIOGRAPHIES DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Tang Kwok Hay (鄧國禧) (“Mr. Tang”), aged 40, is the chief financial officer and company secretary of our Group. Mr. Tang joined the Group in June 2017 and is responsible for overseeing the Group’s daily financial operations, managing its accounting and internal control, as well as its legal affairs and investor relations.

Mr. Tang has over 15 years of experience in accounting, auditing and financial control. Prior to joining our Group, Mr. Tang served as the financial controller in WPP Marketing Communications (HK) Limited from 2013 to 2017, where he was primarily responsible for overseeing financial operations and providing commercial support to management. From 2007 to 2013, Mr. Tang worked for PricewaterhouseCoopers, with his last held position as manager, where he was involved in a number of audit and assurance, capital market transactions and advisory projects advising corporate clients including listed companies and multinational companies.

Mr. Tang received his master degree in business administration from The University of Hong Kong in December 2020 and bachelor degree in business administration from The Chinese University of Hong Kong in December 2007. He obtained the qualification of financial risk manager (FRM) from the Global Association of Risk Professionals, certified public accountant (CPA) from the Hong Kong Institute of Certified Public Accountants and associate chartered accountant (ACA) from the Institute of Chartered Accountants in England and Wales in September 2009, January 2011 and August 2020, respectively, and was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants in March 2018.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining the highest standard of corporate governance to safeguard Shareholder's interests.

During the year ended 31 March 2026, the Company has applied the principles in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange. The corporate governance principles of the Company emphasise an effective Board with a high level of integrity, sound internal controls, as well as a high degree of transparency and accountability, which does not only enhance corporate value for Shareholders but also protect the long-term sustainability of the Group.

In the opinion of the Board, during the year ended 31 March 2026 and up to the date of this annual report, the Company has complied with all the code provisions of the CG Code, save and except for code provision C.2.1 which states that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Chan Kam Chuen Andrew is both our chairman and chief executive officer and is responsible for the overall management of the Group and directing the strategic development and business plans of the Group.

The Board believes that vesting the roles of the chairman and chief executive officer in the same individual (that is, Mr. Chan Kam Chuen Andrew) would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. The Board believes that the balance of power and authority is sufficiently maintained by the operation of the senior management and the Board, which is comprised of experienced and high-calibre individuals. The Board currently comprises four executive Directors (including Mr. Chan Kam Chuen Andrew) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, in order to maintain a high standard of corporate governance practices of the Company and ensure compliance with the code provisions of the CG Code.

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 to the Listing Rules as its own code of conduct governing the Directors' transactions in the listed securities of the Company. Employees of the Group (the "Relevant Employees") who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities are also subject to compliance with the Model Code.

The Company has made specific enquiry with all Directors, and each Director has confirmed that he or she has complied with the standards as set out in the Model Code during the year ended 31 March 2026 and up to the date of this annual report. No incident of non-compliance of the Model Code by the Relevant Employees was noted by the Company during the year ended 31 March 2026 and up to the date of this annual report.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Responsibilities of the Board

The Board is responsible for the leadership and control of the Company and is vested with the overall management of the Group's business. The Board is collectively responsible for promoting the success of the Company by providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations. Responsibilities include implementing the strategies and plans as approved by the Board, formulating and monitoring the operation and production plans and budgets, as well as internal control systems, risk management systems, material transactions (in particular those that may involve a conflict of interest), financial information and other significant financial and operational matters are delegated to the management.

In addition, the Board has also delegated various responsibilities to the Board committees of the Company. Further details of the Board committees of the Company are set out below in this annual report.

BOARD COMPOSITION

Currently, the Board comprises seven Directors, including four executive Directors and three independent non-executive Directors.

Membership of Board Committee(s)

Executive Directors

Mr. Chan Kam Chuen Andrew (<i>Chief Executive Officer & Chairman</i>)	N/A
Mr. Chan Siu Cheung Stephen	N/A
Mr. Chau Wing Kong William	N/A
Ms. Tin Hau Ling Janny	N/A

Independent non-executive Directors

Mr. Pang Koon Kwai	Chairman of Remuneration Committee Member of Audit Committee Member of Nomination Committee
Mr. See Hung Yan Peter	Chairman of Nomination Committee Member of Audit Committee Member of Remuneration Committee
Mr. Chung Kwok Mo John	Chairman of Audit Committee Member of Remuneration Committee Member of Nomination Committee

Detailed biographies of the Directors can be found on pages 28 to 29 of this annual report. The relationships between the members of the Board are also disclosed under the same section. Save as disclosed, none of the Directors has any financial, business, family or other material or relevant relationships among members of the Board.

CORPORATE GOVERNANCE REPORT

All Directors (except Mr. Pang Koon Kwai) are elected for a term of three years (renewable automatically for a successive term of three years after the expiry), subject to retirement by rotation and re-election at the Company's annual general meeting ("AGM"). Mr. Pang Koon Kwai is elected for a term of one year (renewable automatically for a successive term of one year after the expiry) and is also subject to retirement by rotation and re-election at the Company's AGM.

Name of Director	Length of service as Director	Term of office
Executive Directors		
Mr. Chan Kam Chuen Andrew	8 years and 11 months	12 September 2025 (re-elected) to 2028 AGM
Mr. Chan Siu Cheung Stephen	8 years and 11 months	12 September 2024 (re-elected) to 2027 AGM
Mr. Chau Wing Kong William	8 years and 11 months	12 September 2024 (re-elected) to 2027 AGM
Ms. Tin Hau Ling Janny	8 years and 8 months	12 September 2025 (re-elected) to 2028 AGM
Independent non-executive Directors		
Mr. Pang Koon Kwai	7 years and 3 months	12 September 2023 (re-elected) to 2026 AGM
Mr. See Hung Yan Peter	8 years and 5 months	12 September 2025 (re-elected) to 2028 AGM
Mr. Chung Kwok Mo John	8 years and 5 months	12 September 2024 (re-elected) to 2027 AGM

The Directors bring a good balance of skills and experience to the Company. They have been made fully aware of their collective and individual responsibilities to Shareholders. All Board appointments are based on merit, and candidates are considered against various objective criteria, with due regard to the benefits of diversity on the Board. Oversight of the Board diversity policy is the responsibility of the nomination committee.

The Company has three independent non-executive Directors, who bring a wide range of business and financial experience to the Board. By their active participation in Board meeting and by their service on various Board committees, the independent non-executive Directors contribute in important ways to the effective direction and strategic decision-making of the Group. The Company has received a confirmation from each independent non-executive Director about his independence pursuant to Rule 3.13 of the Listing Rules. On this basis, the Company is of the view that all independent non-executive Directors meet the independence rules and continues to consider each of them to be independent.

The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner. These include periodic Board reviews, dedicated meeting sections with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The Board will review the implementation and effectiveness of the abovementioned mechanism on an annual basis to ensure that independent views and input are available to the Board.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. In addition, pursuant to Rules 3.10(2) and 3.10A of the Listing Rules, every listed issuer is required to have such number of independent non-executive directors representing at least one-third of the Board, and at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Mr. Chung Kwok Mo John was admitted as a member of CPA Australia and Hong Kong Institute of Certified Public Accountants with over 20 years of experience in auditing, financial management and corporate finance. Hence, for the year ended 31 March 2026 and up to the date of this annual report, the Board had at all times met the requirement of Rules 3.10(1) and (2) and 3.10A of the Listing Rules.

A full list of the Directors is available on the respective websites of the Company and the Stock Exchange, and is disclosed in all corporate communications issued by the Company from time to time in accordance with the Listing Rules.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors shall keep abreast of responsibilities as a Director and of the conduct, business activities and development of the Company. Every newly appointed Director will receive formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expenses.

For the year ended 31 March 2026 and up to the date of this annual report, the Company organised a training session conducted by certified public accountants for Directors and all Directors (namely, Mr. Chan Kam Chuen Andrew, Mr. Chan Siu Cheung Stephen, Mr. Chau Wing Kong William, Ms. Tin Hau Ling Janny, Mr. Pang Koon Kwai, Mr. See Hung Yan Peter and Mr. Chung Kwok Mo John) have attended the training session. The training session conducted by certified public accountants focused on corporate governance and updates on accounting standards, the Listing Rules and the latest environmental, social and governance requirements.

BOARD COMMITTEES

The Board established three Board committees, namely, the remuneration committee, nomination committee and audit committee to assist in carrying out its responsibilities and functions. Each of these Board committees has specific written terms of reference setting out its duties and authority. The Board committees have sufficient resources to execute their requisite duties and enjoy the support of the management.

CORPORATE GOVERNANCE REPORT

Remuneration committee

The primary duties of the remuneration committee are to (a) establish a formal and transparent procedure for developing remuneration policy; (b) formulate and recommend to the Board on policies and structures for the remuneration of Directors and senior management; (c) determine specific remuneration packages for all executive Directors and senior management in the manner specified in its terms of reference; (d) make recommendations to the Board on the remuneration of independent non-executive Directors; (e) review the appropriateness of the remuneration policy; (f) review and make recommendations to the Board as to the fairness and reasonableness of the terms of any Director's service agreement/appointment letter which is subject to the approval of the Shareholders in general meeting pursuant to the Listing Rules; and (g) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The current members of the remuneration committee are Mr. Pang Koon Kwai (as chairman), Mr. See Hung Yan Peter and Mr. Chung Kwok Mo John, all being independent non-executive Directors.

The remuneration committee met two times during the year ended 31 March 2026. A summary of the work performed by the remuneration committee during the year ended 31 March 2026 was as follows:

- (i) reviewed the remuneration policy and structure of the executive Directors and senior management of the Company and determined their specific remuneration packages;
- (ii) assessed the performance of the executive Directors and approved the terms of the executive Directors' service contracts;
- (iii) approved performance-based remuneration with reference to the corporate goals and objectives resolved by the Board and/or the senior management from time to time; and
- (iv) ensured that no Director or senior management or any of his/her associates was involved in deciding his/her own remuneration.

Nomination committee

The primary duties of the nomination committee are to (a) review the structure, size, composition and diversity of the Board; (b) assess the independence of independent non-executive Directors; (c) make recommendations to the Board on any proposed change to the Board composition or selection of individuals nominated for directorships, or on appointment or re-appointment of Directors. The current members of the nomination committee are Mr. See Hung Yan Peter (as chairman), Mr. Pang Koon Kwai and Mr. Chung Kwok Mo John, all being independent non-executive Directors.

The nomination committee met two times during the year ended 31 March 2026. A summary of the work performed by the nomination committee during the year ended 31 March 2026 was as follows:

- (i) reviewed the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board;
- (ii) assessed the independence of the independent non-executive Directors;
- (iii) reviewed external appointment(s) of Director(s);
- (iv) assessed each Director's time commitment and contribution to the Board as well as each Director's ability to discharge his/her responsibilities effectively;

CORPORATE GOVERNANCE REPORT

- (v) made recommendations to the Board on the proposed re-election of the retiring Directors (namely, Mr. Chan Siu Cheung Stephen, Mr. Chau Wing Kong William and Mr. Pang Koon Kwai) at the forthcoming annual general meeting; and
- (vi) reviewed the implementation and effectiveness of the Board Diversity Policy (as defined below) and the Nomination Policy (as defined below) adopted.

To facilitate sustainable and balanced development of the Company, the nomination committee has adopted a Board diversity policy (the “Board Diversity Policy”), which sets out the approach to achieve diversity of the Board. Under the Board Diversity Policy, the appointment and/or recommendation for appointment will be based on objective criteria, having due regard to the benefits of diversity on the Board, including, among others, the candidates’ gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board members’ appointments will be based on meritocracy and decisions of the nomination committee are made based on the merits and contribution of the selected candidates.

The Company has implemented certain mechanisms to ensure independent views and input are available to the Board. To facilitate an effective meeting, the Board and Board committee meeting schedules are informed well in advance to the Directors. Meeting agendas, materials and information are provided to the Directors prior to the meetings. Any Director can give notice to the Chairman if he/she intends to include matters on the agenda of a Board meeting. All Directors are welcome to raise enquiries, suggestions and views during the meetings. To encourage active participation, video conferences are arranged for Directors who are unable to attend in person. During the year ended 31 March 2026, the Board has conducted an annual review on these mechanisms and considered that they were in place and were effective.

The Board has an appropriate mix of skills, experience and diversity which are relevant to the Company’s business and governance and supports its efficiency and effectiveness. The Board’s composition as at the date of this report under diversified perspectives is summarised as follows:

Education background	• Postgraduate degree: 2 • Bachelor degree: 3 • Others: 2
Designation	• Executive Directors: 4 • Independent non-executive Directors: 3
Gender	• Male Directors: 6 • Female Director: 1
Age group (years old)	• Between 51 and 60: 1 • Between 61 and 70: 5 • Between 71 and 80: 1
Length of service	• 5 years or below: 0 • 6–10 years: 7

CORPORATE GOVERNANCE REPORT

The Board currently has one female Director and as such has achieved gender diversity in respect of the Board. The Board and the nomination committee are of the view that it is not necessary to set numerical targets and timeline for Board gender diversity for the time being. Yet, will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successor to the Board in the near future.

Based on the above, the nomination committee is satisfied that the current composition of the Board is sufficiently diverse.

Based on recommendations from the nomination committee, the Board will set measurable objectives to implement the Board Diversity Policy and will review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. During the year ended 31 March 2026, the Board reviewed the Board Diversity Policy and considered that the implementation of the policy was effective.

The Company has also implemented a diversified employment policy. It provides women with equal employment opportunities and ensures equal pay for male and female employees for equal work. As at 31 March 2026, the gender ratio for the Group's senior management was 12.5% female and 87.5% male, and for the Group's workforce (excluding senior management) was 72% female and 28% male. During the year ended 31 March 2026, the Group was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. For further details of how the Company achieves gender diversity in the workforce, please refer to the section headed "Environmental, Social and Governance Report" on pages 46 to 91 of this annual report.

The nomination committee has also adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and procedure of appointment and re-appointment of Directors.

Selection criteria for Directors

In assessing and selecting candidates for Directors, factors that the nomination committee should consider include, but not limited to, the candidate's character and integrity, professional skills and experience, and the potential contributions that a candidate can bring to the Board in terms of diversity of gender, age, culture and educational background etc., whether the candidate meets the required independence criteria as set out in the Listing Rules, whether the candidate is willing and able to devote sufficient time to fulfill the duties of being a Director and a member of the Board; whether the candidate is suitable for the Company's actual situation, and other factors in relation to the Company's business model etc..

CORPORATE GOVERNANCE REPORT

Nomination and appointment procedures for Directors

After the nomination committee receives the proposal to appoint a new Director or the nomination from a Shareholder, the nomination committee shall evaluate the candidate's eligibility to serve as a Director based on the above criteria in combination with his/her personal profile. If multiple candidates are involved, the nomination committee shall prioritise them according to the Company's needs and candidates' respective qualification. In the case of the re-appointment of a Director at the general meeting, the nomination committee shall review the overall contribution of the Directors and their services, their participation and performance within the Board, and whether such Director still meets the above criteria.

Directors' time commitment

All Directors should ensure that sufficient time and attention is allocated to the affairs of the Company in order to properly discharge their responsibilities.

During FY2026, the nomination committee reviewed and assessed each Director's time commitment and contribution to the Board, and his/her ability devote sufficient time to discharge his/her duties and responsibilities effectively.

In conducting the assessment, the nomination committee considered, among other things:

- each Director's attendance and level of participation at the Board meetings, Board committee meetings, general meetings and other meetings of the Company's subsidiaries held during FY2026;
- each Director's role and responsibilities within the Group;
- each Director's external directorships or offices in other companies or organisations and/or other major commitments; and
- whether any Director holding multiple directorships or other significant commitments was able to devote sufficient time and attention to the Group's affairs.

Having considered the above factors, the nomination committee was satisfied that each Director has devoted sufficient time and attention to the Company and had discharged his/her duties and responsibilities effectively during FY2026.

Audit committee

The primary duties of the audit committee are to (a) make recommendations to the Board on the appointment, re-appointment and removal of external auditor; (b) review the financial statements and material advice in respect of financial reporting; and (c) oversee the risk management and internal control procedures of the Company. The current members of the audit committee are Mr. Chung Kwok Mo John (as chairman), Mr. Pang Koon Kwai and Mr. See Hung Yan Peter, all being independent non-executive Directors, the composition of which is in compliance with Rule 3.21 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The audit committee met two times during the year ended 31 March 2026. A summary of the work performed by the audit committee during the year ended 31 March 2026 was as follows:

- (i) reviewed the audit plan, terms of engagement, independence and qualification of the external auditor and the remuneration paid to the external auditor;
- (ii) reviewed the financial information of the Group including the annual and interim financial statements and related documents before submission to the Board for approval;
- (iii) reviewed the management letters and reports issued by the external auditor;
- (iv) reviewed the accounting principles and practices adopted by the Group and the potential impacts of the change in accounting standards to the Group's financial statements;
- (v) reviewed the effectiveness of the risk management and internal control systems of the Group; and
- (vi) reviewed the internal audit reports in respect of the effectiveness of the financial, operational and compliance controls and risk management of the Group.

The audit committee was of the view that the procedures of risk management and internal control of the Group were effective and that the financial statements and reports under review had complied with the applicable accounting policy standards and requirements and that adequate disclosures have been made.

The terms of reference of the audit committee is available on the respective websites of the Company and the Stock Exchange.

BOARD MEETINGS

During the year ended 31 March 2026, four Board meetings were held. Minutes of the Board meetings are being kept by the company secretary of the Company and are available for inspections by the Directors.

DIRECTORS' LIABILITIES INSURANCE

For the year ended 31 March 2026, the Company had arranged for appropriate and adequate insurance coverage to protect the Directors from legal action arising from the performance of their duties as a Director. Such insurance coverage is reviewed and renewed by the Board on an annual basis.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for ensuring that the Company maintains and implements comprehensive corporate governance practices and procedures. For the year ended 31 March 2026, the Board:

- (1) established and reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;
- (2) reviewed and monitored the training and continuous professional development of the Directors and senior management of the Group;
- (3) reviewed and monitored the policies and practices of the Company to ensure compliance with relevant legal and regulatory requirements;
- (4) established, reviewed and monitored the code of conduct of Directors and employees of the Group; and
- (5) reviewed the Company's compliance with the CG Code and made necessary disclosure in the corporate governance report.

This corporate governance report has been reviewed by the Board in fulfillment of its corporate governance responsibilities.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board meeting, Board Committee meetings and annual general meeting of the Company held during the year ended 31 March 2026 is set out in the table below:

Name of Directors	Attendance/Number of Meetings				Annual General Meeting
	Board	Nomination Committee	Remuneration Committee	Audit Committee	
Executive Directors					
Mr. Chan Kam Chuen Andrew	4/4	N/A	N/A	N/A	1/1
Mr. Chan Siu Cheung Stephen	4/4	N/A	N/A	N/A	1/1
Mr. Chau Wing Kong William	4/4	N/A	N/A	N/A	1/1
Ms. Tin Hau Ling Janny	4/4	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr. Chung Kwok Mo John	4/4	2/2	2/2	2/2	1/1
Mr. See Hung Yan Peter	4/4	2/2	2/2	2/2	1/1
Mr. Pang Koon Kwai	4/4	2/2	2/2	2/2	1/1

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2026. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 102 to 106 of this annual report.

AUDITOR'S REMUNERATION

An analysis of the remuneration that should be paid to the external auditor of the Company, PricewaterhouseCoopers, for the audit services rendered during the year ended 31 March 2026 is set out below:

	Service Category Fees Paid/Payable HK\$'000
Services rendered	
Audit services	1,100

RISK MANAGEMENT AND INTERNAL CONTROL

Sound and effective internal control systems are important to safeguard the Shareholders' investment and the Company's assets and the Board acknowledges that it is responsible for maintaining an adequate risk management and internal control systems to safeguard them. The Board understands that such systems are designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Procedures have been put in place to safeguard the Group's assets against unauthorised use or disposal, to ensure proper accounting records are kept so that reliable financial information can be provided when required, and to ensure compliance with all applicable laws and regulations. These procedures have been based on industry norms and are designed to provide reasonable assurance and protection against errors, losses and fraud.

In compliance with code provision D.2.1 of the CG Code, the management has evaluated and reviewed the risk management system on an annual basis. In addition, an evaluation and review of the Group's internal control system was conducted by an external independent professional consultant during the year. The results of the independent review and assessment were reported to the audit committee and the Board. Moreover, improvements in internal control and risk management measures are recommended by the external professional consultant to enhance the Group's risk management and internal control systems and mitigate associated risks.

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The Company does not have an internal audit function. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient risk management and internal control for the Group. The Company will review the need for an internal audit function on an annual basis.

During the year under review, the Board, through the audit committee, conducted an annual review on the effectiveness of the Group's risk management and internal control systems in its financial, operational and compliance controls and risk management functions, including but not limited to (i) the Group's ability to respond to changes in its business and external environment in terms of significant risks; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems; (iii) the extent and frequency of communication monitoring results to the Board in relation to the result of risk and internal control review; (iv) significant control failing or weakness having been identified and their related implications; and (v) the effectiveness of the Company's process for financial reporting and the status of compliance with the Listing Rules. Based on the findings and recommendations of the external professional consultant as well as the comments from the audit committee, the Board is of the opinion that the Group's risk management and internal control systems were appropriate and effective for the purposes set out in Principle D2 of the CG Code during the year ended 31 March 2026.

The Board, also through the audit committee, has reviewed the adequacy of the Group's resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions as well as qualifications and experience of the internal auditors.

Risk management framework

The Group adopts a risk management framework which comprises the following processes:

- identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business (including ESG risks);
- develop necessary measures to manage those risks; and
- monitor and review the effectiveness of such measures.

The Group has formulated the policies and procedures relating to risk management and internal control as follows:

- the Group established an organisational structure with clear operating and reporting procedures, lines of responsibility and delegated authority;
- each business operating unit maintains internal controls and procedures appropriate to its structure whilst complying with the Group's overall policies, standards and guidelines;
- relevant executive Directors and senior management have been delegated with specific responsibilities for monitoring the performance of designated business operating units;

CORPORATE GOVERNANCE REPORT

- a systematic review of the financial and business processes in order to provide management on the adequacy and effectiveness of internal controls. Where weaknesses are identified in the system of internal controls, management will evaluate and take necessary measures to ensure that improvements are implemented; and
- code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices.

ANTI-CORRUPTION

The Group understands the potential risks of unethical conduct to its business and stands against any form of bribery, extortion, fraud, and has a zero-tolerance policy towards such misconduct. To uphold the Group's high ethical values, the Group has established the anti-corruption and whistleblowing policy in accordance with the relevant regulatory laws and standards to promote anti-fraud principles and consistent organizational behaviors.

INSIDE INFORMATION

The Company takes seriously of its obligations under the Part XIVA of the Securities and Futures Ordinance and the Listing Rules with respect to procedures and internal controls for the handling and dissemination of inside information. The Group's disclosure policy (the "Disclosure Policy") sets out guidelines and procedures to the Directors and officers of the Group to ensure inside information of the Group is disseminated to the public in equal and timely manner. Under the Disclosure Policy, the Company's disclosure team comprising executive Directors and members of senior management has the overall delegated authority to decide whether the information reported is inside information and requires disclosure and to refer the subject matter to the Board for approval. Measures are in place to preserve the confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain it confidential. In communicating with external parties, only designated officers are authorised to respond to enquiries in allocated areas of issues. Communication is held regularly for officers to facilitate their understanding and compliance with the Disclosure Policy.

COMPANY SECRETARY

Mr. Tang Kwok Hay ("Mr. Tang") is the company secretary of the Company. Mr. Tang supports the Board by ensuring that reliable and relevant flow of information is maintained amongst members of the Board and that all procedures have been adhered to in accordance with applicable laws, rules and regulations. Mr. Tang is also the primary contact person within the Company for all matters relating to the duties and responsibilities of the company secretary.

During the year ended 31 March 2026, Mr. Tang has complied with Rule 3.29 of the Listing Rules in relation to the taking of no less than 15 hours of relevant professional training.

DIVIDEND POLICY

Our Company has adopted a dividend policy on 24 June 2019 (the "Dividend Policy"). In recommending or declaring dividends, our Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its Shareholders' value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any recommendation of final dividend for a financial year will be subject to Shareholders' approval.

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In proposing any dividend payout, the Board shall also take into account, among other things, our Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of the Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant from time to time. Any payment of the dividend by our Company is also subject to any restrictions under applicable laws and regulations and the Company's constitutional documents.

The Board will review the Dividend Policy on a regular basis. It may exercise its sole and absolute discretion to update, amend or modify the Dividend Policy at any time as the Board thinks fit and necessary.

The dividend payout ratio for FY2026 increased to approximately 233.3% (FY2025: 112.4%). It was primarily due to the distribution of a special dividend, reflecting the Board's strategic decision to distribute excess cash reserves back to our Shareholders to uphold their confidence. The Board confirms that all dividend decisions made by the Board in FY2026 were made in accordance with the Dividend Policy.

SHAREHOLDERS' RIGHTS

The Company is committed to maximising transparency for Shareholders, and ensuring that Shareholders have clear knowledge of the decisions made by the Company.

Procedures for Shareholders to convene extraordinary general meeting

The following procedures for Shareholders to convene an extraordinary general meeting ("EGM") are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular, the Listing Rules (as amended from time to time):

- (a) Any one or more Shareholders holding at the date of deposit of requisition of not less than ten percent (10%) of the voting rights (on a one vote per Share basis) in the issued share capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition;
- (b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at Unit 01, 11/F, Block A, Ko Fai Industrial Building, 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong, or the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for the attention of the Board and/or the company secretary. Such meeting shall be held within 2 months after the deposit of such requisition;
- (c) If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

CORPORATE GOVERNANCE REPORT

Procedures for Shareholders to put forward proposals at Shareholders' meetings

There are no provisions allowing the Shareholders to put forward new resolutions at the general meeting under the Companies Act (as revised) of Cayman Islands. However, pursuant to the Articles, the Shareholders who wish to put forward a resolution may by means of the Requisition convene an EGM following the procedures set out above.

Procedures for raising enquiries

Shareholders could direct their enquiries about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong branch share registrar (details of which are set out in the section headed "Corporate Information" of this annual report).

Should there be any enquiries and concerns from the Shareholders, they may send written enquiries addressed to the headquarter and principal place of business of the Company in Hong Kong at Unit 01, 11/F, Block A, Ko Fai Industrial Building, 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong for the attention of the Board and/or the company secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

INVESTORS RELATIONS

To foster effective communication with the shareholders and potential investors of the Company, the Company has developed and maintained a Shareholders' communication policy, which is available on the Company's website. In accordance with such policy, the Company has established a range of communication channels among itself, the Shareholders and investors. These include answering questions through the general meetings, the publication of annual and interim reports, notices, announcements and circulars on the Company's website at www.bandshk.com and meetings with investors and the Shareholders. News update of the Group's business development and operation are also available on the Company's website. Based on our review of the initiatives taken by the Group and the multiple channels of communication in place as detailed above, the Company is of the view that the implementation of the Shareholders' communication policy is satisfactory and effective during the year ended 31 March 2026.

CHANGE IN CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on 12 September 2025, a special resolution was passed regarding the amendments to the Articles of Association for the purposes of, among other things, (i) bringing the Articles of Association in line with the latest regulatory requirements in relation to the further expanded paperless listing regime under the Listing Rules; (ii) providing the Company with more flexibility in the manner of holding general meetings by allowing general meetings to be convened and held by way of physical meetings, hybrid meetings or solely by electronic means; (iii) expressly allowing the Shareholders to vote at general meetings of the Company via electronic means; and (iv) incorporating certain housekeeping changes. Details of the amendments to the Articles of Association are set out in the circular of the Company dated 25 July 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

As a leading food and beverage company, B & S International Holdings Ltd (the “Group” or “B & S”) is pleased to present the Environmental, Social and Governance (“ESG”) Report (“ESG Report”) for the year ended 31 March 2026 (the “reporting period”). Through providing our stakeholders a comprehensive understanding of our ESG strategy, policies and performance, we aim to illustrate our long-term commitment to ensure our Group maintains its position in the market as a socially, environmentally and economically sustainable business.

Scope of the ESG Report

The scope of ESG Report covers the Group’s ESG performance and practices in its major operating locations for the reporting period. The information compiled focuses on the Group’s distribution and retail operations in Hong Kong, including warehouses, retail shops and offices. The ESG Report is prepared in accordance with the requirements set forth in the ESG Reporting Code (the “ESG Reporting Code”) under Appendix C2 to the Listing Rules and Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework. The Board approves the ESG Report and confirms that it presents a fair representation of the Group’s approach to each of the ESG aspects for the reporting period. It is recommended that the ESG Report be read in conjunction with the Company’s 2026 Annual Report, in particular the Director’s Report and Corporate Governance Sections therein.

Reporting Principles

In accordance with the ESG Reporting Code, the ESG Report was prepared on the basis of the “comply or explain” provisions to ensure a balanced report, which includes the disclosure of mandatory Key Performance Indicators (“KPIs”) and recommended KPIs. The ESG Report also revolves around four key guiding principles, and they are as follows:

- **Materiality:** ESG issues that are determined by the Board to be sufficiently important to the investors or other stakeholders are disclosed.
- **Quantitative:** KPIs are measurable to enable the comparison of data between different periods and companies. Quantitative information is supported with a narrative to explain the purpose, reason, and impact on the relevant stakeholders.
- **Balance:** An unbiased picture of the Group’s ESG performance is provided. There are no selections, omissions or presentation formats that may inappropriately influence the decision or judgment by the report reader.
- **Consistency:** The ESG Report uses a consistent methodology to ensure meaningful comparison of ESG data over time. Any changes to the methodology or KPIs used are disclosed in the ESG Report, including the impact of such changes.

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MESSAGE FROM THE BOARD

Our mission is to place responsibility and sustainability at the core of our business, while acting as a key driver within the food and beverage industry to advance the United Nations Sustainable Development Goals. Integrating sustainability into the Group's strategy has long been a foundation of our enduring success. With a diverse workforce and a strong heritage in Hong Kong, we are uniquely positioned to leverage our supply chain capabilities and support the local community by introducing a wider range of high-quality brands and products from around the world.

In line with our past efforts, we continue to uphold a strong commitment to our sustainability mission. Safeguarding the health and safety of our employees and customers remains our foremost priority, while we actively contribute to the well-being of our local communities. As we further advance sustainable business practices in Hong Kong, we have placed increased emphasis on deepening collaboration with local suppliers. Looking ahead, we remain dedicated to sustainable development, recognising its vital role in supporting economic progress and generating lasting value for all stakeholders.

Ever since 2015, the Group has been a contributor to the Paris Agreement Goal by pushing forward green initiatives, sustainable infrastructures and clean technology in our business activities. For our major operations in Hong Kong, we have laid out a roadmap of climate challenges that will need to be addressed in the upcoming decade in order to support Hong Kong's 2050 net-zero ambition and our customers' transition to a carbon-neutral economy. This was achieved through the close cooperation with our stakeholders and incorporating feedback from global climate change events, such as the 2025 United Nations Climate Change Conference of the Parties (COP30). We also educate and reward our employees for their ongoing commitment to supporting our climate ambition.

Reducing our greenhouse gas emissions was one of the most important achievements we obtained in the year ended 31 March 2026. The next major milestone of our sustainability journey will be to further reduce our carbon footprint by exploring other green and innovative solutions.

Sustainability is firmly embedded in the core of our business and reflected in our purpose. Every day, our employees at B&S work to develop better solutions that contribute positively to our communities and the wider world, enhancing our organisational resilience. As we are closely interconnected, each action we take creates an impact on those around us. It is therefore vital that our planet and communities prosper together with us. We will continue to work hand in hand with our stakeholders to further integrate sustainable practices into our operations and maintain the progress of our ESG strategy.

We would like to express our gratitude for your continuous support of our ESG initiatives over the past few years. We look forward to building a more resilient and sustainable future with you.

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STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

In order to better serve the local community, we have periodically refined our corporate social responsibility (CSR) practices by connecting with a range of stakeholders to identify the issues that are material and relevant to us. The Group has proactively engaged with various stakeholder groups through different channels on a transparent platform. Periodically, continuous improvements to the communication channels have been made to maintain a long-lasting relationship with the stakeholders. We have encompassed every stakeholder to improve the Group's relationship with the suppliers, employees, shareholders, customers, supervisory institutions and society as a whole. We strive to understand their concerns, and timely provide follow-up actions to remediate these issues. The success of our sustainable business strategy stems from the strong connection with our stakeholders.

In the reporting period, the Group engaged with the following key stakeholder groups and identified their concerns on ESG issues:

Key Stakeholder Engaged		Major Communication Channels	Major Concerns
Internal	Employees	• Business Meetings • Job Briefings • Performance Appraisals Sessions • Internal Training Workshop	• Training Opportunities and Career Development • Health and Safety of Work Environment • Protection of Employee's Rights and Benefits • Protection of Employee Data and Privacy
	Shareholders and investors	• Annual General Meetings and Shareholders' Meetings • Annual and Interim Reports • Circulars, Press Release, and Corporate Announcements • Group's Website • Telephone and E-mails	• Ethical Business Operation • Value Creation • Financial Stability • Information Disclosure and Transparency • Diversity and Inclusion

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Key Stakeholder Engaged		Major Communication Channels	Major Concerns
External	Suppliers	• Supplier Performance Review • Site Inspections and Visits • Quotation E-mails, Phone Calls and Conferences	• Transparent and Fair Procurement Process • Timely Communication • Win-win cooperation
	Customers	• E-mail Consultations • Customer Hotlines • Customer Service • Feedback Form	• Fair and Reasonable Pricing • Privacy Protection Measures • Hygiene Standard • Quality of Products and Services
	Public Community	• Charity and Community Interactions • Philanthropic Partnership • Volunteering Activities	• Corporate Governance • Environmental Protection Measures • Charitable Events
	Government and Supervisory Institution	• Information Disclosures • Management Reports • Policy Consultations and Major Meetings	• Compliance with Health Policies, Laws and Regulations • Sound Risk Management • Corporate Governance • Environmental Protection Measures

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Materiality Assessment

In this reporting period, the stakeholders that have an impact on the Group were invited to share their perspectives on our ESG performance in an electronic survey. After compiling their opinions, we determined the key ESG issues that are identified as material aspects for the Group to focus on. The materiality assessment ensures that the stakeholders' perspectives and expectations are fully understood to assist the Group in defining and further developing the sustainable business strategy.

Materiality Assessment Matrix



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Item	ESG Topic	Item	ESG Topic
1	Product health and safety	15	Selection and monitoring of suppliers
2	Preventing child and forced labour	16	Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering
3	Customer information and privacy	17	Energy use (e.g. electricity, gas, fuel)
4	Observing and protecting intellectual property rights	18	Anti-corruption policies and whistle-blowing procedure
5	Product and service labelling	19	Use of materials (e.g. paper, packaging, raw materials)
6	Cultivation of local employment	20	Hazardous waste production
7	Customer satisfaction	21	Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers
8	Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions)	22	Non-hazardous waste production
9	Environmentally preferable products and services	23	Employee development and training
10	Occupational health and safety	24	Climate change
11	Marketing communications (e.g. advertisement)	25	Mitigation measures to protect environment and natural resources
12	Water use	26	Greenhouse gas emissions
13	Anti-corruption training provided to directors and staff	27	Air emissions
14	Diversity and equal opportunity of employees	28	Community support (e.g. donation, volunteering)

The important ESG issues to both internal and external stakeholders are positioned at the top right corner of the materiality matrix. The main issues are as follows:

1. Product health and safety;
2. Preventing child and forced labour; and
3. Customer information and privacy.

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Stakeholders' Feedback

The latest business updates are available to the public through our website. The Group welcomes all stakeholders' feedback regarding with the ESG issues. Interested parties can contact the Group to share their suggestions and opinions through the channels listed below:

Website: <https://www.bandshk.com/>

Address: Unit 01, 11/F, Block A, Ko Fai Industrial Building, 7 Ko Fai Road, Yau Tong Kowloon, Hong Kong

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To facilitate effective management of the ESG issues, the Group has established a governance structure. The Board has an overall responsibility for overseeing the Group's ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group, including setting KPIs for environmental-related issues, reviewing the Group's performance annually against ESG-related targets, revising ESG-related strategies as appropriate if significant variances from the ESG-related targets are identified, and conveying the Group's expectation to stakeholders. The Group has therefore set up an ESG working group to support the Board in implementing its ESG-related strategies and targets. Based on the recommendations from the ESG Working Group, the Board will review the progress made towards achieving the ESG-related goals and targets as well as effectiveness of the management approach and strategy.

ESG Working Group

To demonstrate our commitment to transparency and accountability, the Company has established an ESG working group comprising representatives of different business functions, which has clear terms of reference that set out the powers delegated to it by the Board. The ESG working group assists the Board in managing relevant risks and is responsible for the identification, evaluation, prioritisation and management of potential sustainability risks. It oversees the execution, monitoring, and reporting of sustainability-related programs to ensure alignment with the Group's sustainability framework and goals. In addition, the Working Group will review the progress of implemented measures regularly to ensure the sustainability targets are on track, alongside an annual evaluation of targets and overall performance to assess whether adjustments are required. This proactive approach ensures that the ESG working group effectively addresses climate-related impacts and aligns the Group's operations with sustainable practices, reinforcing the Group's commitment to sustainability.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") VISION, POLICY AND STRATEGY

The Group has adopted a CSR Policy in order to commit to the highest standards of corporate governance and aims to integrate CSR into the Group's business strategy and management approach.

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CSR is viewed as a business philosophy that creates shared sustainable value with its stakeholders in the economic, social, and environmental dimensions. The Group's CSR Vision and CSR Policy guide the Group's business and operational decisions to take into account its responsibility to the CSR cornerstones with pragmatic objectives providing guidance on the application of these principles in its daily operations. The Group's CSR Policy describes our long-term approach to specific issues in the four cornerstones: Marketplace, Workplace, Community and Environment, which is instrumental in enabling our business to operate in a sustainable manner. Within each of the cornerstones, core principles and pragmatic objectives provide guidance on practicing CSR in our daily operations.

Marketplace

As a well-established food and beverage company, we play an active role in ensuring that our business operations positively contribute to the environment and society. We integrate environmental measures and implement relevant policies in multiple dimensions of our business operations to uphold the core value of CSR.

In order to stabilise and streamline the provision of our products to customers, we are using an electronic data interchange system to enable the online ordering of our products. We have also encouraged our employees to use e-communication with suppliers and customers for our business operations.

Supply Chain Management

The Group has recognised the significance of suppliers in affecting the sustainability of all the business operations. Not only do suppliers play a crucial role in influencing the overall performance but they also imprint the Group's reputation among the society where the Group operates. Responsible behaviour, equality, and sensitivity towards the dynamic needs of stakeholders are the top entities that are addressed when conducting business. For this purpose, it is ensured that all the supply chain partners are treated in a fair and just manner during the related business activities.

The Group integrates environmental and social considerations into the selection process for suppliers and contractors to ensure alignment with the sustainability strategy. The Group usually guarantees that there are multiple qualified suppliers of raw materials to control the stability of supply and ensure the production process is smooth and timely. The Group has established an approved supplier list, in which our purchasing department regularly conducts supplier reviews to ensure product quality and safety. All suppliers are required to hold valid licences required by the government, and all imported goods shall obtain proper clearance from the respective authorities. The supplier review and assessment system are based on a set of selection criteria, including but not limited to pricing, ingredient quality, supplier reputation, service standards, agility, delivery efficiency, past performance, and ESG-specific requirements, to identify any potential environmental and social risks associated with the suppliers. The assessment results are reviewed regularly to make sure that the suppliers meet our expectations regarding environmental compliance and labour practices.

Environmental criteria are also taken into consideration during our procurement process. We encourage our suppliers to enhance their green practices, minimise environmental impact and exercise sound governance of supply chain management.

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During the year ended 31 March 2026, the Group was not aware of any misconducts in terms of business ethics, environmental protection, and labour practice of our key suppliers. The Group has not received any complaint from suppliers during the reporting period.

Product and Services Responsibility

The Group attaches great importance to product quality. As a food and beverage distributor and retailer, the Group is committed to ensuring that we are in compliance with the applicable laws and regulations related to product quality and food safety.

Category	Relevant laws and regulations
Food safety and product responsibility	• Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) • Food Safety Ordinance (Chapter 612 of the Laws of Hong Kong) • Imported Game, Meat, Poultry and Eggs Regulations (Chapter 132AK of the Laws of Hong Kong) • Consumer Goods Safety Ordinance (Chapter 456 of the Laws of Hong Kong) • Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) • Food and Drugs (Composition and Labelling) Regulations (Chapter 132W of the Laws of Hong Kong) • Prevention and Control of Disease Regulation (Chapter 599F, 599G of the Laws of Hong Kong)
Restaurant licensing	• Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) • Food Business Regulation (Chapter 132X of the Laws of Hong Kong) • Frozen Confections Regulation (Chapter 132AC of the Laws of Hong Kong)

The Group has set up corresponding management tools and quality assurance measures, including the formulation of operational manual and internal guideline in maintaining the products quality, food safety and health-related matters. This is to ensure that the relevant laws and regulations are strictly pursued by our operation team and that the quality of each product meets the required standard.

In addition, a quality assurance team has been established to evaluate the food ingredients of the distributed products to ensure that none of the products contain prohibited ingredients, and the food labels provide sufficient information to the end user.

The Group places good emphasis on the quality and safety of our products. The Group has established clear guidelines for maintaining high standards of environmental hygiene. We have also established standard procedures for cleaning and have provided training to all operating staff to ensure compliance with the Group's policies and maintenance of a high standard of hygiene in the central kitchen and cooking areas of all retail outlets.

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The Group places the utmost importance on protecting the privacy of its customers, partners and employees in the collection, handling, safekeeping, use and retention of their personal data. All the employees, customers and associated professionals are ensured privacy pertaining to their personal data. The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and guidelines that are announced by the Office of the Privacy Commissioner for Personal Data in Hong Kong are closely followed by the Group. Technical measures are also in place to protect personal data against unauthorised disclosure, use or access. The Group does not share any personal data with third parties unless in accordance with law. To reduce the risk of identity theft, the Group also takes appropriate measures to dispose of documents that contain customer information. All these measures aim to ensure the Group's business activities adhere to the highest personal data protection standards.

To observe and protect intellectual property ("IP") rights, the Company regularly reviews the Company's IP portfolio to identify any gaps or weaknesses in its protection, as well as opportunities for improvement. The Company also educates its employees on IP best practices by providing instructions to employees to help them understand the importance of IP and how to protect it. This includes how to properly label and store confidential information, how to avoid infringing third-parties IP, and how to report suspected IP violations. The Company also actively monitors the market for potential infringers and taking swift action to enforce IP rights. If necessary, the Company will also collaborate with industry groups and government agencies to promote IP protection and advocate for stronger IP laws and enforcement.

The Group has not identified any material non-compliance of applicable laws and regulations relating to product quality, food safety, advertising, labelling and privacy matters during the year ended 31 March 2026. The handling procedures for complaints and recalls are listed in the operational manual and internal guidelines. In the event of customer complaints related to product quality, the branch manager will promptly investigate each case, engage with the customer to resolve the issue, and implement appropriate corrective actions where necessary. During the reporting period, we received no material complaint cases related to product safety and health reasons, with the percentage of total products sold or shipped subject to recalls for safety and health reasons being zero.

Anti-corruption

The Group understands the potential risks of unethical conduct to our business and stands against any form of bribery, extortion, fraud and money laundering, and has a zero-tolerance policy towards such misconduct.

To uphold the Group's high ethical values, the Group has established the Anti-Corruption and Whistleblowing Policy in accordance with the relevant regulatory laws and standards to promote anti-fraud principles and consistent organisational behaviours. We provide guidelines, assign responsibility for the development of controls and conduct investigations that facilitate the early detection of potential fraud that is against the interests of the Group. Training, such as talks or seminars, with regard to anti-corruption was also provided to Directors and employees during the reporting period.

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An independent whistleblowing channel is in place for employees to report any corruption or business irregularities, which ensures their privacy and safety. The management will investigate the reported cases and take appropriate action based on the severity of the employee misconduct in a professional manner. At the end of the year, the management will implement relevant measures to prevent employee misconduct from occurring again. During the year ended 31 March 2026, the Group was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud, and money laundering. No concluded legal cases regarding corrupt practices were brought against the Group or its employees during the reporting period.

Workplace

The Group's success and tremendous progression in the marketplace stems from the diverse team of talented employees who have extensive experience in the food and beverage industry. They are invaluable assets of the Group to provide consistent and high-quality services to our customers.

In order to nurture and support the employees to reach their fullest potential, we strive to cultivate an inclusive, diverse and healthy culture. We believe that this is the key driver for innovation and adaptability, which will increase our competitiveness and drive the Group forward. The Group also supports gender equality and has aligned the workforce standard to an international level. Empowering the female employees with more leadership roles has been one of the key focuses of the Group. We have taken measures to ensure team compositions are diverse with a balanced number of female and male employees.

In addition, the Group places a strong emphasis on business ethics and integrity. We adopted the Code of Conduct by introducing the internal guideline on employees' Code of Conduct, such as anti-bribery, anti-corruption, and whistleblowing.

Employment

The Group realises the importance of compliance with regulatory requirements, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and Anti-discrimination Ordinances implemented by the Equal Opportunities Commission (including but not limited to the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) and the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong)), which have a significant impact on the business and operation of the Company during the year ended 31 March 2026.

The Group is committed to providing a workplace free from any form of discrimination and harassment and provides opportunities to employees with different backgrounds and characteristics so as to build a diversified workforce. As prescribed in our policies and procedures, the Group emphasises on a transparent recruitment mechanism and equal employment opportunity. In all employment decisions, including recruitment, promotion and termination, the Group only takes the qualification, experience and performance of candidates or employees relevant to the job function into account.

Any form of discrimination against our potential or current employees on the grounds of nationality, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, or political inclination is strongly prohibited.

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The Group provides a wide range of incentives, including competitive remuneration and benefits packages, which are based on individual performances and qualifications of employees and benchmarked against our industry peers on an annual basis. All of our employees are essentially treated with fair wages, fixed working hours, proper insurance coverage, statutory holidays and miscellaneous types of leaves, including sick leave, annual leave, birthday leave, marriage leave and condolence Leave. In addition, various leisure activities were organised during the year to enhance staff bonding and raise team spirit.

Our staff handbook is well established and issued to all staff for their reference pertaining to office rules and benefits, such as typhoon arrangements, annual leave, working hours, office attire, jury duty, salary and lunch hours, as well as other rules and benefits. We provide employees with proper whistleblowing procedures in place for our employees to follow without fear of reprisal or negative feedback.

The Group has not identified any material non-compliance with employment laws and regulations which have a significant impact on the Company in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare during the year ended 31 March 2026.

Health and Safety

The Group is committed to creating a healthy and safe environment under the requirements of the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) for all employees, as it promotes a sustainable corporate culture.

To mitigate and contain the risks under our control, the Group encourages our employees at all levels to monitor and report any hazards or potential threats. The Group established a comprehensive set of policies and procedures to ensure our safety performance conforms to the highest industry standards.

The Group also provides adequate training for all new employees to ensure they are well-trained and understand the work procedures and equipment used. The training contents include workplace safety, procedures for using the operational machinery, and fire safety. The Group regularly monitors all equipment, including sanitary equipment, ventilation equipment and cleaning equipment, in order to maintain high safety standards and good functional conditions. The Group also ensures that first-aid kits and fire-fighting equipment are present and placed in the appropriate locations within the retail outlets.

During the reporting period, zero working days were lost due to work-related injuries. The management has implemented safety measures to prevent similar accidents from happening again in the future. We have established an internal reporting system that requires employees to report each injury to the supervisor to reduce the risk of recurrence of similar accidents.

Apart from the physical well-being of our employees, the mental health of our employees is of equal importance to promote a healthy, safe, and productive work environment. A range of mental health resources is readily available to all employees. This includes counselling services and events to reduce stress. As our workforce increases, a new mental health program will be designed to accommodate and better support the well-being of our employees.

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During the year ended 31 March 2026 and the past three reporting years, there were no work-related fatalities occurred which have a significant impact on the Group during the reporting period. The Group was also not aware of any work-related fatalities and violations of Hong Kong health and safety laws and regulations.

Development and Training

Our employees are provided with continuous and effective training that promotes knowledge acquisition and knowledge transfer. We believe that the development of our employees is one of the key factors for our business success. In order to maintain the highest standards of our products and services, all employees will receive on-the-job training from their supervisors.

To maintain a competitive edge, the Group also encourages our employees to participate in work-related training courses organised by various professional bodies and government agencies. During the reporting period, our employees have enrolled or participated in the Hygiene Supervisor Training Courses offered by the Food and Environmental Hygiene Department, which assisted the Group, as a food business operator, in meeting the requirements of the Hygiene Manager (HM) and Hygiene Supervisor (HS) Scheme (the “Scheme”).

In the reporting period, the Group regularly evaluated the training objectives, training arrangements, and training content according to the business needs and made changes when necessary. The results of the training and the performance of each individual will also be assessed regularly to ensure that all employees benefit from the training.

Moreover, suitable performance evaluations are adopted for monitoring the development of all employees. A comprehensive performance evaluation is effective in assessing the productivity and work efficiency of individuals, which further assists in identifying the weaknesses and strengths. A regular transparent review process is conducted at the end of each reporting period to review the employees’ performance, attitude, and abilities. The comprehensive performance evaluation identifies the weaknesses and strengths of the employees, and also assesses their productivity and work efficiency.

Labour Standards

It is essential to note that the Group is committed to the growth and well-being of its employees and workforce. The Group strictly complies with all relevant laws and regulations concerning prevention of child and forced labour, including but not limited to the Protection of Children and Juveniles Ordinance (Chapter 213 of the Laws of Hong Kong). Although the risk of employing child labour or forced labour is considered minimal, the Group maintains a zero-tolerance stance toward such practices. As part of the hiring process, identification checks are conducted to verify that employees meet the legal minimum age requirements for employment.

During the year ended 31 March 2026, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour. If the violation is confirmed during the regular monitoring process or upon receipt of an application, the Group will handle the case in accordance with its internal policies and regulations, such as by terminating the employment contract or reporting violation to law enforcement agencies.

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Community

With an operating history of over 30 years in Hong Kong, the Group has been continuously addressing social challenges through charitable activities and philanthropic contributions. The Group has fostered a culture of community engagement by actively advocating for employees to participate in charitable events. We continue to uphold the principles of accountability to shareholders, investors, suppliers, customers, and the public community, and seek further development opportunities to maintain a harmonious relationship with stakeholders. Our Group recognises that the stability and well-being of the community is essential to the sustainable development of our business.

During the reporting period, the Group did not make any charitable donations due to the uncertainty of the economic environment. However, the Group strives to return to the community by offering promotional discounts from time to time, such as providing discounts to our TenRen customers in different seasons, such as DSE students, people from the Hong Chi Association, etc.

ENVIRONMENT

In the past decade, environmental degradation has been one of the most pressing issues around the globe. As a group that upholds the core principle to promote high environmental standards, we have integrated sustainable environmental protection measures in our business development strategy, and devised an environmental protection system to identify, monitor and reduce the environmental risk.

In addition, we strive to align our environmental goals with international standards and aim to contribute to global initiatives in tackling environmental challenges. We support the Paris Agreement target, which is to achieve net zero emissions by 2050. Also, we are dedicated to reducing the emissions of greenhouse gas to support Goal 13 (Climate Action) of the United Nations Sustainability Development Goal.

The Group aims to utilise energy efficiently and as a major means to reduce our greenhouse gas (“GHG”) emissions. In order to continuously improve our energy performance and lower our carbon footprint, monitoring our energy usage is crucial. We always look for possible energy-saving opportunities, especially when choosing environmentally friendly materials and facilities.

In addition, the Group performs its business operations in accordance with the environmental laws and abides by the applicable legislation. Adequate measurements are undertaken to spread environmental awareness among the employees, which are to re-use, recycle and dispose the waste materials adequately.

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Gasoline Consumption on the Logistic Arrangement

The major source of air emissions that are indirectly generated by the Group is attributed to the vehicle usage from the distribution business.

The Group has outsourced the transportation arrangement to multiple logistic companies for the distribution of food and beverage products to the self-operated retail outlets and customers including local supermarkets, pharmacies, convenience stores, department stores, bakeries, confectionery stores and trading companies. The burning of petroleum for the running of vehicles produces various air emissions such as sulphur oxides, nitrogen oxides and particulate matter emissions.

In respect of reducing the sulphur oxides, nitrogen oxides and particulate matter emissions, the Group cooperates with the third party logistic companies by adopting a transportation day plan to ensure distributions are made on the same day for close locations, which enables the efficient use of vehicles and the least air emissions to be produced. Apart from that, the Group has also arranged direct delivery from the suppliers to the retail outlets' location, if possible, and hence improve the operational efficiency and also mitigate the air pollution arising from the logistic arrangement.

Energy Usage Management

The Group's material resources consumption is attributed to the purchased electricity and water by the retail outlets, warehouse, central kitchen, and the head office. As the Group's retail business does not contain any flame cooking kitchen devices, the greenhouse gas emissions produced by the Group is basically indirect and attributed to the consumption of purchased electricity from "HK Electric" and "CLP" as well as water from "Water Supplies Department" which are located in the Scope 2 and Scope 3 of greenhouse gas emission areas, respectively.

The Group adheres to the concept of energy conservation and emission reduction for green business. We aim to improve our energy utilisation efficiency to achieve low-carbon practices and emission reduction throughout our operations and strive to reduce the consumption of resources.

The Group is determined to conserve energy in its office and retail outlets by promoting efficient use of power and adopting green technologies. For instance, the Group continues to procure energy-efficient equipment such as environmentally-friendly electrical appliances, lighting, and air-conditioning systems with a high-efficiency energy label. Air-conditioning systems can be adjusted to a specific temperature, which allows the users to set at a comfortable level and avoid power waste. Idle lightings, electrical appliances, as well as electric and electronic devices (including but not limited to computers, printers, photocopiers, and air conditioners) are switched off. Moreover, the Group uses light-emitting diode ("LED") lighting and T5 Fluorescent tubes instead of incandescent light bulbs in various areas of the Group's office and retail outlets.

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The Group also believes that water is essential to all communities. We promote water conservation to our employees. Reminders of water-saving responsibilities, in the form of notices and signs, are posted near water outlets in the kitchens and offices. The Group records and analyses the monthly consumption rate of water regularly. After identifying the causes of high rates of water consumption, the Group will take remedial action to minimise water use. In light of the water conservation measures implemented above, the Group did not encounter any issue in sourcing water that is fit for purpose during the reporting period.

The Group will continue to assess and record its greenhouse gas emissions and other environmental data annually and compare them with last year's data to assist the Group in further developing emission reduction targets in the future.

Packaging Materials Usage

During the operation of retail outlets including "TenRen (天仁茗茶)", "Nam Kok (南國小喫)" and "Chef Hung Taiwanese Beef Noodle (洪師父牛肉麵)", the Group consumed several kinds of packaging materials in order to process our products for customers. The packaging materials are generally paper cups, plastic packaging of straws, plastic bags, paper bags and plastic dishes.

The Group constantly endeavours to adopt and invest in efficient and value-adding technologies and processes which can improve the utilisation of packaging materials. During the reporting period, the Group has implemented a number of measures to reduce the use of packaging materials for finished goods, including but not limited to the following:

- In response to the No Straw campaign, the Group has continued to encourage its customers to go plastic-and-disposable-free and serve drinks with reusable "TenRen Folding Cup (天仁茗茶摺疊隨行杯)".
- The Group offers a dollar discount to customers who bring their own bottle or cup, which incentivises customers to embrace a greener lifestyle.

The Group has also been using biodegradable packaging materials to protect the environment.

Wastage Management

An essential part of minimising impacts on the environment is proper waste management. To achieve this objective, we have set up a monitoring function for effective waste management and to ensure compliance with relevant laws and regulations.

Given the nature of our business, the major types of waste produced from our production processes are food waste and waste oil from cooking. We aim to reduce such wastage through increasing our efficiency, avoiding over-purchasing of ingredients and materials in order to limit the amount of waste generated during the operation of our retail outlets. The Group considers that the general waste and food waste are minimal for our current operation. The Group will consider maintaining the wastage data if there are any changes in our business operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The food waste and general waste are collected by the sanitary department of the Hong Kong Government, while the Group has engaged a qualified collection company to collect and reuse waste cooking oil on a weekly basis. The waste oil collection company is a licensed firm under the Environmental Protection Department registration scheme.

For office general wastage management, the Group utilises e-communication when interacting with the customers to reduce paper usage. Also, for minimising carbon footprint across the office, the Group promotes the use of e-statements for reducing paperwork. The Group's business operation does not produce any hazardous waste.

Environmental Protection and Reduction of Wastage Practices

Apart from the energy saving measures in our business operations, we have broadened this idea to the offices and our employees. Employees are also given guidelines reminding them to turn off office equipment and facilities when not in use.

General Practice

- Switch off computers, printers, machines, and other electronic devices after office hours or when leaving the workplace to reduce electricity consumption.
- All windows and doors must be closed when the air-conditioners are switched on.
- Affix energy-saving posters near the main switches to remind our employees of energy saving.
- Switch off non-essential lighting if only a few people working in the office or retail outlets.

Electricity and Water Reduction Measures

- All employees should turn off the water tap when it is not in use.
- All employees should not use the tap water for cleaning their bodies or washing their clothes.

Wastage Reduction Measures

- Dispose of the used oil in retail outlets to a qualified collector for recycling.
- Return used toner cartridges to respective suppliers for recycling.
- Encourage duplex printing and reuse of single-sided paper.
- Refill pens instead of buying a new pen when needed.
- Reduce paper printing by conducting e-filing.
- Encourage employees to adjust the margins and font size of documents so as to optimise the use of paper.

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As a socially responsible enterprise, protecting nature and the environment has become our utmost priority. The Group constantly looks for ways to maximise benefits with minimal resources consumption and environmental impact, and continues to strive for sustainable development. Moreover, during the reporting period, the Group participated in the Greeners Action's "Lai See Reuse and Recycle Program 2026". As part of this initiative, public collection points were set up in the TenRen retail outlets. This program aimed to encourage and enhance public awareness of cherishing resources and reducing waste. To further incentivise customer participation, the Group offered discounts to customers who recycled their lai see packets during the reporting period. Through this campaign, the Group demonstrated its commitment to promoting sustainable behaviours.

Climate Change

Our Governance Structure

The Board is responsible for spearheading our climate strategy, setting the climate risk appetite statement and establishing the climate risk management approach. The ESG Working Group's main role is to perform a risk assessment that aligns with our risk management framework, and provide updates on climate and sustainability initiatives to the Board on a regular basis, through a range of high-level risk reports, regulatory updates, presentations and deep dives.

The climate risk across the Group's business lines has been reviewed and countermeasures have been implemented to manage these risks. As of 31 March 2026, our climate risk assessment results concluded that the Group will not be significantly affected by any climate change matters in the short term.

Our Climate Approach

The 2025 United Nations Climate Change Conference of the Parties (COP30) delivered an ambitious negotiated response to the Global Stocktake ("GST") anchored in the Paris Agreement. As part of our corporate social responsibility, we have laid out the building blocks to achieve this international goal. We have also begun to build up climate resilience by adopting a five-stage approach:

1. To perform a climate risk assessment;
2. To identify areas of potential climate risk through continuous operational monitoring and routine management reviews.;
3. To develop specific measures targeted at different climate risk areas;
4. To allocate resources and implement the measures; and
5. To conduct a periodic review and monitoring to ensure the risk is reduced to an acceptable level.

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There are two types of climate risk, including the physical risk and the transition risk. The climate risks of the Group identified in the reporting period are listed below.

Types of risks	Time frame ¹	Climate-related risks	Effect of business and value chain	Responses to the risks
Physical risk				
Acute risk	Short	Increased severity of extreme weather events such as typhoons, heavy rains, and flooding.	- Damage to assets, inventories, and equipment due to the flood followed by heavy rain. - Disruption of operations of retail shops in extreme weather events such as typhoons. - Delay of goods delivery due to the disrupted logistics.	The Group has established a set of contingency measures for several severe weather-related events, which will be periodically reviewed based on the weather conditions in our operating region.
Chronic risk	Long	Changes in weather patterns, such as an increase of annual precipitation, temperature and a rise in sea level.	Increase the purchase cost and decrease the quality of ingredients.	The Group has adopted a supply chain diversification strategy by sourcing ingredients across the globe to mitigate the risk. The management will also be responsible for ensuring the quality of our food and beverages is consistent across different outlets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Types of risks	Time frame ¹	Climate-related risks	Effect of business and value chain	Responses to the risks
Transition Risk				
Legal and policy risk	Short to Middle	- Enhanced emissions reporting obligations. - New laws and regulations.	Increase the compliance cost to fulfil the new obligations.	The Group will keep abreast of these new policies and work closely with suppliers and other business associates to respond to any new regulatory changes.
Market risk	Medium to Long	Shift of consumer attitudes towards sustainable lifestyle such as reduced-sugar drinks and smaller carbon footprint products.	- Increase the cost of operation for the substitution of materials. - Earnings and sales may be reduced if consumers shift the attitudes towards healthier food and beverages.	Although our sales and business performance are not heavily influenced by whether our products are environmentally friendly, the Group has been shifting towards using less environmentally damaging materials for containers for food and beverages. The Group had laid out the building blocks towards a low-carbon economy, which aims to lower the market and reputational risk. As part of this commitment, the Group also seeks to reduce financing to carbon-intensive companies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have identified the relevant opportunities below:

Opportunities	Time frame ¹	Actual or potential impacts	Responses to the opportunities
Product	Medium	• Capture demand for low-carbon and sustainable products. • Enhance product differentiation and market competitiveness. • Strengthen customer loyalty and brand value.	The Group will continue to strengthen the research and development capabilities and promote product innovation. We will explore the development of low-carbon products and increase the use of sustainable materials, where practicable.
Energy and resources efficiency	Long	• Reduce energy, water, raw materials and waste management costs. • Lower GHG emissions and resource waste. • Improve production efficiency and environmental compliance. • Enhance brand image and long-term competitiveness.	The Group will implement energy-saving initiatives to improve operational efficiency and reduce energy consumption. We will also upgrade high-consumption equipment, where appropriate, to enhance resources efficiency. In addition, the Group will strengthen the monitoring of resources use and improve recycling and water reuse practices across our operations.

Note:

1. Short: Short-term (1-3 years), Medium: Medium-term (3-5 years), and Long: Long-term (more than 5 years)

As a core component of our continuous enterprise-wide materiality reviews, the Group has implemented a systematic framework designed to detect, evaluate, and navigate significant threats and prospects, explicitly including those tied to climate change. The Group compares climate-related risks with other types of risks and prioritises these factors by analysing their probability alongside their potential consequences for the business. Consequences are graded by severity across several critical areas: financial outcomes, ecological footprint, worker safety, and the robustness of the supply chain. Simultaneously, the chance of these events occurring is measured using a standardised low-to-high probability spectrum.

To ensure operational durability and to capitalise on avenues for expansion, the Group continuously tracks shifting consumer demands, legislative changes, and industry shifts. The Group retains the agility to evaluate and, when necessary, realign its corporate strategy and business framework across immediate, intermediate, and extended timeframes to address climate-linked variables. This adaptability is underpinned by climate scenario modeling and sustained funding for operational robustness, allowing the Group to execute prompt and suitable defensive, adaptive, and responsive strategies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PERFORMANCE SUMMARY

Air Emissions

Indicators	FY2026	FY2025	Percentage Change
Total emissions from vehicles (kg)	2.46	–	–
Nitrogen oxide (kg)	2.24	–	–
Respiratory suspended particles (kg)	0.17	–	–
Sulphur oxides (kg)	0.05	–	–

Table 1

Greenhouse Gas Emissions

Indicators	FY2026	FY2025	Percentage Change
Total GHG emissions (tonnes CO ₂ e)	1,349.92	1,517.25	–11.03%
Total GHG emissions per floor area (tonnes CO ₂ e/square feet)	0.030	0.011	+172.73%
Total GHG emissions per employee (tonnes CO ₂ e/employee)	2.22	2.41	–7.88%
Scope 1 – Energy direct emissions (tonnes CO ₂ e)	8.64	–	–
Scope 2 – Energy indirect emissions (tonnes CO ₂ e)	1,269.92	1,438.95	–11.75%
Scope 3 – Other indirect emissions (tonnes CO ₂ e)	71.36	78.30	–8.86%

Table 2

Energy Consumption

Indicators	FY2026	FY2025	Percentage Change
Total energy consumption (kWh)	3,479,949.94	3,546,079.00	–1.86%
Total energy consumption per floor area (kWh/square feet)	82.67	25.71	+221.55%
Total energy consumption per employee (kWh/employee)	5,723.60	5,637.65	+1.52%
Direct energy consumption (kWh)	31,496.94	–	–
Indirect energy consumption (kWh) Purchased electricity	3,448,453.00	3,546,079.00	–2.75%

Table 3

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Packaging Material Consumption

Indicators	FY2026	FY2025	Percentage Change
Total consumption (tonnes)	117.19	102.81	+13.99%
Paper	86.94	70.46	+23.39%
Bamboo and plastic	30.25	32.35	-6.49%
Total packaging material consumption per revenue (tonnes/HK\$ million)	0.23	0.20	+15.00%

Table 4

Water Consumption

Indicators	FY2026	FY2025	Percentage Change
Total water consumption (m ³)	116,630.00	112,373.00	+3.79%
Total water consumption per floor area (m ³ /square feet)	2.77	0.81	+241.98%
Total water consumption per employee (m ³ /employee)	191.83	178.65	+7.38%

Table 5

Employment

Category	FY2026 Number of Employees (%)	FY2025 Number of Employees (%)	Percentage Change
Total	608	638	-4.70%
Gender			
– Male	169 (28%)	198 (31%)	-14.65%
– Female	439 (72%)	440 (69%)	-0.23%
Employment Type			
– Full-time	356 (59%)	362 (57%)	-1.66%
– Part-time	252 (41%)	276 (43%)	-8.70%
Age Group			
– Between 18 and 35	436 (72%)	490 (77%)	-11.02%
– Between 36 and 55	137 (22%)	91 (14%)	+50.55%
– Above 56	35 (6%)	57 (9%)	-38.60%
Geographical region			
– Hong Kong	608 (100%)	638 (100%)	-4.70%

Table 6

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Employee Turnover

Category	FY2026 Turnover Rate (%)	FY2025 Turnover Rate (%)	Change in percentage point
Total	110%	127%	-17 pp
Gender			
– Male	125%	150%	-25 pp
– Female	104%	117%	-15 pp
Age Group			
– Between 18 and 35	142%	140%	+12 pp
– Between 36 and 55	32%	94%	-62 pp
– Above 56	23%	51%	-23 pp
Geographical region			
– Hong Kong	110%	127%	-17 pp

Table 7

Training

Category	FY2026		FY2025	
	Percentage of Employees Trained	Average Training Hours	Percentage of Employees Trained	Average Training Hours
Total	6%	0.50	46%	3.65
Gender				
– Male	37%	0.66	30%	3.52
– Female	63%	0.44	70%	3.71
Employee Category				
– Senior management	18%	5.09	2%	5.09
– Middle management	–	–	–	–
– General employees	82%	0.42	98%	3.91

Table 8

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Anti-corruption training

Category	FY2026		FY2025	
	Number of Employees Trained for Anti-corruption	Total Training Hours of Anti-corruption Completed	Number of Employees Trained for Anti-corruption	Total Training Hours of Anti-corruption Completed
Directors	7	56	7	56
Employees	1	8	0	0
Total	8	64	7	56

Table 9

Supplier Distribution

Geographical Region	FY2026 Number of Suppliers	FY2025 Number of Suppliers
Hong Kong	826	1,885
PRC	75	90
Taiwan	126	197
Others (Italy, Vietnam, Spain etc.)	79	114
Total	1,106	2,286

Table 10

Notes:

1. In table 1, the Group purchased new vehicles during the reporting period. We will continue to monitor emissions from vehicle operations and implement measures to improve environmental performance.
2. The largest component of GHG emissions (table 2) comes from scope 2, which is the indirect emission of electricity consumption. Other sources of GHG emissions are direct emissions from scope 1, which include vehicle emissions, and indirect emissions from scope 3, which include business travel, freshwater, and sewage water consumption.
3. The GHG emission (table 2) is presented in carbon dioxide equivalent based on the reporting requirement of the EPD's "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" issued by Electrical and Mechanical Services Department and Environmental Protection Department and the "Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong" published by the University of Hong Kong and City University of Hong Kong.
4. In table 3, the total energy consumption has decreased by 1.86% from the previous year. The total energy consumption per floor area has increased by approximately 221.55% and per employee has decreased by approximately 8.14%. The Group will continue to explore ways to reduce energy consumption.

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5. The Group has been using biodegradable packaging materials to minimise the impact on the environment and has implemented several initiatives to reduce packaging materials consumption. The packaging materials consumption per revenue has increased by approximately 15.00% during FY2026. The Group will continue to explore innovative solutions to reduce the usage of packaging materials.
6. In table 5, the total water consumption has increased by approximately 3.79% in FY2026 as compared to the same in FY2025. The Group will continue to monitor the water usage conditions.
7. In table 6, the total number of employees in FY2026 has decreased by approximately 4.70% in FY2026 as compared to the same in FY2025.
8. In table 7, the total turnover and employee turnover per gender, age group, and geographical region are calculated by dividing by the number of total employees and the total number of employees of the specified category, respectively.
9. In table 8, the percentage per employees trained by gender and employee category is obtained by dividing by the number of employees who took part in training. Whereas the total number of employees trained is calculated by dividing by the total workforce. During the reporting period, the Group has explored various ways of providing training opportunities for employees, to ensure the Group's products and services are maintained at a high standard and continuously meet the market's evolving expectations.
10. In table 9, anti-corruption training was provided by the Group to 7 directors and 1 employee in FY2026 with a total of 64 training hours.
11. In table 10, the Group's has partnered with suppliers around the globe to ensure that our products are created with the best ingredients and to minimise supply chain risk.

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HKEX ESG REPORTING CODE CONTENT INDEX

Aspects, General

Disclosures and KPIs Description

2026 ESG Report

A. Environmental

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.	This report- Environment, pages 59
KPI A1.1	The types of emissions and respective emissions data.	This report- Environment, pages 59 This report- Performance Summary, pages 68
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable on the Group's business
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	This report- Performance Summary, pages 68
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	This report- Environment, pages 59
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.	This report- Environment, pages 59

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Aspects, General

Disclosures and KPIs Description

2026 ESG Report

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	This report- Environment, pages 59
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).	This report- Environment, pages 59 This report- Performance Summary, pages 68
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	This report- Environment, pages 59 This report- Performance Summary, pages 68
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	This report- Environment, pages 59
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.	This report- Environment, pages 59
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This report- Environment, pages 59 This report- Performance Summary, pages 68

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Aspects, General

Disclosures and KPIs Description

2026 ESG Report

Aspect A3 The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	This report- Environment, pages 59
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	This report- Environment, pages 59

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.	This report- Workplace, pages 55
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	This report- Performance Summary, pages 68
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	This report- Performance Summary, pages 68

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Aspects, General

Disclosures and KPIs Description

2026 ESG Report

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.	This report- Workplace, pages 55
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	This report- Workplace, pages 55
KPI B2.2	Lost days due to work injury.	This report- Workplace, pages 55
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	This report- Workplace, pages 55

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	This report- Workplace, pages 55
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	This report- Performance Summary, pages 68
KPI B3.2	The average training hours completed per employee by gender and employee category.	This report- Performance Summary, pages 68

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General

Disclosures and KPIs Description

2026 ESG Report

Aspect B4: Labour Standard

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	This report- Workplace, pages 55
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	This report- Workplace, pages 55
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	This report- Workplace, pages 55

Operating Practices

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	This report- Marketplace, pages 53
KPI B5.1	Number of suppliers by geographical region.	This report- Performance Summary, pages 68
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	This report- Marketplace, pages 53
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	This report- Marketplace, pages 53
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	This report- Marketplace, pages 53

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General

Disclosures and KPIs Description

2026 ESG Report

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.	This report- Marketplace, pages 53
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This report- Marketplace, pages 53
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	This report- Marketplace, pages 53
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	This report- Marketplace, pages 53
KPI B6.4	Description of quality assurance process and recall procedures.	This report- Marketplace, pages 53
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	This report- Marketplace, pages 53

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General

Disclosures and KPIs Description

2026 ESG Report

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.	This report- Marketplace, pages 53
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.	This report- Marketplace, pages 53
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	This report- Marketplace, pages 53
KPI B7.3	Description of anti-corruption training provided to directors and staff.	This report- Marketplace, pages 53

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.	This report- Community, pages 59
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	This report- Community, pages 59
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	This report- Community, pages 59

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

IMPLEMENTATION GUIDANCE FOR CLIMATE DISCLOSURES UNDER HKEX ESG REPORTING FRAMEWORK

Climate-related Disclosures

2026 ESG Report

Governance

19 An issuer shall disclose information about:

(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:

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| (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. | This report- Environmental, Social and Governance, page 52 |
| (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities. | This report- Environmental, Social and Governance, page 52 |
| (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. | This report- Environmental, Social and Governance, page 52 |
| (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); and | This report- Environmental, Social and Governance, page 52 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures

2026 ESG Report

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| <p>(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:</p> <p>(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; and</p> <p>(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.</p> | <p>This report- Environmental, Social and Governance, page 52</p> <p>This report- Environmental, Social and Governance, page 52</p> |
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Strategy

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| <p>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:</p> <p>(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;</p> <p>(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;</p> <p>(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; and</p> <p>(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.</p> | <p>This report- Environment, pages 59</p> <p>This report- Environment, pages 59</p> <p>This report- Environment, pages 59</p> <p>This report- Environment, pages 59</p> |
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures

2026 ESG Report

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:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	This report- Environment, pages 59
	(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).	This report- Environment, pages 59
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:	
	(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:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	This report- Environment, pages 59
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	This report- Environment, pages 59
	(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;	This report- Environment, pages 59
	(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; and	This report- Environment, pages 59
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	This report- Environment, pages 59

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	2026 ESG Report
23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	This report- Environment, pages 59
24 An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (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.	This report- Environment, pages 59 We consider the identified climate risks and opportunities to be fully manageable, and we do not expect them to significantly affect the Group's asset and liability valuations in the upcoming reporting period.
25 The issuer shall provide qualitative and quantitative disclosures about: (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; and (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.	We are currently unable to quantify climate-related financial impact because these risks are deeply intertwined with broader market variables, making isolated estimates highly uncertain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures

2026 ESG Report

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: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (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; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	This report- Environment, pages 59 This report- Environment, pages 59 This report- Environment, pages 59 This report- Environment, pages 59 This report- Environment, pages 59 This report- Environment, pages 59 This report- Environment, pages 59 This report- Environment, pages 59
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	2026 ESG Report
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	This report- Environment, pages 59
(6) time horizons the issuer used in the analysis; and	This report- Environment, pages 59
(7) what scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);	This report- Environment, pages 59
(ii) the key assumptions the issuer made in the analysis; and	This report- Environment, pages 59
(iii) the reporting period in which the climate-related scenario analysis was carried out.	This report- Environment, pages 59

Risk Management

27 An issuer shall disclose information about:

(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:

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| (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); | This report- Environment, pages 59 |
| (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; | This report- Environment, pages 59 |
| (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); | This report- Environment, pages 59 |
| (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; | This report- Environment, pages 59 |
| (v) how the issuer monitors climate-related risks; and | This report- Environment, pages 59 |
| (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; | This report- Environment, pages 59 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures

2026 ESG Report

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| (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); and | This report- Environment, pages 59 |
| (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. | This report- Environment, pages 59 |

Metrics and Targets

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| 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: | |
| | (a) Scope 1 greenhouse gas emissions; | This report- Performance Summary, pages 68 |
| | (b) Scope 2 greenhouse gas emissions; and | This report- Performance Summary, pages 68 |
| | (c) Scope 3 greenhouse gas emissions | This report- Performance Summary, pages 68 |
| 29 | An issuer shall: | |
| | (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; | This report- Environment, pages 59 |
| | (b) disclose the approach it uses to measure its greenhouse gas emissions including: | |
| | (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; | This report- Environment, pages 59 |
| | (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and | This report- Environment, pages 59 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	2026 ESG Report
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	This report- Environment, pages 59
(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; and	This report- Environment, pages 59
(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).	This report- Environment, pages 59
30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Current assessments of climate risks rely on highly uncertain future estimates. We plan to provide comprehensive quantitative disclosures in upcoming reports as our data and methodologies improve.
31 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
32 An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
33 An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
34 An issuer shall disclose:	
(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); and	We currently do not factor carbon pricing into our decisions, but we will assess the feasibility of implementing an internal carbon price in the future.
(b) the price of each metric tone of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	2026 ESG Report
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).	This report- Environment, pages 59
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 characterize 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.	SASB Reporting Indices
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: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (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); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	To ensure full alignment with the latest regulatory disclosure standards, the management is diligently defining the precise scopes, baseline measurement periods, and interim milestones. As this recalibration process is still ongoing to ensure data accuracy and operational feasibility, the comprehensive breakdown of our target metrics is not yet available for disclosure in this reporting period. We expect to provide these detailed parameters in subsequent reports once the framework is finalised.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures

2026 ESG Report

38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	As a next step, we will investigate the potential for independent verification of our objectives.
	(b) the issuer's processes for reviewing the target;	This report- Environmental, Social and Governance, page 52
	(c) the metrics used to monitor progress towards reaching the target; and	This report- Environmental, Social and Governance, page 52
	(d) any revisions to the target and an explanation for those revisions.	This report- Environmental, Social and Governance, page 52
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.	This report- Environmental, Social and Governance, page 52
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	As our overall target framework is still being refined, the specific technical parameters of our GHG targets are currently under evaluation. These details will be disclosed in tandem with our finalised targets in future reports.
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(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;	
	(d) whether the target was derived using a sectoral decarbonisation approach; and	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures

2026 ESG Report

- (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:
- (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;
 - (ii) which third-party scheme(s) will verify or certify the carbon credits;
 - (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; and
 - (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).
- We have not purchased carbon credits to offset our emissions to date. The Company remains committed to optimising business operations to enhance energy efficiency and climate resilience. We will continue to assess the potential need for carbon credits as part of our future decarbonisation strategy.

SASB REPORTING INDICES

The Group included SASB disclosures where similar information is provided in our ESG Report. Below is a partial list of the SASB disclosures for the Food Retailers & Distributors and our responses.

Topic	Metric	Code	Section
Energy Management	(1) Operational energy consumed,	FB-FR-130a.1	This report – Performance Summary, pages 68
	(2) percentage grid electricity and		
	(3) percentage renewable		
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	This report – Corporate Social Responsibility ("CSR") Vision, Policy and Strategy, page 52
	(1) Number of recalls,	FB-FR-250a.2	This report – Corporate Social Responsibility ("CSR") Vision, Policy and Strategy, page 52
	(2) number of units recalled,		
	(3) percentage of units recalled that are private-label products		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Topic	Metric	Code	Section
Product Labelling & Marketing	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-FR-270a.1	This report – Corporate Social Responsibility (“CSR”) Vision, Policy and Strategy, page 52
Labour Practices	(1) Number of work stoppages; and (2) total days idle	FB-FR-310a.3	This report – Corporate Social Responsibility (“CSR”) Vision, Policy and Strategy, page 52
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	This report – Corporate Social Responsibility (“CSR”) Vision, Policy and Strategy, page 52
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	This report – Environment, pages 59

REPORT OF THE DIRECTORS

DIRECTORS' REPORT

Our Board is pleased to present their report together with the audited consolidated financial statements of our Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding and its subsidiaries are principally engaged in the distribution and retail of food and beverage products.

An analysis of our Group's performance for the year by operating segments is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of our Group for the year ended 31 March 2026 are set out in the consolidated statement of comprehensive income on page 107 of this annual report.

The Board recommended the declaration and payment of a final dividend of HK2.5 cents per Share (the "Final Dividend") and a special dividend of HK5.0 cents per Share (the "Special Dividend") for the year ended 31 March 2026. Together with the interim dividend of HK2.5 cents per Share declared and paid during FY2026, the total dividend payout ratio for FY2026 was approximately 233.3%. The Final Dividend and the Special Dividend are subject to the approval of Shareholders at the forthcoming annual general meeting and will be paid on or around Wednesday, 30 September 2026.

DIVIDEND POLICY

Our Company has adopted a dividend policy on 24 June 2019 (the "Dividend Policy") that, in recommending or declaring dividends, our Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its Shareholders' value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any recommendation of final dividend for a financial year will be subject to Shareholders' approval.

In proposing any dividend payout, the Board shall also take into account, among other things, our Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of the Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant from time to time. Any payment of the dividend by our Company is also subject to any restrictions under applicable laws and regulations and the Company's constitutional documents.

The Board will review the Dividend Policy on a regular basis.

REPORT OF THE DIRECTORS

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the register of members of our Company on Friday, 4 September 2026 are entitled to attend and vote at the AGM of our Company. The register of members of our Company will be closed from Tuesday, 1 September 2026 to Friday, 4 September 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date will be Friday, 4 September 2026 and in order to qualify for attending and voting at the AGM, Shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with our Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 31 August 2026.

For ascertaining Shareholders' entitlement to the proposed Final Dividend and Special Dividend, the register of members of our Company will be closed from Wednesday, 16 September 2026 to Friday, 18 September 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date will be Friday, 18 September 2026 and in order to qualify for the proposed Final Dividend and Special Dividend, Shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with our Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 15 September 2026.

BUSINESS REVIEW

A review of the business of our Group during the year ended 31 March 2026 and a discussion on our Group's future business development are set out in the section headed "Chairman's Statement" as well as the "Management Discussion and Analysis" on pages 11 to 12 and pages 19 to 27 of this annual report respectively. An analysis of our Group's performance during the year ended 31 March 2026 using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 19 to 27 this annual report. In addition, the Group's environmental policies and performance, compliance with the relevant laws and regulations and key relationship with stakeholders are set out in the section headed "Environmental, Social and Governance Report" on pages 46 to 91 of this annual report.

SHARE CAPITAL

Details of the movements in the share capital of our Company are set out in Note 23 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of our Group and our Company during the year ended 31 March 2026 are set out in the consolidated statement of changes in equity and Note 24 and Note 32 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2026, the reserves of our Company available for distribution to our Shareholders amounted to approximately HK\$150.5 million (2025: approximately HK\$148.4 million).

REPORT OF THE DIRECTORS

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under our Company's articles of association or the laws of the Cayman Islands which would oblige our Company to offer new shares on a pro rata basis to existing Shareholders.

FINANCIAL INFORMATION SUMMARY

A summary of the results and the assets and liabilities of our Group for the last 5 financial years is set out on page 174 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury Shares, if any) during the year ended 31 March 2026 and up to the date of this annual report.

SHARE OPTION SCHEME

Our Company has adopted a share option scheme (the "Share Option Scheme") on 12 February 2018. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 40,000,000 Shares, representing 10% of the total number of issued Shares (excluding treasury Shares, if any) as at the date of this annual report. The outstanding Share Options available for grant under the Share Options Scheme as at 1 April 2025 and 31 March 2026 were 40,000,000 Shares. The total number of Shares issued and to be issued upon the exercise of the options granted or to be granted to each eligible participant under the Share Option Scheme and any other schemes of our Company (including exercised, cancelled and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue (excluding treasury shares, if any) as at the date of grant.

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. The Board may, at its discretion, grant an option to the following eligible participants to subscribe for the Shares of the Company at an exercise price and subject to the other terms of the Share Option Scheme:

- (a) any employee (whether full-time or part-time, including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries ("Subsidiaries") or any entity ("Invested Entity") in which our Group holds an equity interest ("Eligible Employee");
- (b) any independent non-executive director of our Company, any Subsidiary or any Invested Entity;
- (c) any supplier of goods or services to any member of our Group or any Invested Entity;
- (d) any customer of any member of our Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (f) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

REPORT OF THE DIRECTORS

- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

An option may be accepted by an eligible participant within 21 days from the date of the offer of grant of the option.

The subscription price per Share under the Share Option Scheme shall be determined at the absolute discretion of our Directors, provided that it shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the offer for the grant of option is made, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date on which the offer for the grant of option is made; and (iii) the nominal value of the Shares. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an option.

The Share Option Scheme will remain in force for a period of ten years from its effective date (i.e. will expire on 12 February 2028). As at the date of this report, the remaining life of the Share Option Scheme is about two years. Subject to certain restrictions contained in the Share Option Scheme, an option may be exercised in accordance with the terms of the Share Option Scheme and the terms of grant thereof at any time during the applicable option period, which is not more than ten years from the date of grant of option. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including but not limited to those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

The Board confirms that the Share Option Scheme is in compliance with Chapter 17 of the Listing Rules. As at 31 March 2026, no option had been granted, exercised, cancelled or lapsed under the Share Option Scheme. A total of 40,000,000 Shares are available for issue under the Share Option Scheme, representing approximately 10% of the total issued capital of the Company (excluding treasury Shares, if any) as at the date of this annual report.

RETIREMENT BENEFIT SCHEME(S)

Our Group participated in retirement benefit scheme(s) in accordance with the relevant rules and regulations in Hong Kong. Particulars of the retirement benefit scheme(s) are set out in Note 10 to the consolidated financial statements.

SUBSIDIARIES

Details of our Company's principal subsidiaries as of 31 March 2026 are set out in Note 17 to the consolidated financial statements.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2026, our five largest customers accounted for approximately 30.9% of our total revenue, of which approximately 18.3% of our total revenue was generated from our largest customer. During the year ended 31 March 2026, our five largest suppliers accounted for approximately 58.5% of our total purchases, of which approximately 19.5% of our total purchases was attributable to our largest supplier. None of our Directors or any of their respective close associates or any Shareholder, which to the best knowledge of our Directors owns more than 5% of our Company's total issued share capital (excluding treasury Shares, if any), had any interest in any of our Group's five largest customers or suppliers during the year ended 31 March 2026.

DIRECTORS

The Directors during the year ended 31 March 2026 and up to the date of this annual report are as follows:

Executive Directors

Mr. Chan Kam Chuen Andrew (*Chief Executive Officer and Chairman*)

Mr. Chan Siu Cheung Stephen

Mr. Chau Wing Kong William

Ms. Tin Hau Ling Janny

Independent Non-Executive Directors

Mr. Pang Koon Kwai

Mr. See Hung Yan Peter

Mr. Chung Kwok Mo John

Pursuant to Articles 84(1) and (2) of the Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation at each AGM. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself/herself for re-election. In addition, code provision B.2.2 of the CG Code stipulates that each Director should be subject to retirement by rotation at least once every three years.

Mr. Chan Siu Cheung Stephen, Mr. Chau Wing Kong William and Mr. Pang Koon Kwai shall retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election. The Company has received annual confirmation of independence from the three Independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules and considers them to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 28 to 30 of this annual report.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS/LETTERS OF APPOINTMENT

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

PERMITTED INDEMNITY PROVISION

During the year ended 31 March 2026 and up to date of this annual report, our Company has in force indemnity provisions for the benefit of the Directors. The permitted indemnity provisions are provided according to the Articles of Associations and our Company has maintained the directors and officers liability insurance in respect of potential liability and costs associated with legal any proceedings which may be brought against the Directors.

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

As at 31 March 2026, the interests and short positions of the Directors and the chief executive of our Company in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which had been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be disclosed, under the Model Code were as follows:

Name of Director	Nature of Interest	Percentage of total issued	
		Number of Shares	Shares (%)
Mr. Chan Kam Chuen Andrew ("Mr. Andrew Chan")	Interest in a controlled corporation ^(note 1)	100,000,000 (long position)	25.0
Mr. Chan Siu Cheung Stephen ("Mr. Stephen Chan")	Interest in a controlled corporation ^(note 2)	100,000,000 (long position)	25.0
Mr. Chau Wing Kong William ("Mr. William Chau")	Interest in a controlled corporation ^(note 3)	100,000,000 (long position)	25.0
Ms. Tin Hau Ling Janny ("Ms. Janny Tin")	Interest of spouse ^(note 4)	100,000,000 (long position)	25.0

REPORT OF THE DIRECTORS

Notes:

1. The Company was directly owned as to 25.0% (being 100,000,000 Shares) by ACAC Investment Limited, which in turn was owned as to 100% by Mr. Andrew Chan. By virtue of the SFO, Mr. Andrew Chan is deemed to be interested in the same number of Shares held by ACAC Investment Limited.
2. The Company was directly owned as to 25.0% (being 100,000,000 Shares) by SCSC Holdings Limited, which in turn was owned as to 100% by Mr. Stephen Chan. By virtue of the SFO, Mr. Stephen Chan is deemed to be interested in the same number of Shares held by SCSC Holdings Limited.
3. The Company was directly owned as to 25.0% (being 100,000,000 Shares) by CCST Investment Limited, which in turn was owned as to 100% by Mr. William Chau. By virtue of the SFO, Mr. William Chau is deemed to be interested in the same number of Shares held by CCST Investment Limited.
4. Ms. Janny Tin is the spouse of Mr. Andrew Chan. By virtue of the SFO, Ms. Janny Tin is deemed to be interested in the same number of Shares in which Mr. Andrew Chan was deemed to be interested under the SFO.

Save as disclosed above, as at 31 March 2026, none of the Directors nor chief executive of our Company had any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to our 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 provisions of the SFO), or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code and the Code of Conduct.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2026, so far as the Directors are aware, the following persons (other than the Directors or chief executive of our Company), either directly or indirectly, had interests or short positions in the Shares or underlying Shares of our Company, which are required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO, or which will be required to be recorded in the register to be kept pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares	Percentage of total issued Shares (%)
ACAC Investment Limited	Beneficial interest ^(note 1)	100,000,000 (long position)	25.0
SCSC Holdings Limited	Beneficial interest ^(note 2)	100,000,000 (long position)	25.0
Ms. Cheung Choi Ngo	Interest of spouse ^(note 3)	100,000,000 (long position)	25.0
CCST Investment Limited	Beneficial interest ^(note 4)	100,000,000 (long position)	25.0
Ms. Tan Ching Bee	Interest of spouse ^(note 5)	100,000,000 (long position)	25.0

REPORT OF THE DIRECTORS

Notes:

1. The entire issued share capital of ACAC Investment Limited is wholly-owned by Mr. Andrew Chan.
2. The entire issued share capital of SCSC Holdings Limited is wholly-owned by Mr. Stephen Chan.
3. Ms. Cheung Choi Ngo is the spouse of Mr. Stephen Chan. By virtue of the SFO, Ms. Cheung Choi Ngo is deemed to be interested in the same number of Shares in which Mr. Stephen Chan was deemed to be interested under the SFO.
4. The entire issued share capital of CCST Investment Limited is wholly-owned by Mr. William Chau.
5. Ms. Tan Ching Bee is the spouse of Mr. William Chau. By virtue of the SFO, Ms. Tan Ching Bee is deemed to be interested in the same number of Shares in which Mr. William Chau was deemed to be interested under the SFO.

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

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended 31 March 2026 were rights to acquire benefits by means of the acquisition of shares in or debentures of our Company granted to any Director or their respective associates nor was our Company and any of its subsidiaries a party to any arrangement to enable the Directors or their respective associates to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which our Company or any of its subsidiaries was a party and in which any Director or any entity connected to a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year ended 31 March 2026 or at any time during the year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries, during the year ended 31 March 2026.

CONNECTED TRANSACTIONS

Apart from the following connected transactions, there were no other transactions which need to be disclosed as connected transactions in accordance with the Listing Rules.

REPORT OF THE DIRECTORS

Leasing of properties

Wise Fine Enterprise Limited entered into two tenancy agreements with (i) Best Source Enterprise Limited (“Best Source”) on 25 November 2025; and (ii) Best Source and Ms. Janny Tin on 25 November 2025, respectively (collectively, the “Tenancy Agreements”), pursuant to which certain properties in Yau Tong, Hong Kong (collectively, the “Premises”) are leased to our Group for a fixed term of one year subject to the terms and conditions of the Tenancy Agreements.

Best Source and Ms. Janny Tin are the connected persons of our Company since:

- (i) Best Source is owned as to 33.33% by each of Mr. Andrew Chan, Mr. Stephen Chan and Mr. William Chau, our executive Directors and substantial Shareholders, hence it is an associate of each of Mr. Andrew Chan, Mr. Stephen Chan and Mr. William Chau; and
- (ii) Ms. Janny Tin, being the spouse of Mr. Andrew Chan, is also our executive Director.

According to International Valuation Limited, an independent qualified valuer engaged by our Group, the monthly rental payable by our Group under the Tenancy Agreements for the Premises are fair and reasonable, consistent with the prevailing market unit rents for similar premises in the vicinity as at the date of the Tenancy Agreements, and on normal commercial terms.

During the year ended 31 March 2026, the aggregate rental expenses (together with the aggregate service charges and other outgoings) paid by our Group was approximately HK\$8.0 million.

The transactions contemplated under the Tenancy Agreements also constitute related party transactions of our Company under HKFRS, details of which are set out in Note 31 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of related party transactions undertaken in the normal course of business of the Group are provided under Note 31 to the consolidated financial statements. Save for the connected transactions as set out in the paragraph headed “Connected Transactions”, none of the related party transactions constitutes a connected transaction or a continuing connected transaction as defined under Chapter 14A of the Listing Rules that is required to be disclosed in this annual report.

REMUNERATION FOR DIRECTORS

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established a remuneration committee to formulate remuneration policies. The Directors’ remuneration are subject to Shareholders’ approval at general meetings. Other emoluments are determined by the Board with reference to Directors’ duties and responsibilities, the recommendations of the remuneration committee and the performance and results of the Group. Details of the remuneration of the Directors are set out in Note 33 to the consolidated financial statements.

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed, there was no other changes in the information of the Directors for the year ended 31 March 2026.

REPORT OF THE DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules for the year ended 31 March 2026 and up to the date of this annual report. As at 31 March 2026, the Company's public float was 25% of its total issued Shares.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2026, none of the Directors and substantial shareholders of the Company and its subsidiaries, or their respective close associates, had interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

DEED OF NON-COMPETITION

The substantial Shareholders have confirmed to the Company of their full compliance with the non-competition undertakings and other terms provided to the Company under the deed of non-competition dated 12 February 2018 (the "Deed of Non-Competition").

The independent non-executive Directors have reviewed the status of compliance of the Deed of Non-Competition and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the substantial Shareholders and duly enforced during the year ended 31 March 2026.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the "Corporate Governance Report" on pages 31 to 45 of this annual report.

AUDITOR

PricewaterhouseCoopers will retire at the conclusion of the forthcoming AGM and be eligible to offer themselves for re-appointment. A resolution will be proposed at the AGM to be held on 4 September 2026, to re-appoint PricewaterhouseCoopers as the Company's auditor until the conclusion of the next AGM and to authorise the Board to fix their remuneration.

There was no changes in the auditor of the Company in any of the preceding 3 years.

On behalf of the Board

Chan Kam Chuen Andrew

Chairman and Chief Executive Officer

Hong Kong, 26 June 2026

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of B & S International Holdings Ltd.

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of B & S International Holdings Ltd. (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 107 to 173, comprise:

- the consolidated statement of financial position as at 31 March 2026;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

Key audit matters identified in our audit is related to Revenue recognition

Key Audit Matter

How our audit addressed the Key Audit Matter

Revenue recognition

Refer to Note 6 for the Group's accounting policies on revenue recognition and Note 6 for the analysis of revenue of the Group for the year ended 31 March 2026.

The Group recognised revenue from sales of goods amounting to HK\$505 million for the year ended 31 March 2026, of which HK\$253 million were contributed from distribution segment and HK\$252 million were contributed from retail segment.

Revenue from distribution segment is recognised when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over sales of the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Revenue from retail segment is recognised at the point of sale to customers.

We focused on revenue recognition due to its magnitude and the nature of the Group's business. The recording of revenue involves high volume of transactions derived from sales to multiple customers in different locations such that we have incurred significant time and resources in carrying out our work in this area.

We obtained an understanding of the management's control and assessment processes in its revenue recognition, assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud.

For revenue from distribution segment, we tested samples of sales transactions against invoices and other supporting documents where relevant. To the extent that those sales have been settled, we also reviewed bank advice and/or bank statements in support of the payment made by the customers.

Furthermore, we tested sales transactions that took place shortly before and after the statement of financial position date to assess whether sales transactions were recognised in the correct reporting periods.

For revenue from retail segment, we tested samples of sales transactions against daily sales reports for self-owned stores or sales statements for concessionary stores and reviewed bank advice and/or bank statements in support of the payment received.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
	Our work also included testing of a sample of revenue-related journal entries on risk based criteria by inquiring management of their nature and inspecting the relevant supporting documents. Based on the procedures performed above, we found that the Groups' sales transactions being tested were recognised in a manner consistent with the Group's revenue recognition accounting policy.

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

(Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu (practicing certificate number: P06356).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Revenue	6	505,405	504,748
Cost of sales	9	(387,867)	(393,848)
Gross profit		117,538	110,900
Other losses	7	(1,762)	(2,180)
Other expenses	8	(230)	(67)
Selling and distribution expenses	9	(44,274)	(39,761)
Administrative expenses	9	(47,345)	(44,952)
Operating profit		23,927	23,940
Finance income	11	978	2,218
Finance costs	11	(3,847)	(4,202)
Finance costs, net	11	(2,869)	(1,984)
Profit before income tax		21,058	21,956
Income tax expense	12	(3,217)	(3,085)
Profit and total comprehensive income for the year		17,841	18,871
Profit and total comprehensive income attributable to:			
Owners of the Company		17,146	17,789
Non-controlling interest	17	695	1,082
		17,841	18,871
Earnings per share for profit attributable to owners of the Company during the year (expressed in HK cents per share)			
– basic and diluted	13	4.30	4.45

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	7,284	5,149
Right-of-use assets	16	41,181	51,713
Deferred income tax assets	22	7,371	7,886
Deposits and other assets	19	12,326	16,807
		68,162	81,555
Current assets			
Inventories	18	22,375	25,578
Trade receivables	20	57,292	54,942
Deposits, prepayments and other receivables	19	16,144	14,206
Income tax refundable		1,457	1,561
Restricted cash	21	30,000	30,000
Cash and cash equivalents	21	42,488	55,384
		169,756	181,671
Total assets		237,918	263,226
EQUITY			
Equity attributable to owners of the Company			
Share capital	23	4,000	4,000
Reserves	24	79,794	79,794
Retained earnings	24	67,487	70,341
		151,281	154,135
Non-controlling interest	17	3,058	3,833
Total equity		154,339	157,968

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
LIABILITIES			
Non-current liability			
Lease liabilities	16	15,874	21,710
Current liabilities			
Trade and other payables	25	35,010	45,663
Income tax payable		–	303
Lease liabilities	16	28,695	33,582
Bank borrowings	26	4,000	4,000
		67,705	83,548
Total liabilities		83,579	105,258
Total equity and liabilities		237,918	263,226

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 107 to 173 were approved by the Board of Directors on 26 June 2026 and were signed on its behalf.

Mr. Chan Kam Chuen Andrew
Director

Mr. Chau Wing Kong William
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	<i>Note</i>	Attributable to owners of the Company			Total HK\$'000
		Share capital HK\$'000 (Note 23)	Reserves and retained earnings HK\$'000 (Note 24)	Non- controlling interest HK\$'000 (Note 17)	
Balance at 1 April 2024		4,000	154,346	4,221	162,567
Profit and total comprehensive income for the year		–	17,789	1,082	18,871
Transaction with owners in their capacity as owners:					
Dividends	14, 17	–	(22,000)	(1,470)	(23,470)
Balance at 31 March 2025		4,000	150,135	3,833	157,968
Balance at 1 April 2025		4,000	150,135	3,833	157,968
Profit and total comprehensive income for the year		–	17,146	695	17,841
Transaction with owners in their capacity as owners:					
Dividends	14, 17	–	(20,000)	(1,470)	(21,470)
Balance at 31 March 2026		4,000	147,281	3,058	154,339

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Cash flows from operating activities			
Cash generated from operations	27(a)	61,058	80,517
Income tax paid		(2,901)	(5,994)
Net cash generated from operating activities		58,157	74,523
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,428)	(5,411)
Premium paid for key management life insurance contracts	19	(427)	(510)
Interest received		978	2,218
Net cash used in investing activities		(5,877)	(3,703)
Cash flows from financing activities			
Principal elements of lease payments	27(b)	(43,498)	(42,293)
Payment of dividend	14	(20,000)	(22,000)
Payment of dividend to non-controlling interest	17	(1,470)	(1,470)
Interest paid		(208)	(273)
Net cash used in financing activities		(65,176)	(66,036)
Net (decrease)/increase in cash and cash equivalents		(12,896)	4,784
Cash and cash equivalents at beginning of the year		55,384	50,600
Cash and cash equivalents at end of the year	21	42,488	55,384

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1 GENERAL INFORMATION

B & S International Holdings Ltd. (the “Company”) was incorporated in the Cayman Islands on 21 August 2017 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, “the Group”) are principally engaged in (i) the distribution of food and beverage products (“Distribution Business”), and (ii) the provision of catering services (“Retail Business”) in Hong Kong.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 14 March 2018.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Compliance with HKFRS and Hong Kong Companies Ordinance

The consolidated financial statements of the the Company have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to consolidated financial statements, are disclosed in Note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.2 Historical cost convention

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

2.3 New and amended standards adopted by the Group

The Group has applied the following amended standard at its annual reporting period commencing 1 April 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.4 New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards and interpretation have been published that are not mandatory for this reporting period and have not been early adopted by the Group.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified: although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following item might potentially impact operating profit: foreign exchange difference currently aggregated in the line item "administrative expenses" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the consolidated balance sheet, the Group will disaggregate goodwill and other intangible assets and present them separately in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.4 New and amended standards and interpretations not yet adopted *(Continued)*

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for: management-defined performance measures; a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statement of comprehensive income – this break-down is only required for certain nature expenses; and for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated statement of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

From a consolidated statement of cash flow perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received will continue to be presented investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with HKFRS 18.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other new accounting standards and amendments to accounting standards and interpretation on its current or future reporting periods and on foreseeable future transactions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the Executive Directors, who provide principles for overall risk management.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and is exposed to foreign exchange risk from the purchase of goods from overseas suppliers and cash and bank borrowings denominated in foreign currencies, primarily with respect to Japanese Yen ("JPY"), Taiwan New dollar ("TWD") and United States dollar ("USD").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(i) Foreign exchange risk *(Continued)*

Management closely monitors foreign currency exchange exposure and will take measures to minimise the currency translation risk. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure.

As HK\$ are pegged against USD, management considers that the Group is mainly exposed to foreign currency risk with respect to JPY and TWD.

Had HK\$ be strengthened/weakened by 5% against JPY with all other variables held constant, the post-tax profit for the year ended 31 March 2026 would have been HK\$37,000 higher/lower (2025: HK\$27,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of JPY-denominated cash and cash equivalent and trade and other payables.

Had HK\$ be strengthened/weakened by 5% against TWD with all other variables held constant, the post-tax profit for the year ended 31 March 2026 would have been HK\$138,000 higher/lower (2025: HK\$171,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of TWD-denominated trade and other payables.

(ii) Interest rate risk

The Group's cash flow and fair value interest rate risk primarily relates to cash at banks and bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group does not have any fair value interest rate risk. The Group's interest rate risk primarily relates to its bank borrowings. The Group currently does not hedge its interest rate risk. However, management monitors the related interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arise. The interest rates and terms of repayment of borrowings are disclosed in Note 26.

Had interest rates been 50 basis points higher/lower than the prevailing interest rate, with all other variables held constant, the post-tax profit for the year ended 31 March 2026 would have been HK\$17,000 lower/higher (2025: HK\$17,000 lower/higher), mainly as a result of higher/lower interest expenses on floating rate bank borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

Credit risk arises from cash at banks, short-term bank deposits, other receivables and other assets, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with investment grade credit rating are accepted.

The Group has policies in place to ensure that sales are made to customers with appropriate credit histories and to limit the amount of credit exposure to any individual customer.

For the distribution business, the Group's credit risk is concentrated on a number of long established customers. As at 31 March 2026, trade receivables from the five major customers accounted for approximately 64% (2025: approximately 66%) of the Group's total trade receivables.

Sales to retail customers are required to be settled in cash or using electronic payment means, mitigating credit risk. There are no significant concentrations of credit risk. The Group is not exposed to major credit risk with respect to its retail business.

(ii) Impairment of financial assets

Cash at banks, restricted cash, short-term bank deposits, trade receivables, deposits and other receivables of the Group are subject to the expected credit loss model.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the industries that the customer operate in, their aging category and past collection history. For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Impairment of financial assets *(Continued)*

Trade receivables *(Continued)*

The expected loss rates are based on credit rating of debtors with similar risk profiles. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") of the jurisdictions/regions in which the Group operates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in the factor.

Measurement of expected credit loss – individual basis

Listed customers are classified individually. As at 31 March 2026, the Directors of the Company are of the opinion that the balance of credit loss of these individually assessed trade receivables was immaterial (2025: same).

Measurement of expected credit loss – collective basis

Other non-listed customers are classified collectively. As at 31 March 2026, the balance of credit loss of these collectively assessed trade receivables was approximately HK\$500,000 (2025: the balance of loss allowance in respect of these collectively assessed receivables was immaterial).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

In addition to the individual and collective assessment of the listed and non-listed customers respectively, receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for separate provision for impairment allowance. As at 31 March 2026, no such customers existed.

	Individual			
	Lifetime expected Credit Loss rate	Gross carrying amount HK\$'000	Lifetime expected credit loss HK\$'000	Net carrying amount HK\$'000
At 31 March 2026		31,504	–	31,504
At 31 March 2026		31,504	–	31,504
	Collective			
	Lifetime expected Credit Loss rate	Gross carrying amount HK\$'000	Lifetime expected credit loss HK\$'000	Net carrying amount HK\$'000
At 31 March 2026	1.9%	26,288	(500)	25,788
At 31 March 2026		26,288	(500)	25,788

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Impairment of financial assets *(Continued)*

Trade receivables (continued)

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables and deposits at amortised cost

Other receivables and deposits at amortised cost mainly represents rental deposits in well-known landlords. The management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit loss which is immaterial.

Bank balances

All of the Company's cash at bank are deposited in financial institutions located in Hong Kong, which the management believes are of high credit quality without significant credit risk. There has been no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management, after considering the expected market conditions and the global pandemic issues, implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of available credit facilities. The Group manages its liquidity risk by controlling the level of inventories, closely monitoring the turnover days of trade receivables, monitoring its working capital requirements and keeping credit lines available.

Management monitors rolling forecasts of the Group's bank facilities and cash and cash equivalents on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash balances and adequate credit facilities to meet its liquidity requirements in the short and long-term.

	On demand	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 March 2026					
Trade and other payables	–	35,010	–	–	35,010
Lease liabilities	–	30,718	13,516	3,027	47,261
Bank borrowings	4,000	–	–	–	4,000
	4,000	65,728	13,516	3,027	86,271
As at 31 March 2025					
Trade and other payables	–	45,663	–	–	45,663
Lease liabilities	–	34,041	17,534	4,160	55,735
Bank borrowings	4,000	–	–	–	4,000
	4,000	79,704	17,534	4,160	105,398

As of 31 March 2026, in respect of bank borrowings with carrying amounts of HK\$4,000,000, the Group expects a financial related bank covenant in relation to dividend payout ratio exceeding certain threshold to be breached, in which case the bank borrowing will become immediately repayable. Subsequent to 31 March 2026, the bank has consented an one-off waiver for dividend payout for the Group for the financial year end 31 March 2026 and have indicated that they did not demand immediate repayments of the bank borrowings (2025: Same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at 31 March 2026 and 2025, all of the Group's bank borrowings were classified as on demand liability due to the repayment on demand clause as set out in the loan agreements. The table below summarises the maturity analysis of the Group's bank loans under the relevant loan agreements. As the amounts included also interest payments, they were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained above.

	2026 HK\$'000	2025 HK\$'000
Within 1 year	4,047	4,062

Taking into account the Group's financial position, the directors do not consider that it is probable that the banks will exercise their discretions to demand immediate repayment. The Executive Directors believe that such loans will be repaid in accordance with the scheduled repayment dates as set out in the loan agreements.

3.2 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated at total debt divided by total capital. Total debts are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) and lease liabilities. Total capital represent total debts and equity as shown in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

	2026 HK\$'000	2025 HK\$'000
Bank borrowings	4,000	4,000
Lease liabilities	44,569	55,292
Total debts	48,569	59,292
Total equity	154,339	157,968
Total capital	202,908	217,260
Gearing ratio	24%	27%

Loan covenants

Under the terms of the bank borrowing, which has a carrying amount of HK\$4,000,000, the Group is required to comply with the following financial covenants at the end of each annual and interim reporting period:

- The Group shall undertake no dividend distribution more than 100% of net profit for each financial year unless with the Bank's prior written consent;
- External gearing ratio (total interest bearing debt versus tangible net worth) shall not exceed 1.5x; and
- Tangible net worth shall be at HKD80,000,000 or above.

The Group has complied with these covenants throughout the reporting period except for covenants i (Note 3.1(c)).

There are no indication that the Group would have difficulties complying with the covenants when they will be next tested as at the 30 September 2026 interim reporting date.

3.3 Fair value estimation

The Company has no significant financial instruments other than trade receivables, deposits, other receivables, other assets, cash and cash equivalents, trade and other payables and bank borrowings. The carrying amounts of these balances approximate their fair values due to their short maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

Property, plant and equipment and right-of use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs to sell calculations. The calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate and whether the growth rate is appropriate. Changing the assumptions selected by management in assessing impairment, including the discount rates and the growth rate in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Executive Directors of the Group (collectively referred to as the "CODM") that make strategic decisions. The CODM reviews the internal reporting of the Group in order to assess performance and allocate resources.

The Group is principally engaged in Distribution Business and Retail Business in Hong Kong. The Executive Directors considers the business from a product perspective. They reviewed the qualitative factors such as business activities, economic and legal characteristics and quantitative factors such as the financial performance of the Distribution Business and Retail Business to assess the performance of the operating segments.

No geographical segment information is presented as all sales and operating profits of the Group are derived in Hong Kong and all operating assets of the Group are located in Hong Kong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5 SEGMENT INFORMATION *(Continued)*

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2026 and 2025 is as follows:

	For the year ended 31 March 2026		
	Distribution	Retail	
	Business	Business	Total
	HK\$'000	HK\$'000	HK\$'000
Segment revenue - recognised at a point in time	252,749	252,656	505,405
Segment results	54,227	8,911	63,138
Corporate expenses (note(a))			(37,219)
Other losses			(1,762)
Other expenses			(230)
Finance costs, net			(2,869)
Profit before income tax			21,058
Income tax expense			(3,217)
Profit for the year			17,841
Segment items included:			
Depreciation of property, plant and equipment	796	4,655	5,451
Depreciation of right-of-use assets	884	37,276	38,160
Impairment loss on property, plant and equipment	–	396	396
Impairment loss on right-of-use assets	–	1,508	1,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5 SEGMENT INFORMATION *(Continued)*

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2026 and 2025 is as follows: (Continued)

	For the year ended 31 March 2025		
	Distribution	Retail	Total
	Business HK\$'000	Business HK\$'000	
Segment revenue - recognised at a point in time	260,523	244,225	504,748
Segment results	60,461	6,590	67,051
Corporate expenses (note(a))			(40,864)
Other losses			(2,180)
Other expenses			(67)
Finance costs, net			(1,984)
Profit before income tax			21,956
Income tax expense			(3,085)
Profit for the year			18,871
Segment items included:			
Depreciation of property, plant and equipment	633	3,654	4,287
Depreciation of right-of-use assets	884	37,406	38,290
Impairment loss on property, plant and equipment	—	569	569
Impairment loss on right-of-use assets	—	1,561	1,561

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5 SEGMENT INFORMATION (Continued)

The segment assets as at 31 March 2026 and 2025 and the reconciliation to the total assets are as follows:

	As at 31 March 2026		
	Distribution Business HK\$'000	Retail Business HK\$'000	Total HK\$'000
Total segment assets	79,299	72,470	151,769
Total segment assets include:			
Additions to non-current assets (other than financial instruments and deferred income tax assets)	725	36,426	37,151

	As at 31 March 2025		
	Distribution Business HK\$'000	Retail Business HK\$'000	Total HK\$'000
Total segment assets	79,948	83,649	163,597
Total segment assets include:			
Additions to non-current assets (other than financial instruments and deferred income tax assets)	332	41,616	41,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5 SEGMENT INFORMATION (Continued)

Reconciliation of total segment assets to total assets is provided as follows:

	2026 HK\$'000	2025 HK\$'000
Total segment assets	151,769	163,597
Unallocated:		
Deferred income tax assets	7,371	7,886
Deposit and other assets	4,833	4,798
Income tax refundable	1,457	1,561
Restricted cash	30,000	30,000
Cash and cash equivalents	42,488	55,384
Total assets	237,918	263,226

The segment liabilities as at 31 March 2026 and 2025 and the reconciliation to the total liabilities are as follows:

	As at 31 March 2026		
	Distribution Business HK\$'000	Retail Business HK\$'000	Total HK\$'000
Total segment liabilities	15,809	62,969	78,778

	As at 31 March 2025		
	Distribution Business HK\$'000	Retail Business HK\$'000	Total HK\$'000
Total segment liabilities	26,495	72,976	99,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5 SEGMENT INFORMATION (Continued)

Reconciliation of total segment liabilities to total liabilities is provided as follows:

	2026 HK\$'000	2025 HK\$'000
Total segment liabilities	78,778	99,471
Unallocated:		
Other payables	801	1,484
Income tax payable	—	303
Bank borrowings	4,000	4,000
Total liabilities	83,579	105,258

Note:

- (a) Corporate expenses mainly included employee benefit expenses, depreciation of property, plant and equipment and computer hardware and software expenses for headquarter office and auditor remuneration for the years ended 31 March 2026 and 2025.

6 REVENUE

The Group is principally engaged in distribution of food and beverage products and provision of catering services in Hong Kong.

Revenue from Distribution Business and Retail Business recognised during the year are as follows:

		2026 HK\$'000	2025 HK\$'000
Sales of goods	50.4%	252,749	260,523
Catering services	49.6%	252,656	244,225
		505,405	504,748

For the year ended 31 March 2026, customer A from Distribution Business accounted for approximately 18% (2025: approximately 22%) of the Group's revenue.

All other customers individually accounted for less than 10% of the Group's revenue for the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

6 REVENUE (Continued)

Accounting policy of revenue

(a) Distribution business

Sales of foods and beverage products are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, and the risks of obsolescence and loss have been transferred to the customer.

(b) Retail business

Sales of foods and beverage products are recognised at the point of sale to customers.

7 OTHER LOSSES

	2026 HK\$'000	2025 HK\$'000
Change in cash surrender value of key management life insurance contracts (Note 19)	(219)	(219)
Loss on disposal of property, plant and equipment	(33)	(10)
Exchange losses, net	(1,510)	(1,951)
	(1,762)	(2,180)

8 OTHER EXPENSES

	2026 HK\$'000	2025 HK\$'000
Sundry loss	(230)	(67)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9 EXPENSES BY NATURE

Expenses included in costs of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2026 HK\$'000	2025 HK\$'000
Cost of inventories sold (<i>Note 18</i>)	217,390	226,760
Advertising and promotion	6,545	3,180
Packing materials	1,835	1,758
Depreciation of property, plant and equipment (<i>Note 15</i>)	5,451	4,287
Depreciation of right-of-use assets (<i>Note 16</i>)	38,160	38,290
Employee benefit expenses (<i>Note 10</i>)	125,401	124,240
Short-term and variable lease payments	17,766	18,609
Utilities expenses	17,163	16,019
Transportation and logistics service expenses	13,250	12,633
Freight charges	5,540	5,448
Auditor's remuneration	1,100	1,000
Franchise fee	4,627	4,409
Impairment loss on property, plant and equipment (<i>Note 15</i>)	396	569
Impairment loss on right-of-use assets (<i>Note 16</i>)	1,508	1,561
Legal and professional fees	2,003	2,595
Others	21,351	17,203
	479,486	478,561
Representing:		
Cost of sales	387,867	393,848
Selling and distribution expenses	44,274	39,761
Administrative expenses	47,345	44,952
	479,486	478,561

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

Employee benefit expenses are as follows:

	2026 HK\$'000	2025 HK\$'000
Wages, salaries, bonuses and allowances	119,817	118,807
Pension costs - defined contribution plans	4,992	4,874
Staff welfare and benefits	592	559
	125,401	124,240

The Group has arranged for its employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution retirement scheme managed by an independent trustee. Under the MPF Scheme, each of the relevant entities of the Group (as the employer) and its employees are required to make monthly contributions to the MPF Scheme generally at 5% of the employees' earnings as defined under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong). The monthly contributions of each of the employer and the employees are subject to a cap of HK\$1,500 per month.

During the year ended 31 March 2026, there are no forfeited contributions (2025: nil) for the MPF Scheme as the contribution are fully vested to the employees upon payments to the MPF Scheme. Accordingly, as at 31 March 2026 and 2025, the Group had no forfeited contributions from the MPF Scheme available to reduce its contributions payable in future years. Contributions totalling approximately HK\$778,000 (2025: HK\$747,000) are payable to the Mandatory Provident Fund for the year ended 31 March 2026.

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include three directors (2025: two) whose emolument is reflected in the analysis presented in Note 33 during the year ended 31 March 2026. The emoluments payable to the remaining two individuals (2025: three) are as follows:

	2026 HK\$'000	2025 HK\$'000
Basic salaries and allowances	2,678	2,923
Discretionary bonuses	–	244
Pension costs - defined contribution plans	36	54
	2,714	3,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Number of individuals	
	2026	2025
Emolument bands		
HK\$500,001 to HK\$1,000,000	0	1
HK\$1,000,001 to HK\$1,500,000	2	2

During the year, the Group had not paid any emoluments to the directors or any of the five highest paid individuals as inducement to join or upon joining the Group, or as compensation for loss of office.

11 FINANCE COSTS, NET

	2026 HK\$'000	2025 HK\$'000
Finance income		
– Bank interest income	978	2,218
Finance costs		
– Interest expense on bank borrowings	(208)	(273)
– Lease liabilities	(3,639)	(3,929)
	(3,847)	(4,202)
Finance costs, net	(2,869)	(1,984)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

12 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK\$2 million of the estimated assessable profits for one of the Group's subsidiaries in Hong Kong and 16.5% on the remaining entities estimated assessable profits for the year ended 31 March 2026 (2025: 8.25% and 16.5%).

The amount of taxation charged to the consolidated statement of comprehensive income represents:

	2026 HK\$'000	2025 HK\$'000
Current income tax	2,703	3,328
Over provision in prior year	(1)	(35)
Deferred income tax charge/(credit) (Note 22)	515	(208)
	3,217	3,085

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2026 HK\$'000	2025 HK\$'000
Profit before income tax	21,054	21,956
Calculated at a tax rate of 16.5% (2025: 16.5%)	3,474	3,623
Income tax at concessionary rate	(165)	(165)
Income not subject to tax	(161)	(387)
Expenses not deductible for taxation purposes	76	55
Over provision in prior year	(1)	(35)
Tax concession	(6)	(6)
Income tax expense	3,217	3,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

12 INCOME TAX EXPENSE *(Continued)*

Accounting policy of current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

13 EARNINGS PER SHARE

(a) Basic earnings per share

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

	2026	2025
Profit attributable to owners of the Company (HK\$'000)	17,146	17,789
Weighted average number of ordinary shares in issue (thousands)	400,000	400,000
Basic earnings per share (HK cents)	4.30	4.45

(b) Diluted earnings per share

For the years ended 31 March 2026 and 2025, diluted earnings per share equals basic earnings per share as there was no dilutive potential shares.

14 DIVIDENDS

	2026 HK\$'000	2025 HK\$'000
Interim dividend, paid of HK2.5 cents (2025: HK2.5 cents) per ordinary share	10,000	10,000
Final dividend, proposed of HK2.5 cents (2025: HK3.0 cents) per ordinary share	10,000	10,000
Special dividend, proposed of HK5.0 cents (2025: Nil) per ordinary share	20,000	–

Dividend paid during the year ended 31 March 2026 were HK\$20,000,000, HK5.0 cents per ordinary share (2025: HK\$22,000,000, HK5.5 cents per ordinary share).

A final dividend in respect of the year ended 31 March 2026 of HK2.5 cents per ordinary share, totalling HK\$10,000,000 and a special dividend of HK5.0 cents per ordinary share, total by HK\$20,000,000 were proposed by the Board on 26 June 2026 which is subject to the approval of shareholders at the forthcoming annual general meeting. These proposed dividends are not reflected as dividend payable in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Computer and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 April 2024						
Cost	69,158	15,239	3,459	8,353	2,040	98,249
Accumulated depreciation and impairment	(64,928)	(13,977)	(2,515)	(7,910)	(2,040)	(91,370)
Net book amount	4,230	1,262	944	443	–	6,879
Year ended 31 March 2025						
Opening net book amount	4,230	1,262	944	443	–	6,879
Additions	2,008	288	222	618	–	3,136
Disposals and write-off	–	(10)	–	–	–	(10)
Depreciation (Note 9)	(2,909)	(617)	(413)	(348)	–	(4,287)
Impairment (Note 9)	(427)	(83)	(5)	(54)	–	(569)
Closing net book amount	2,902	840	748	659	–	5,149
At 31 March 2025						
Cost	69,800	15,253	3,680	8,961	2,040	99,734
Accumulated depreciation and impairment	(66,898)	(14,413)	(2,932)	(8,302)	(2,040)	(94,585)
Net book amount	2,902	840	748	659	–	5,149

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Computer and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Year ended 31 March 2026						
Opening net book amount	2,902	840	748	659	–	5,149
Additions	6,068	410	75	996	466	8,015
Disposals and write-off	–	(6)	(26)	(1)	–	(33)
Depreciation (Note 9)	(3,844)	(603)	(395)	(574)	(35)	(5,451)
Impairment (Note 9)	(355)	(4)	(33)	(4)	–	(396)
Closing net book amount	4,771	637	369	1,076	431	7,284
At 31 March 2026						
Cost	68,924	14,909	3,607	9,741	2,505	99,686
Accumulated depreciation and impairment	(64,153)	(14,272)	(3,238)	(8,665)	(2,074)	(92,402)
Net book amount	4,771	637	369	1,076	431	7,284

Note: As at 31 March 2026, net book amount of retail store assets represented property, plant and equipment and right-of-use assets amounting to HK\$6,341,000 (2025: HK\$4,146,000) and HK\$40,665,000 (2025: HK\$50,313,000) respectively. The Group considers each individual retail store as a separately identifiable cash-generating unit. Management performed impairment assessments for the retail stores with negative earnings.

The carrying amount of the retail store assets is written down to its recoverable amount if the asset's carrying amount is in excess of its estimated recoverable amount. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the management's forecasts covering the remaining tenure of the lease. An impairment loss of property, plant and equipment and right-of-use assets of HK\$396,000 and HK\$1,508,000 (2025: HK\$569,000 and HK\$1,561,000), respectively was recognised in costs of sales.

Key assumptions used in the value-in-use calculations for the recoverable amount of retail store assets are as follow:

Revenue: Management estimated revenue over the remaining lease terms based on actual monthly revenue in April and May 2026.

Costs: Based on historical information and estimated changes in proportional to forecast revenue.

Discount rate: The pre-tax discount rate used to determine the recoverable amounts is approximately 11% which is determined based on the weighted cost of capital.

The result of the assessment indicated that impairment provision made as at 31 March 2026 is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Depreciation of the Group's property, plant and equipment has been charged to the consolidated statement of comprehensive income as follow:

	2026 HK\$'000	2025 HK\$'000
Cost of sales	4,655	3,654
Selling and distribution expenses	479	349
Administrative expenses	317	284
	5,451	4,287

Accounting policy of property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is 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. All other repairs and maintenance costs are charged in the consolidated statements of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements	Shorter of remaining lease terms or useful lives
Furniture and fixtures	20%
Plant and machinery	30%
Computer and office equipment	30%
Motor vehicles	30%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 34.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "other losses" in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16 LEASES

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2026 HK\$'000	2025 HK\$'000
Right-of-use assets		
Retail shops and warehouse	41,181	51,713
Lease liabilities		
Current	28,695	33,582
Non-current	15,874	21,710
	44,569	55,292

Additions to the right-of-use assets during year were HK\$29,136,000 (2025: HK\$38,812,000).

(ii) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2026 HK\$'000	2025 HK\$'000
Impairment loss on right-of-use assets (<i>Note 9, 15</i>)	1,508	1,561
Depreciation of right-of-use assets (<i>Note 9</i>)	38,160	38,290
Interest expenses (included in finance cost) (<i>Note 11</i>)	3,639	3,929
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	12,332	12,531
Expenses relating to variable lease payments	5,434	6,078

The total cash outflows for leases, excluding short-term lease and variable lease payments were HK\$43,498,000 during the year ended 31 March 2026 (2025: HK\$42,293,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16 LEASES (Continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and retail stores. Rental contracts are typically made for fixed periods of 3 months to 3 years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(iv) Variable lease payments

Those property leases contain variable payment terms are charged on the basis with a percentage ranging from 10% to 21% of sales generated from the store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(v) Extension and termination options

Extension and termination options are included in certain property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Majority of extension and termination options held are exercisable only when mutually agreed by both the lessee and the lessor.

Accounting policy of leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on a rate;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16 LEASES *(Continued)*

Accounting policy of leases *(Continued)*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The leasehold land and land use rights have finite useful life and are carried at cost less accumulated amortisation and impairment loss (if any). Amortisation are calculated using the straight-line method to allocate the costs of leasehold land over their terms. Leasehold land and land use rights are presented as right-of-use assets in the consolidated statement of financial position.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16 LEASES *(Continued)*

Accounting policy of leases *(Continued)*

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment, e.g. photocopiers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17 SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 31 March 2026 and 2025 are as follows:

Name of entities	Place and date of incorporation and kind of legal entity	Particulars of issued share capital and debt securities	Ownership interest held by the Group	Principal activities and place of incorporation
Directly held by the Company				
Bands Investment Limited	BVI, limited liability company, 22 September 2017	1 share of US\$1 each, US\$1	100%	Investment holding, BVI
Indirectly held by the Company				
National Jade Limited	Hong Kong, limited liability company, 22 August 1996	10,000 ordinary shares of HK\$1 each, HK\$10,000	51%	Distribution of food and beverage products, Hong Kong
Saw Corporation Limited	Hong Kong, limited liability company, 24 January 2003	3 ordinary shares of HK\$1 each, HK\$3	100%	Distribution of foods and beverage products, Hong Kong
Sunny Land Corporation Limited	Hong Kong, limited liability company, 16 June 2017	1,000,000 ordinary shares of HK\$1 each, HK\$1,000,000	100%	Distribution of foods and beverage products and provision of catering services, Hong Kong
Wise Fine Enterprise Limited	Hong Kong, limited liability company, 1 March 2004	3 ordinary shares of HK\$1 each, HK\$3	100%	Distribution of foods and beverage products and provision of catering services, Hong Kong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17 SUBSIDIARIES (Continued)

(a) Material non-controlling interest

As at 31 March 2026, the Group's non-controlling interest amounting to approximately HK\$3,058,000 (2025: HK\$3,833,000), is attributable to National Jade Limited, a 51% owned subsidiary of the Company.

(b) Summarised financial information of the subsidiary with material non-controlling interest

Set out below are the summarised financial information of National Jade Limited, which has non-controlling interests that is material to the Group.

	2026 HK\$'000	2025 HK\$'000
Summarised statement of financial position		
Non-current assets	13	17
Current assets	22,106	22,044
Current liabilities	(15,876)	(14,237)
Net assets	6,243	7,824
Summarised statement of comprehensive income		
Revenue	74,466	79,755
Profit and total comprehensive income for the year	1,419	2,209
Total comprehensive income allocated to non-controlling interest	695	1,082
Dividend paid to non-controlling interest	1,470	1,470
Summarised statement of cash flows		
Net cash (used in)/generated from operating activities	(2,292)	5,905
Net cash used in an investing activity	–	(8)
Net cash used in financing activities	(1,470)	(1,470)
Net (decrease)/increase in cash and cash equivalents	(3,762)	4,427

The information above is before inter-company eliminations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18 INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Raw materials	4,249	4,158
Finished goods	18,126	21,420
	22,375	25,578

Inventories mainly comprise food and other consumer products which are stated at the lower of cost and net realisable value.

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$217,390,000 (2025: HK\$226,760,000). A provision for impairment of inventory amounting to HK\$220,000 was provided for finished goods as at 31 March 2026 (2025: HK\$220,000).

Accounting policy of inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Non-current		
Rental deposits	6,774	8,701
Prepayment for the purchase of property, plant and equipment	989	2,576
Key management life insurance contracts (<i>Note</i>)	4,563	4,355
Others	–	1,175
	13,326	16,807
Current		
Prepayments	4,634	4,106
Rental and other deposits	11,191	9,591
Other receivables	319	509
	16,144	14,206
	28,470	31,013

Note: The carrying value of the key management life insurance contracts represented the cash surrender value of the insurance contracts. These insurance contracts are denominated in USD and HK\$.

The movements of the insurance contracts were as follows:

	2026 HK\$'000	2025 HK\$'000
Beginning of year	4,355	4,064
Premium paid	427	510
Change in cash surrender value of key management life insurance contracts (<i>Note 7</i>)	(219)	(219)
End of year	4,563	4,355

The carrying amounts of deposits and other receivables approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

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

	2026 HK\$'000	2025 HK\$'000
HK\$	25,595	29,194
USD	1,912	1,488
TWD	165	47
Chinese Yuan ("CNY")	323	226
JPY	475	58
	28,470	31,013

The maximum exposure to credit risk at each reporting date is the fair value of each class of the receivables mentioned above.

20 TRADE RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables		
– third parties	57,792	54,942
Less: Impairment of trade receivables	(500)	–
	57,292	54,942

The Group's retail sales are mainly settled on cash basis. The Group generally grants credit period ranged from 0 to 120 days to its customers of the Distribution Business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20 TRADE RECEIVABLES (Continued)

As at 31 March 2026 and 2025, the ageing analysis of the trade receivables based on invoice date was as follows:

	2026 HK\$'000	2025 HK\$'000
0 – 30 days	24,466	22,469
31 – 60 days	11,687	10,387
61 – 90 days	12,876	10,805
91 – 180 days	7,980	10,064
Over 180 days	783	1,217
	57,792	54,942

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Note 3.1(b) provides for details about the calculation of the allowance.

Movement on the Group's provision for impairment of trade receivables are as follows:

	2026 HK\$'000	2025 HK\$'000
At 1 April	–	–
Provision during the year	500	–
At 31 March	500	–

The carrying amounts of trade receivables are denominated in Hong Kong dollars.

The carrying amounts of trade receivables approximate their fair values due to their short maturities. The maximum exposure to credit risk at the reporting date is the fair value mentioned above. The Group does not hold any collateral as security.

Accounting policy of trade receivables

Trade receivables are amounts due from customers for the merchandise sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20 TRADE RECEIVABLES *(Continued)*

Accounting policy of trade receivables *(Continued)*

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

21 CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND RESTRICTED CASH

(a) Cash and cash equivalents and short-term bank deposits

	2026 HK\$'000	2025 HK\$'000
Cash at banks	41,894	54,536
Cash on hand	594	848
Cash and cash equivalents	42,488	55,384

The carrying amounts of the cash at bank and short-term bank deposits approximate their fair values.

Cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
Hong Kong dollar	42,212	54,889
United States dollar	239	460
Renminbi	31	29
Japanese yen	6	6
	42,488	55,384

(b) Restricted cash

As at 31 March 2026, the Group had restricted deposits of HK\$30,000,000 held at banks as securities for certain banking facilities (2025: HK\$30,000,000).

The Group's deposits are denominated in HK\$ with effective interest rate of 2.01% (2025: 3.31%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22 DEFERRED INCOME TAX

The analysis of deferred income tax assets of the Group was as follows:

	2026 HK\$'000	2025 HK\$'000
Deferred income tax assets to be recovered after more than 12 months	14,090	16,347
Deferred income tax liabilities to be recovered after more than 12 months	(6,719)	(8,461)
Deferred income tax assets, net	7,371	7,886

The gross movement on the deferred income tax account is as follows:

	HK\$'000
At 1 April 2024	7,678
Credited to the consolidated statement of comprehensive income (Note 12)	208
At 31 March 2025 and 1 April 2025	7,886
Charged to the consolidated statement of comprehensive income (Note 12)	(515)
At 31 March 2026	7,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22 DEFERRED INCOME TAX (Continued)

Movements in deferred income tax assets of the Group during the year are as follows:

	Decelerated tax depreciation HK\$'000	Provisions HK\$'000	Lease liabilities HK\$'000	Tax losses HK\$'000	Total HK\$'000
Balance at 1 April 2024	7,165	98	9,049	–	16,312
(Charged)/credited to the consolidated statement of comprehensive income	(39)	–	74	–	35
At 31 March 2025	7,126	98	9,123	–	16,347
(Charged)/credited to the consolidated statement of comprehensive income	(751)	–	(1,769)	263	(2,257)
At 31 March 2026	6,375	98	7,354	263	14,090

Movements in deferred income tax liabilities of the Group during the year are as follows:

	Right-of-use assets HK\$'000
Balance at 1 April 2024	8,634
Credited to the consolidated statement of comprehensive income	(173)
At 31 March 2025	8,461
Credited to the consolidated statement of comprehensive income	(1,742)
At 31 March 2026	6,719

As at 31 March 2026 and 2025, the Group has no significant unrecognised deferred income tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

23 SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Authorised:		
At 1 April 2024, 31 March 2025 and 2026	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2024, 31 March 2025 and 2026	400,000,000	4,000

24 RESERVES AND RETAINED EARNINGS

	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Retained Earnings HK\$'000	Total HK\$'000
Balance at 1 April 2024	83,443	(3,654)	5	74,552	154,346
Profit and total comprehensive income for the year	–	–	–	17,789	17,789
Transaction with owners in their capacity as owners:					
Dividends	–	–	–	(22,000)	(22,000)
Balance at 31 March 2025	83,443	(3,654)	5	70,341	150,135
Profit and total comprehensive income for the year	–	–	–	17,146	17,146
Transaction with owners in their capacity as owners:					
Dividends	–	–	–	(20,000)	(20,000)
Balance at 31 March 2026	83,443	(3,654)	5	67,487	147,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25 TRADE AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Trade payables (<i>Note</i>)	10,792	18,875
Accruals for employee benefits	9,849	9,317
Contract liabilities	2,484	3,834
Provision for unused annual leave	598	598
Provision for long service payment	1,529	1,262
Provision for reinstatement costs	3,159	3,361
Accruals for operating expenses	4,794	6,390
Other payables (<i>Note</i>)	1,805	2,026
	35,010	45,663

Note: During the year ended 31 March 2021, the Group entered into an agreement with a supplier in relation to the supply of masks with total contract value of HK\$31,000,000. As at 31 March 2025, masks with invoiced value of HK\$9,250,000, after deducting the sales rebates of HK\$500,000, under the agreement were delivered to the Group and the Group recorded a trade payable as such in accordance with its accounting policy.

On 4 June 2025, the Group and the supplier reached consensus after mediation and entered into a settlement agreement (the "Settlement Agreement") on a confidential basis to discontinue the legal action between the Group and such supplier. The Group agreed to pay the supplier a settlement sum of HK\$9,750,000 on a without admission of liability basis. The excess amount of HK\$500,000 is recorded under other payables and all balances had been settled during the year.

The ageing analysis of trade payables based on invoice date was as follows:

	2026 HK\$'000	2025 HK\$'000
0 – 30 days	7,451	4,730
31 – 60 days	2,888	4,352
61 – 90 days	168	125
Over 90 days	285	9,668
	10,792	18,875

The carrying amounts of the Group's trade and other payables approximate their fair values due to their short maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25 TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of trade and other payables were denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
Hong Kong dollar	29,748	40,039
United States dollar	232	202
Taiwan New dollar	3,467	4,148
Renminbi	195	394
Japanese Yen	1,368	650
Europe dollar	–	230
	35,010	45,663

The movements of provision for reinstatement costs were as follows:

	2026 HK\$'000	2025 HK\$'000
Beginning of year	3,361	3,207
Addition	218	199
Utilisation	(420)	(45)
End of year	3,159	3,361

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

26 BANK BORROWINGS

	2026 HK\$'000	2025 HK\$'000
Bank borrowings	4,000	4,000

Bank borrowings represent mainly the import loans and term loans drawn by the Group. The Group's borrowings, after taking into account of repayable on demand clause, are repayable as follows:

	2026 HK\$'000	2025 HK\$'000
Within 1 year or on demand	4,000	4,000

The Group's bank borrowings repayable based on the scheduled repayment dates are as follows:

	2026 HK\$'000	2025 HK\$'000
Within 1 year	4,000	4,000

As at 31 March 2026, the Group's banking facilities are secured by:

- (i) Cross guarantees by the Group's companies (2025: same); and
- (ii) Restricted cash deposits of HK\$30,000,000 (2025: HK\$30,000,000) (Note 21).

In addition to the above, the Group is required to comply with certain restrictive financial covenants imposed by the banks.

The effective interest rates of bank borrowings as at 31 March 2026 were 3% to 6.56% (2025: 6.1% to 7.2%) per annum.

The carrying amounts of bank borrowings approximate their fair values due to their short maturities and the balances are denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

27 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to cash generated from operations:

	2026 HK\$'000	2025 HK\$'000
Profit before income tax	21,058	21,956
Adjustments for:		
Depreciation of property, plant and equipment (<i>Note 15</i>)	5,451	4,287
Depreciation of right-of-use assets (<i>Note 16</i>)	38,160	38,290
Change in cash surrender value of key management life insurance contracts (<i>Note 19</i>)	219	219
Loss on disposal of property, plant and equipment (<i>Note 7</i>)	33	10
Impairment of property, plant and equipment (<i>Note 15</i>)	396	569
Impairment of right-of-use assets (<i>Note 15</i>)	1,508	1,561
Impairment of trade receivables (<i>Note 20</i>)	500	–
Finance income (<i>Note 11</i>)	(978)	(2,218)
Finance costs (<i>Note 11</i>)	3,847	4,202
	70,194	68,876
Changes in working capital:		
Inventories	3,203	(4,097)
Trade receivables	(2,850)	11,838
Deposits, prepayments and other receivables	1,164	2,635
Trade and other payables	(10,653)	1,265
Cash generated from operations	61,058	80,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

27 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Liabilities from financing activities		
	Borrowing	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2024	4,000	54,844	58,844
Cash flows	–	(42,293)	(42,293)
Addition of new lease (Note 16)	–	38,812	38,812
Interest accretion for lease liabilities (Note 16)	–	3,929	3,929
As at 31 March 2025	4,000	55,292	59,292
Cash flows	–	(43,498)	(43,498)
Addition of new lease (Note 16)	–	29,136	29,136
Interest accretion for lease liabilities (Note 16)	–	3,639	3,639
As at 31 March 2026	4,000	44,569	48,569

(c) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

	2026 HK\$'000	2025 HK\$'000
Net book amount (Note 15)	33	10
Loss on disposal of property, plant and equipment (Note 7)	(33)	(10)
Proceeds from disposal of property, plant and equipment	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

28 FINANCIAL INSTRUMENTS BY CATEGORIES

	2026 HK\$'000	2025 HK\$'000
Financial assets at amortised cost		
– Trade receivables	57,292	54,942
– Deposits, other receivables and other assets	22,847	24,331
– Restricted cash	30,000	30,000
– Cash and cash equivalents	42,488	55,384
	152,627	164,657
Financial liabilities at amortised cost		
– Trade and other payables	35,010	45,663
– Lease liabilities	44,569	55,292
– Bank borrowings	4,000	4,000
	83,579	104,955

29 COMMITMENTS

The Group does not have any material capital commitment as at 31 March 2026 and 31 March 2025.

30 FINANCIAL GUARANTEES

As at 31 March 2026, the Group executed certain performance bonds in favour of its landlords totalling HK\$2,895,000 (2025: HK\$3,276,000) in lieu of its rental deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31 RELATED PARTY TRANSACTIONS

As at 31 March 2026, the major shareholders of the Company are ACAC Investment Limited, SCSC Holdings Limited and CCST investment Limited, which owned 25%, 25% and 25% of the Company's issued shares respectively. The ultimate controlling parties of the Group are Mr. Chan Kam Chuen, Andrew, Mr. Chan Siu Cheung, Stephan and Mr. Chau Wing Kong, William, the directors of the Company, respectively.

(a) Names and relationships with related parties

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

The following individuals and companies are related parties of the Group that had balances and/or transactions with the Group during the years ended 31 March 2026 and 2025.

Name of related parties	Relationship with the Group
Mr. Chan Kam Chuen, Andrew	Controlling Shareholder
Mr. Chan Siu Cheung, Stephen	Controlling Shareholder
Mr. Chau Wing Kong, William	Controlling Shareholder
New Odaiba	Controlled by spouse of Mr. Chau Wing Kong, William
Best Source Enterprise Limited	Controlled by Mr. Chan Kam Chuen, Andrew, Mr. Chau Wing Kong, William and Mr. Chan Siu Cheung, Stephen

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following related transactions during the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

	2026 HK\$'000	2025 HK\$'000
Operating lease rental paid to a related party – Best Source Enterprise Limited	8,049	8,049

Sales of goods and rental expenses and income were based on terms mutually agreed with related parties and in the ordinary course of business.

(c) Key management compensation

Key management includes Executive Directors and the senior management of the Group.

Compensation of the key management personnel of the Group, including director's remunerations as disclosed in Note 10 to the consolidated financial statements, was as follows:

	2026 HK\$'000	2025 HK\$'000
Wages, salaries, bonuses and allowances	3,911	4,231
Pension costs - defined contribution plans	36	66
	3,947	4,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	Note	As at 31 March 2026 HK\$'000	As at 31 March 2025 HK\$'000
ASSETS			
Non-current asset			
Investments in subsidiaries		76,212	76,212
Current assets			
Amounts due from subsidiaries		85,998	76,093
Prepayments		33	–
Cash and cash equivalents		207	144
		86,238	76,237
Total assets		162,450	152,449
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,000	4,000
Reserves	(a)	159,655	159,655
Accumulated losses	(a)	(1,205)	(11,206)
Total equity		162,450	152,449
Total equity and liabilities		162,450	152,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Statement of financial position of the Company (Continued)

Note (a): Reserve movement of the Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balances at 1 April 2024	83,443	76,212	10,794	170,449
Total comprehensive income				
Profit for the year	–	–	–	–
Transactions with owners in their capacity as owners:				
Dividends	–	–	(22,000)	(22,000)
Balances at 31 March 2025	83,443	76,212	(11,206)	148,449
Balances at 1 April 2025	83,443	76,212	(11,206)	148,449
Total comprehensive income				
Profit for the year	–	–	30,001	30,001
Transactions with owners in their capacity as owners:				
Dividends	–	–	(20,000)	(20,000)
Balances at 31 March 2026	83,443	76,212	(1,205)	158,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remunerations of the directors for the year ended 31 March 2026 are set out below:

	Emoluments paid or receivable in respect of director's other services in connection with Employer's contribution to the management of the affairs of the Company or its subsidiary undertaking						
	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	contribution to a retirement benefit scheme	of the affairs of the Company or its subsidiary undertaking	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 March 2026							
<i>Executive Directors</i>							
Mr. Chan Kam Chuen, Andrew (Chairman & CEO)	-	1,310	-	-	18	-	1,328
Mr. Chau Wing Kong, William	-	1,012	-	-	-	-	1,012
Mr. Chan Siu Cheung, Stephen	-	1,012	-	-	11	-	1,023
Ms. Tin Hau Ling, Janny	-	144	-	-	7	-	151
<i>Independent Non-executive Directors</i>							
Mr. Pang Koon Kwai	144	-	-	-	-	-	144
Mr. See Hung Yan, Peter	144	-	-	-	-	-	144
Mr. Chung Kwok Mo, John	144	-	-	-	-	-	144
	432	3,478	-	-	36	-	3,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The remunerations of the directors for the year ended 31 March 2025 are set out below:

					Emoluments paid or receivable in respect of director's other services in connection with Employer's contribution to a retirement benefit scheme	the management of the affairs of the Company or its subsidiary undertaking	Total
	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Allowances and benefits in kind HK\$'000			HK\$'000
Year ended 31 March 2025							
<i>Executive Directors</i>							
Mr. Chan Kam Chuen, Andrew (Chairman & CEO)	-	1,102	-	-	18	-	1,120
Mr. Chau Wing Kong, William	-	851	-	-	18	-	869
Mr. Chan Siu Cheung, Stephen	-	851	-	-	4	-	855
Ms. Tin Hau Ling, Janny	-	144	-	-	7	-	151
<i>Independent Non-executive Directors</i>							
Mr. Pang Koon Kwai	144	-	-	-	-	-	144
Mr. See Hung Yan, Peter	144	-	-	-	-	-	144
Mr. Chung Kwok Mo, John	144	-	-	-	-	-	144
	432	2,948	-	-	47	-	3,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Company or operating subsidiaries and no directors waived or agreed to waive any emolument during the years ended 31 March 2026 and 2025.

(b) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the year ended 31 March 2026 (2025: Nil).

No payment was made to the directors as compensation for early termination of the appointment during the year ended 31 March 2026 (2025: Nil).

(c) Consideration provided to third parties for making available directors' services

No payment was made to any former employers of the directors for making available the services of them as a director of the Company during the year ended 31 March 2026 (2025: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed in Note 31, there were no other loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 March 2026 (2025: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 31, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which 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 ended 31 March 2026 (2025: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

34.1 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.1 Principles of consolidation *(Continued)*

(a) Subsidiaries *(Continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of comprehensive income.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transaction with non-controlling interests that do not result in a loss of control are accounted for as equity transactions - that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Gains or losses on disposals to non-controlling interests are also recorded in equity. When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments has been identified as the Executive Directors who make strategic decisions.

34.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income within "other losses".

34.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are at least tested annually for impairment. Assets which are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.5 Financial assets

(a) Classification

The Group classifies its financial assets in those to be measured subsequently at fair value (either through OCI or through profit or loss) and those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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. 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses" together with foreign exchange gains and losses.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for further details. For cash at banks, short-term bank deposits, deposits and other receivables, the Group applies the general approach, expected credit losses are assessed according to change in credit quality since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

34.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

34.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

34.9 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

34.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.10 Borrowings *(Continued)*

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

34.11 Borrowing costs

Borrowing costs are recognised in consolidated statement of comprehensive income in the period in which they are incurred.

34.12 Employee benefits

(a) Pension obligations

The Group operates a number of Mandatory Provident Fund Schemes established under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its employee. These plans are funded by payments from employees and by the Group and the Group's contributions to the plans are expensed as incurred. The assets are held separately from those of the Group and managed by related independent professional fund managers.

(b) Employee leave entitlements

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

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

(c) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.12 Employee benefits *(Continued)*

(d) Long service payments

The Group's net obligation in respect of long service payments to its employees upon the termination of their employment or retirement when the employee fulfils certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods.

(e) Termination benefits

Termination benefits are payable when the employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 "Provision, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured based on the number of employees expected to accept the offer.

34.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions mainly comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

34.14 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

34.14 Earnings per share *(Continued)*

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

34.15 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

34.16 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

34.17 Financial guarantee

A financial guarantee (a kind of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantee at inception, but perform a liability adequacy test at each reporting date by comparing its net liability regarding the financial guarantee with the amount that would be required if the financial guarantee would result in a present legal or constructive obligation. If the liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the consolidated statement of comprehensive income immediately.

FINANCIAL INFORMATION SUMMARY

RESULTS

Results	Year ended 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	505,405	504,748	520,813	486,800	468,239
Profit/(loss) before income tax	21,058	21,956	40,994	32,664	890
Income tax (expenses)/credit	(3,217)	(3,085)	(6,134)	(3,626)	355
Profit for the year	17,841	18,871	34,860	29,038	1,245

Assets, equity and liabilities	As at 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
ASSETS					
Non-current assets	68,162	81,555	80,774	71,163	77,859
Current assets	169,756	181,671	186,480	196,510	173,948
Total assets	237,918	263,226	267,254	267,673	251,807
EQUITY AND LIABILITIES					
Total equity	154,339	157,968	162,567	148,687	130,939
Non-current liabilities	15,874	21,710	25,400	15,875	18,488
Current liabilities	67,705	83,548	79,287	103,111	102,380
Total liabilities	83,579	105,258	104,687	118,986	120,868
Total equity and liabilities	237,918	263,226	267,254	267,673	251,807