CNCG

CHINA NATIONAL CULTURE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code：745

2026

ANNUAL REPORT

Contents

Corporate Information

DIRECTORS

Executive Directors

Ms. SUN Wei
Mr. WANG Shidi (Appointed on 18 July 2025)
Ms. MAN Qiaozhen

Independent Non-Executive Directors

Mr. LIU Kwong Sang
Ms. WANG Miaojun
Ms. WANG Yujie

AUDIT COMMITTEE

Mr. LIU Kwong Sang (Chairperson)
Ms. WANG Miaojun
Ms. WANG Yujie

REMUNERATION COMMITTEE

Mr. LIU Kwong Sang (Chairperson)
Ms. SUN Wei
Ms. WANG Miaojun
Ms. WANG Yujie

NOMINATION COMMITTEE

Ms. WANG Miaojun (Chairperson)
Ms. SUN Wei
Mr. LIU Kwong Sang
Ms. WANG Yujie

COMPANY SECRETARY

Mr. Lam Chee Sum Eddie

AUDITOR

Infinity CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit A, 29/F
United Centre
95 Queensway
Admiralty, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court,
Camana Bay, Grand Cayman KY1-1110,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

SHARE LISTING

Main Board of The Stock Exchange of Hong Kong Limited
(Stock code: 745)

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China National Culture Group Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual results of the Group for the year ended 31 March 2026 (the "Year").

CURRENT YEAR REVIEW

During the Year, the Group remained committed to advancing its existing businesses in advertising, e-commerce and movie-related operations, while continuing to adopt a prudent and disciplined approach in managing its resources and operational risks. Against a business environment that continued to be shaped by evolving consumer behaviour, digital transformation and macroeconomic uncertainties, the Group focused on improving execution efficiency, strengthening business foundations and identifying commercially viable opportunities with long-term strategic value.

The Board is encouraged by the Group's continuous efforts to refine its business model and enhance its market responsiveness. During the Year, the Group continued to allocate resources toward businesses with stronger scalability and market relevance, particularly in digital advertising, e-commerce-related services and content-related opportunities. At the same time, management remained cautious in cost control, cash flow management and project selection, with a view to preserving financial flexibility while positioning the Group for future growth.

Although the operating environment remained competitive, the Group has made steady progress in improving its business quality and strengthening its operational discipline. Building on the momentum reflected in its latest published results, the Board believes that the Group is moving in a more focused and constructive direction, supported by a clearer strategic outlook and a more selective deployment of capital. For the year ended 31 March 2026, the Group reported revenue of approximately HK$50.0 million and profit attributable to owners of the Company of approximately HK$13.3 million, representing a meaningful improvement from the corresponding prior year.

PROSPECTS

Looking ahead, the Board remains cautiously optimistic about the Group's future prospects. The convergence of media, entertainment, technology and digital commerce continues to create new business possibilities, and the Group intends to capture these opportunities through a combination of operational enhancement, strategic partnerships and disciplined business expansion. In particular, the Board believes that the Group is well positioned to benefit from collaborations that can strengthen its presence in content development, intellectual property commercialisation, digital entertainment and related cultural industry applications.

Subsequent to the end of the reporting period, the Company announced on 28 April 2026 that it had entered into subscription agreements with, among others, Mr. Chiau Sing Chi, Bingo Group Holdings Limited and other subscribers in relation to the proposed issue of warrants under a specific mandate. The Board considers this development highly encouraging. Subject to completion and future exercise, such cooperation and capital support may broaden the Group's shareholder base, enhance market confidence and create strategic opportunities for the Group to explore synergies in film, entertainment, creative content, new media and related cultural and technology-driven initiatives. The Board believes that this potential strategic participation may serve as a meaningful catalyst for the Group's next phase of development.

Chairman's Statement

The Board will continue to pursue a balanced strategy of prudent risk management and proactive business development. We will closely monitor market developments, strengthen internal governance, improve capital efficiency and remain attentive to investment and collaboration opportunities that can deliver sustainable value to the Company and its shareholders as a whole.

Finally, on behalf of the Board, I would like to express my sincere gratitude to our shareholders, business partners, customers and the management team and staff of the Group for their continued trust, support and dedication. With a stronger strategic focus and emerging opportunities ahead, we are confident that the Group will continue to move forward with resilience and determination.

APPRECIATION

Last but not least, on behalf of the Board, I would like to take this opportunity to thank our shareholders, the management and our staff members for their dedication and support.

SUN Wei
Executive Director

Hong Kong, 30 June 2026

Management Discussion and Analysis

Business Review

For the year ended 31 March 2026, the Group recorded a revenue of approximately HK$49,968,000 (2025: HK$43,708,000), representing an increase of 14.3% as compared with last year. The increase in turnover in the current year mainly due to the increase in turnover generated from both advertising segment and e-commerce segment. The Group recorded a gross profit of approximately HK$11,903,000 for the year ended 31 March 2026 as compared with a gross profit of approximately HK$3,947,000 for the year ended 31 March 2025. The gross profit margin increased to 23.8% for the year ended 31 March 2026 from 9.0% for the year ended 31 March 2025. The increase was mainly due to the portion of revenue generated from advertising segment, which has a higher profit margin, increased.

Profit attributable to the owners of the Company amounted to approximately HK$12,602,000 for the year ended 31 March 2026 as compared with a loss attributable to the owners of the Company amounted to approximately HK$4,782,000 for the year ended 31 March 2025. The turnaround results mainly due to the net effect of increase in gross profit and other gains or losses and provision for impairment losses on trade receivables.

Advertising business

For the advertising business, the Group generates service fees by delivering a comprehensive range of integrated marketing solutions to brand customers and advertising agencies, with clients primarily based in Hong Kong and the PRC. Our core service offerings include: (i) content creation developed in accordance with clients' specific instructions and source materials; (ii) search engine optimisation (SEO) to enhance online visibility and traffic acquisition; (iii) advertising material design across digital and print media; and (iv) event marketing design, covering concept development, logistical planning, and on-site execution. Leveraging our team's extensive knowledge and proven experience in managing diverse advertising channels and scenarios, including but not limited to social media platforms, search engines, programmatic buying, and offline activations. We have also cultivated specialized capabilities in the film and entertainment sector. In particular, our team possesses solid expertise in movie-related advertising deliverables, such as film poster design (from key art development to typography and layout) and promotional video production (including scripting, storyboarding, editing, and post-production), enabling us to provide value-added creative services to clients in the media and entertainment industry.

The Group strategically pivoted to Hong Kong from the year ended 31 March 2024. This shift proved highly successful, with FY2025 advertising revenue reaching approximately HK$13.7 million, driven by Hong Kong's stable economy (2025 GDP growth: 3.5%) and robust digital advertising market (SEM ad spending alone reached HK$5.3 billion in 2024).

Looking ahead, the Group continues to gain momentum in the Hong Kong market. FY2026 advertising revenue increased by approximately 18.2% to HK$16,228,000 (FY2025: HK$13,686,000), reflecting sustained growth in the digital advertising sector where 64% of ad budgets are now allocated to digital channels, with further growth to 67% expected. The Hong Kong economy maintained strong momentum into 2026, with first-quarter GDP growth reaching 5.9% year-on-year, the strongest performance in nearly five years, before moderating as the government maintained its full-year 2026 GDP growth forecast at 2.5% to 3.5%. The Group will continue leveraging Hong Kong's position as a key market within the Greater Bay Area while exploring cross-border opportunities in the mainland's growing market, the national advertising industry revenue surpassed RMB2 trillion in 2025, reaching RMB2,050.21 billion according to the State Administration for Market Regulation, supported by AI-driven solutions and cross-border campaigns to sustain growth momentum. Notably, AI-driven adtech now fuels more than 55% of the global ad market's growth, with advertisers increasingly increasing AI investment for creative generation and targeting.

Management Discussion and Analysis

Given that the Group has over 10 years' experience and knowledge in advertising industry, the Group will continue to expand the customers bases of advertising business in Hong Kong and allocate resources to offer customized services and products to the customers to strengthen the market position in Hong Kong. The Group will look for relevant potential opportunities to increase the Group's visibility and exposure to attract customers, such as participating in relevant types of exhibitions or cooperating with well-known companies.

E-commerce business

For the e-commerce business, the Group operates its own proprietary e-commerce platform through which it generates revenue in two ways. First, the Group purchases its own inventories (including mobile phones, mobile phone accessories, batteries, chargers, replacement components and other related parts) and sells these products directly to customers through the platform, earning profit margins from the sale of goods (a direct sales or "first-party" or "1P" model). Second, the Group allows third-party sellers to list and sell their products through the platform, functioning as a marketplace or "third-party" (3P) model, under which the Group earns service fees or commissions based on transaction volumes or listing arrangements. Under both approaches, the Group serves both business-to-business (B2B) and business-to-consumer (B2C) customer segments. For B2B, the Group works with corporate clients and wholesale partners to facilitate bulk orders and commercial transactions; for B2C, the Group directly serves individual retail consumers. The Group manages the platform on an end-to-end basis, including product sourcing (under the 1P model), onboarding and management of third-party sellers (under the 3P model), inventory control, order fulfilment and customer service. In addition, the Group provides in-platform marketing services to enhance product visibility, drive traffic and improve conversion rates for both its own products and those of third-party sellers.

The significant increase in revenue generated by the Group from the e-commerce business was mainly attributable to the increase in market demand for used and brand new mobile and parts resulting from (i) the frequent release of new models, with a new model launching almost every single year. Upon the launch of new phone models, existing users are generally inclined to purchase or trade-in for the latest model, resulting in an increase in supply of mobile of previous generation in the secondary market; (ii) owing to the recent economic downturn, consumers are becoming more cost-conscious and starting to focus more on value-for money, thereby increasing the demand for mobile; and (iii) the repair costs of used mobile tend to be relatively high, which resulted in some mobile phone wholesalers to turn to the secondary market to find replacement parts, thereby increasing the demand for mobile parts.

In view of the increasing demand for used and brand new mobile and parts as well as the growing penetration rate of e-commerce in Hong Kong, the Group is committed to continually review and expand the product mix of its e-commerce business, expand its market share and strengthen its market position in Hong Kong.

Further, in order to cater the market demand, the Group would continuously review the product mix of the e-commerce business regularly. The Group is currently diversifying its product portfolio to non-electronic goods including but not limited to clothing, frozen seafood, and food products (such as health food and tea) etc.

Financial Review

As at the end of the year, non-current assets increased to approximately HK$2,740,000 (2025: HK$1,081,000) due to fair value gain recognised on equity instruments at FVTOCI during the year. Current assets increased due to the increase in financial assets held for trading. Total current liabilities were increased due to the increase in accounts payable.

SIGNIFICANT INVESTMENTS

Financial assets held for trading as at 31 March 2026:

Name of investee	As at 1 April 2025 HK$'000	Realised and unrealised fair value (loss)/gain HK$'000	As at 31 March 2026 HK$'000	Percentage to the Group's audited total assets as at 31 March 2026 %	Number of shares held by the Group as at 1 April 2025	Percentage of shareholding held by the Group as at 1 April 2025 %	Number of shares held by the Group as at 31 March 2026	Percentage of shareholding held by the Group as at 31 March 2026 %
Significant investments								
Capital VC Limited ("Capital VC") (stock code: 2324.HK) (note a)	1,838	1,606	3,444	3.4%	14,471,000	3.44%	28,942,000	3.21%
Asia Grocery Distribution Limited ("Asia Grocery") (stock code: 8413.HK) (note b)	948	602	1,366	1.4%	10,080,000	0.87%	8,380,000	0.72%
Sub-total	2,786	2,208	4,810	4.8%				
Other listed securities	14,338	13,222	27,481	27.4%				
Total	17,124	15,430	32,291	32.2%				

Note: (a) Capital VC is engaged in investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China. Based on Capital VC's annual report for the year ended 30 September 2025, turnover and profit of Capital VC were approximately HK$125.3 million and HK$131.1 million respectively.

(b) Asia Grocery is engaged in trading and distribution of food and beverage grocery products in Hong Kong. Based on Asia Grocery's interim report for the six months ended 30 September 2025, turnover and loss of Asia Grocery were approximately HK$137.1 million and HK$0.4 million respectively.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 31 March 2026, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

Equity instruments of FVTOCI as at 31 March 2026

Name of investee	As at 1 April 2025 HK$'000	Realised and unrealised fair value gain/(loss) HK$'000	As at 31 March 2026 HK$'000	Percentage to the Group's audited total assets as at 31 March 2026 %	Number of shares held by the Group as at 1 April 2025	Percentage of shareholding held by the Group as at 1 April 2025 %	Number of shares held by the Group as at 31 March 2026	Percentage of shareholding held by the Group as at 31 March 2026 %
Luxxu Group Limited ("LUXXU") (stock code: 1327) (note)	562	1,358	1,920	1.9%	17,142,800	3.18%	3,428,560	1.59%
Other listed securities	519	301	820	0.8%				
Total	1,081	1,659	2,740	2.7%				

Note: LUXXU is principally engaged in the manufacture and sales of own-branded watches and jewelleries, including but not limited to diamond watches, tourbillion watches and luxury jewellery accessories, OEM watches and third-party watches. Based on LUXXU annual report for the year ended 31 December 2025, revenue and loss of LUXXU were approximately RMB42.1 million and RMB21.7 million respectively.

The Group's investment strategy is to deliver a diversified and flexible investment portfolio that will maximize sustained long-term returns and strive to achieve high growth, while the traditional business of the Group will continue its stable growth.

No impairment loss was recognised in relation to the equity instruments of FVTOCI by reference to the market price of the equity instruments of FVTOCI as at 31 March 2026.

Except the equity instruments of FVTOCI disclosed above, at 31 March 2026, there was no equity instruments of FVTOCI held by the Group the value of which was more than 5% of the total assets of the Group.

INVESTMENT POLICY

The Company has adopted an internal investment policy (the "Investment Policy") which sets out, among other things, the objectives, guidelines, management and responsibilities of investment activities conducted by the Group. Set out below are details of the infrastructure of the Group's investments.

Investment objectives

The investment objectives of the Group are to enhance the efficiency in the utilisation of idle funds and generate stable return to the Group within an acceptable risk level with a view to broaden its revenue streams and to provide necessary financial support for the development of the Group's long-term investment projects, which in turn enhance value for its shareholders.

Investment strategy

The Company will allocate corporate resources efficiently by maintaining an appropriate investment scale and optimising the structure and diversification of its investment portfolio. At the same time, the Company prioritises thorough investment risk assessment and control, adhering to the principle of economic benefits as the foremost consideration in all investment decisions.

Investment scope

The Company's investment activities encompass both long-term and short-term investments, depending on its strategic needs and the prevailing market conditions. Long-term investments focus on growth and strategy, while short-term investments prioritise liquidity, operational support and capital stability.

Permissible and prohibited investments

Under the Investment Policy, the Company may invest in a range of assets including shares, bonds, investment funds, insurance products and bank deposits. The Company is prohibited from using excessive leverage, investing in unlisted securities, or engaging in speculative derivative trading.

Defined risk limits and counterparty risk

While there is no general threshold or restriction in relation to the risk limits or counterparty risk of its investments, the Group is required to adhere to its investment strategy to maintain its investments within an acceptable risk level. In particular, the Company is required to evaluate the counterparty risks of each investment taking into consideration, inter alias, credit ratings of the investment (if any), size and reputation of the issuer, and whether or not the counterparty is a licensed corporation in Hong Kong or overseas.

Liquidity management

It is the top priority of the Company to ensure that it has sufficient cash and bank deposits to meet its working capital requirement. While there is no specific threshold set under the Investment Policy, the Company seeks to maintain a balanced liquidity profile within its cash, bank deposits and investments. In addition, the use of borrowed funds or those required for ongoing operations for investment purposes is prohibited. All of the existing investments of the Group were or will be funded by internal resources of the Group.

Investment decisions

Investment decisions of the Company are made through a multi-layered governance structure. An investment management team (the "Investment Management Team"), comprising two executive Directors (namely Ms. Sun Wei and Ms. Man Qiaozhen), assisted by the Group financial manager, is responsible for identifying suitable investment opportunities available on the market and the execution of the investments. Pursuant to the Investment Policy, the Investment Management Team may approve investments (or a series of investments) with an amount below 5% of the market capitalisation and/or total assets of the Group from time to time. Any proposed investment exceeding such threshold must be reviewed and approved by the Board.

Ongoing risk management and control measures

The Group maintains comprehensive internal control and risk management processes, including regular performance reviews, stringent approval workflows and periodic monitoring of all investment projects. The Investment Management Team is responsible for ongoing monitoring of the investments made by the Group, the preparation of half-yearly reports in relation to the performance of the investments and regular re-evaluations of counterparties and/or investment targets. The Investment Management Team is also responsible for ensuring that records of all investment proposals, documentation and accounting records are properly kept. The Investment Management Team should promptly report to the Board in the event of any material adverse changes in the Group's investments, which are determined on a case by-case basis depending on the nature and size of the specific investment. Generally, the Investment Management Team is required to report to the Board if, among other things, (i) the investment has recorded ongoing and irrecoverable losses; or (ii) there is any material change in the circumstances or terms of the investment so that it no longer conforms with the Company's investment strategy (for example, increase in risk level due to macroeconomics changes).

Management Discussion and Analysis

Capital structure

Authorised share capital

As at 31 March 2026, the authorised share capital of the Company ("Authorised Share Capital") was HK$1,490,000,000 divided into 100,000,000,000 shares ("Shares") of HK$0.01 each and 14,000,000,000 non-voting convertible preference shares of HK$0.035 each.

Issued share capital

As at 31 March 2026, the number of Shares in issue was 234,366,456 Shares of HK$0.01 each. Except for the changes mentioned below, the issued share capital of the Company had no other changes during the year ended 31 March 2026.

Use of proceeds

On 25 March 2025, the Company completed a rights issue. The gross proceeds raised from the rights issue were approximately HK$15.6 million and the net proceeds after deducting the related expenses were approximately HK$15.1 million. The Company intends to apply the net proceeds from the rights issue as to (i) approximately HK$11.3 million for the development of the Group's e-commerce business by strengthening its e-commerce platform to improve the consumers' online shopping experience, expanding and refining its product portfolio by enlarging the Group's pool of suppliers and enlarging the product portfolio available for customer's selection and settling the deposit and payment to suppliers; and (ii) approximately HK$3.8 million for general working capital of the Group.

Up to 31 March 2026, all of the proceed was used as intended.

Liquidity and financing

The Group had total cash and bank balances of approximately HK$5,248,000 as at 31 March 2026 (2025: HK$15,042,000). The Group recorded total current assets of approximately HK$97,699,000 as at 31 March 2026 (2025: HK$50,795,000) and total current liabilities of approximately HK$41,603,000 as at 31 March 2026 (2025: HK$7,301,000).

There were no bank borrowings as at 31 March 2026 (2025: Nil). The Group's gearing ratio, remained as zero (2025: zero).

Treasury policies

Cash and bank deposits of the Group are mainly in Hong Kong dollars. The Group conducts its core business transaction mainly in Hong Kong dollars or Renminbi such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of assets

As at 31 March 2026, no asset of the Group was being pledged as there is no external financing (2025: Nil).

Capital commitment

As at 31 March 2026, the Group had no capital expenditure contracted for but not provided for in the financial statements (2025: HK$Nil).

Contingent liabilities

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

Management Discussion and Analysis

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Acquisition of Capital Assets

Save for those disclosed in this report, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the year ended 31 March 2026. Apart from those disclosed in this report, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this report.

No Material Changes

Saved as disclosed in this report, there are no material changes affecting the Company's performance that needs to be disclosed under paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules for the year ended 31 March 2026.

Employee Information

As at 31 March 2026, the Group had 19 (2025: 17) employees whom are employed in Hong Kong and the PRC. They are remunerated at market level with benefits such as medical, retirement benefit and share option scheme.

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 20 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2026 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 57 to 62.

The Board does not recommend the payment of a dividend (2025: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 116 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Saved as disclosed in this report, there are no movements in the property, plant and equipment of the Group during the year.

SHARE CAPITAL

Details of movements in the Company's issued share capital are set out in the notes 27 and 28 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company has adopted the existing share option scheme (the "Share Option Scheme") on 18 September 2025. During the year under review, no share options were granted, exercised and lapsed nor cancelled. As at the date of this report, there are no outstanding share options.

Report of the Directors

Details of the Share Option Scheme are as follows:

1. **Purposes**

   The purpose of the Share Option Scheme is to provide eligible participants to recognize and acknowledge the contributions which the eligible participants have made to the Group and to encourage eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders as a whole.

2. **Eligible participants**

   In respect of the eligibility of Employee Participants, the Board will consider, including but not limited to (i) skills, knowledge, experience, expertise and other relevant personal qualities; (ii) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (iv) educational and professional qualifications, and knowledge in the industry; and (v) whether granting Options to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

   The Board is of a view that the success of the Group not only depends the contributions by its executive staff, but also requires independent non-executive Directors' commitment of gatekeeping the high standard of corporate governance and internal controls. Having considered the independent non-executive Directors play an important role in the corporate governance of the Group which may be realised eventually in form of better financial and operational performance of the Company and better reputation of the whole Group, and the Board believes that there is not necessarily a conflict between independent non-executive Directors' objectivity or independence and the Company's performance. Thus, the Board is of the view that it is fair and reasonable of the Share Option Scheme to include independent non-executive Directors in the category of Employee Participants and that grants of Options to them may reward them for their commitments to the Group and incentivise them to pay even more attention to the Group's affairs for the long-term development of the Group. The Company will maintain effective mechanisms in order to avoid compromising independent non-executive Directors' objectivity or independence when they are included in the category of Employee Participants. When considering to grant Options to an independent non-executive Director, the Board (not including the relevant independent non-executive Director) will take into accounts relevant factors:

   (i) the criteria applicable to Employee Participant as set out in this circular;

   (ii) such independent non-executive Director's attendance rates at board meetings, committee meetings and shareholders' meetings of the Company;

   (iii) such independent non-executive Director's contributions to further enhance the Group's compliance and corporate governance;

   (iv) the track record of the Group's corporate governance as a whole; and

   (v) the financial and operational performance of the Group.

3. Scheme limit

The total number of new Shares which may be issued pursuant to the exercise of Options granted under the Share Option Scheme must not exceed 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date (the "Scheme Limit"), subject to the Scheme Mandate Limit.

As at the Latest Practicable Date, there were 234,366,456 Shares in issue. Assuming there is no change to the number of issued Shares between the Latest Practicable Date and the Adoption Date, the Scheme Limit will be 23,436,645 Shares in each case subject to the Scheme Mandate Limit.

As at the date of this annual report, no Shares were available for issue under the Share Option Scheme.

4. Clawback mechanism

Where such Grantee (i) ceases to be an employee of the Group by reason of the termination of his/her employment on grounds entitling the employer to effect such termination without notice or payment in lieu of notice; (ii) having been convicted of any criminal offence involving his/her integrity or honesty; (iii) has been guilty of persistent or serious misconduct; (iv) has committed any act of bankruptcy; (v) has made any arrangement or composition with his/her creditors generally; or (vi) having done something which brings the Group into disrepute or causes damages to the Group (including, among others, causing material misstatement of the financial statements of the Company), any Option granted to such Grantee (to the extent not being exercised) shall lapse immediately and automatically. If the Grantee ceases to be an Eligible Participant for any reason other than the above-mentioned, the Option (to the extent not being exercised) shall lapse forthwith unless the Board determines otherwise in which event the Option (or such remaining part thereof) shall vest.

The Directors are of the view that the above clawback mechanism enables the Company to clawback options (or the option Shares underlying such Share Option Scheme) received by those Grantees that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company or Shareholders' best interests to incentivise them with proprietary interests of the Company under the Share Option Scheme, nor would the Company consider such Grantees benefiting under the Share Option Scheme to align with the purpose of this scheme. As such, the Company considers this clawback mechanism appropriate and reasonable and aligns with the purpose of the Share Option Scheme.

5. Vesting period

The vesting period of the Options granted under the Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months. However, where the Eligible Participant is an Employee, the Remuneration Committee (in the case where such Employee is a Director or a senior manager identified by the Company) or the Directors (in the case where such Employee is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period.

The shorter vesting period reflects the immediate performance-driven nature of certain engagement. The Eligible Participants typically deliver time-sensitive marketing campaigns, product launches, or seasonal promotions where results must be achieved within compressed timelines. Unlike long-term projects, their value is realized within 6-12 months, warranting accelerated vesting aligned with campaign durations.

The Directors and the Remuneration Committee are of the view that the vesting period (including the circumstances in which a shorter vesting period may apply) enables the Company to offer competitive remuneration and reward packages to Employee Participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and peer companies in the Group's industry. Accordingly, the above vesting period is considered appropriate and aligns with the purpose of the Share Option Scheme.

6. Acceptance of offer

An offer of the grant of an Option may be accepted within 30 days from the Offer Date together with a remittance of HK$1.00 by way of consideration for the grant thereof.

7. Exercise price

The flexibility allows the Company to control the costs incurred by the Company from the grant of options under the Share Option Scheme by correlating the exercise price for Share Options with prevailing market prices at the time of grant (particularly considering that timing of when the Share Options will be exercised are within the discretion of the grantee and is typically made with reference to the difference between exercise price and prevailing market prices at the time of exercise) and the Company reserving the discretion to determine the issue price, if any, on an individual basis taking into account the nature and degree of value benefiting the Group from granting options to such grantee, which is aligned with the purpose of the Share Option Scheme.

8. Remaining life of the scheme

It shall be effective for a period of ten (10) years commencing on 18 September 2025, which expired on 18 September 2035.

Save for those disclosed in this report, at no time during the year ended 31 March 2026 was the Company, nor any of its, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the Companies Law (as revised) of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2026, neither the Company nor its subsidiaries purchased, sold or redeemed any of its listed securities.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 33 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

Report of the Directors

DISTRIBUTABLE RESERVES

At 31 March 2026, the Company had no reserves available for distribution under the provisions of the Companies Law (as revised) of the Cayman Islands (2025: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's 5 largest customers accounted for 54.73% (2025: 44.93%) of the total sales for the year and sales to the largest customer included therein amounted to 12.28% (2025: 9.15%). The aggregate purchases during the year attributable to the Group's 5 largest suppliers accounted for 93.6% (2025: 100.00%) of the Group's total purchases for the year and the purchase from the largest supplier included therein amounted to 80.82% (2025: 43.01%).

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

OVERVIEW AND PERFORMANCE OF THE YEAR

A review of the business of the Group and analysis of the Group's performance using financial key performance indicators is provided in the Management Discussion and Analysis section on pages 5 to 11 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, the principal risks and uncertainties faced by the Group are set out below:

Operational Risks

Our revenue is mainly derived from contracts which are not recurring in nature and any significant decrease in the number of our contracts would affect our operations and financial results.

32.5% (2025: 31.3%) of our revenue during the year ended 31 March 2026 was derived from advertising and value added services through mobile devices. Our engagements with customers were on a project basis and non-recurring in nature. No long term agreement or master service agreement was entered into with our customers as at the date of this annual report. After completion of the contract, our customers are not obliged to engage us again in subsequent contracts, and we have to undergo the tendering process for every new contract. There is no assurance that our existing customers will award new contracts to us, nor can we guarantee that we would be able to maintain our business relationships with existing customers. In the event that we are unable to attract new customers or secure new contracts from our existing customers, there may be a significant decrease in our revenue, and our operations and financial results would hence be adversely affected.

Equity price risks

Equity price risk arises from fluctuation in quoted market price of the Group's investment in financial assets. The Group counter the equity price risk by ensuring a board diversification of the Group's investment portfolio and ensuring the investment portfolio are frequently reviewed and monitored.

Liquidity risks

Liquidity risk is the potential that our Group will not be able to meet its obligations when fall due. In order to manage the liquidity risk, the Group will continually monitors cash flows and maintains an adequate level of cash and credit facilities to ensure the Group to meet its finance needs.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a responsible corporation, the Group plays an important role in protecting our environment and is committed to minimise our impact on the environment and natural resources. The Group adheres to the principle of recycling and reducing.

The Group encourages and educates staff to save energy and reduce of paper use. It also encourages environmental practices such as utilising emails for internal and external communication, setting up recycling bins, adopting e-filing in server, double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off lightings and electrical appliances when they are not in use.

The Company will adopt effective environmental protection by introducing e-communication with our shareholders and non-registered holders. The Company encourages investors to read the Company's corporate communication published on the websites of the Company and the Stock Exchange so as to reduce paper consumption.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements. The Group is committed to safeguard the Shareholders' rights and to enhance corporate governance standard by establishing the audit committee ("Audit Committee"), nomination committee ("Nomination Committee") and remuneration committee ("Remuneration Committee") of the Board.

For the year ended 31 March 2026, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Board recognises that our employees are one of the greatest assets contributing to the Group's future success. The Group strives to motivate its employees with competitive remuneration package and opportunities for advancement and improvement of their skills to attract and retain our employees. The Board reviews the remuneration package of our employees annually and makes necessary adjustments to conform to the prevailing market practices. The Group also adopted share options scheme to reward the contribution of the employees as an incentive.

The Group understands the importance of maintaining a good relationship with our business partners, which including the Group's customers and suppliers. The Group believes that a healthy relationship can be build up by providing better products and enhanced services to the customers, maintaining an effective communication channel to the employees and collaborating with key suppliers.

The Group is in a good relationship with its customers and suppliers. As far as the Board is aware, the Company did not receive any complaint from customers and suppliers.

The Group engaged professional services on investor relationship from service provider for advising and promoting professional communication with existing and potential investors.

PROSPECTS

Please refer to the Chairman's Statement on pages 3 to 4.

Report of the Directors

DIRECTORS

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

EXECUTIVE DIRECTORS:

Ms. SUN Wei
Mr. WANG Shidi
Ms. MAN Qiaozhen

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. LIU Kwong Sang
Ms. WANG Miaojun
Ms. WANG Yujie

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence to the Company and considers that each of the independent non-executive Directors is independent to the Company.

According to article 84(1) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

According to article 84(2) of the Articles of Association, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In compliance with articles 84(1) and 84(2) of Articles of Association, Ms. Sun Wei, Mr. Wang Shidi and Ms. Wang Yujie will retire by rotation and being eligible, have agreed to offer themselves for re-election at the forthcoming annual general meeting.

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, if an independent non-executive director has served more than 9 years, such director's further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Liu Kwong Sang and Ms. Wang Miaojun have been serving as independent non-executive directors of the Company for more than 9 years as at the Latest Practicable Date. During their years of appointment, Mr. Liu and Ms. Wang had demonstrated their ability to provide an independent view to the Company's matters. Notwithstanding their years of service as independent non-executive directors of the Company, being reviewed and assessed by the Nomination Committee, the Board is of the view that Mr. Liu and Ms. Wang are able to continue to fulfill their roles as required and meet the independence guidelines set out in the Listing Rule. Mr. Liu Kwong Sang and Ms. Wang Miaojun are being eligible and recommended for further appointment subject to separate resolutions to be approved by shareholders at the AGM.

Please refer to "Corporate Governance Report – The Board of Directors" for reasons of resignation or retirement of the Directors.

Report of the Directors

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 31 to 32 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 31 to the consolidated financial statements, no Director nor their connected entities had a material beneficial interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTOR'S PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Directors or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which they or any of them, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, in their respective offices or otherwise in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year ended 31 March 2026, and such coverage remained in full force as of the date of this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in any business or had any interest in business which competes or may constitutes competition directly or indirectly (within the meaning of the Listing Rules) with the business of the Group throughout the year ended 31 March 2026.

EMOLUMENTS OF THE DIRECTORS, SENIOR MANAGEMENT AND THE FIVE HIGHEST PAID INDIVIDUALS

Please refer to notes 12 and 13 to the consolidated financial statements for details of the emoluments of the Directors, senior management and the five highest paid individuals of the Company.

RETIREMENT BENEFIT

Details of the retirement benefit of the Group are set out in note 32 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 March 2026.

Report of 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, chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long Position in Shares and Underlying Shares of the Company

As at 31 March 2026, none of the Directors or chief executives had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interest and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

During the year ended 31 March 2026, the Company or any of its subsidiaries did not make any arrangements to enable any Directors or their respective spouse or minor children to obtain benefits by means of the acquisition of shares of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2026, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

COMPLIANCE WITH PROVISIONS OF CORPORATE GOVERNANCE CODE

The Group has adopted and met all the Code Provisions set out in the Corporate Governance Code (the "CG Code") in Appendix C1 of the Listing Rules throughout the year ended 31 March 2026.

Report of the Directors

AUDITOR

On 24 September 2024, Elite Partners CPA Limited after considering factors including their available internal resources, decided not to offer themselves for re-appointment as the auditor of the Company at the annual general meeting of the Company held on 25 September 2024 and will retire as auditor upon expiration of its current term of office at the conclusion of the annual general meeting.

With the recommendation from the audit committee of the Company and the poll results of the extraordinary general meeting of the Company held on 18 November 2024, Infinity CPA Limited, has been appointed as the auditor of the Company with effect from 18 November 2024 to hold office until the conclusion of the next annual general meeting of the Company. The consolidated financial statements of the Group for the year ended 31 March 2026 were audited by Infinity CPA Limited whose term of office will be expired upon the forthcoming annual general meeting. A resolution for the re-appointment of Infinity CPA Limited as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

SUN Wei
Executive Director

Hong Kong, 30 June 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the code provisions as set out in the CG Code. The Board believes that throughout the year ended 31 March 2026, the Company complied with the applicable code provisions set out in the CG Code, except for the deviation from code provisions A.4.1 regarding the terms of appointment of non-executive directors and A.6.7 regarding the attendance of independent non-executive Directors in the annual general meeting.

The Board continues to monitor and review the Company's corporate governance practices and makes necessary changes at the appropriate time.

THE BOARD OF DIRECTORS

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promotion the success of the Company by directing and supervising its affairs. All Directors should take decisions objectively in the interests of the Company.

The Board takes the responsibility for all major matters of the Company including: the approval and monitoring of all policy matters, overall strategies, internal control and risk management systems, environmental, social and governance issues, appointment and retirement of Directors and other significant financial and operational matters.

The executive Directors are responsible for overseeing the day-to-day management of the Company's operations and implementation of the strategies set by the Board.

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Company and to the exercising of independent judgement. The Board currently comprises six Directors, including three executive Directors and three independent non-executive Directors. The names and biographical details of each Director are disclosed on pages 31 to 32 of this annual report. There is no relationship (including financial, business, family or other material relationship) among the members of the Board.

During the year ended 31 March 2026, the Board met the requirements of the Listing Rules in relation to the appointment of at least three (3) independent non-executive Directors with at least one (1) independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

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

Corporate Governance Report

Currently, all independent non-executive Directors are appointed for no fixed term. Each of the independent non-executive Directors is subject to retirement by rotation or re-election in accordance with the Articles of Association. Regular Board meetings are held for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year, 6 Board meetings were held and the attendance of individual Directors was as follows:

Name of directors	Attendance
Ms. SUN Wei	6/6
Mr. WANG Shidi	3/6
Ms. MAN Qiaozhen	6/6
Mr. LIU Kwong Sang	6/6
Ms. WANG Miaojun	6/6
Ms. WANG Yujie	6/6

BOARD COMMITTEES

In order to strengthen the functions of the Board and to oversee particular aspects of the Company's affairs, three committees have been established, namely, the Remuneration Committee, the Audit Committee and the Nomination Committee. These committees are established with defined written terms of reference.

REMUNERATION COMMITTEE

The Board has established the Remuneration Committee. As at the date of this annual report, the Remuneration Committee comprises one executive Director, Ms. SUN Wei and three independent non-executive Directors, namely, Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie. Mr. LIU Kwong Sang is the Chairman of the Remuneration Committee. The primary objective for setting up the Remuneration Committee is to comply with the code provisions as set out in the CG Code. Its responsibilities are to review and consider the Group's policy for remuneration of Directors and senior management, to recommend to the Board the remuneration packages of each of the executive Directors, independent non-executive Directors and the senior management.

The Remuneration Committee held 1 meeting during the year. Details of individual attendance of its members are set out below:

Name of members	Attendance
Mr. LIU Kwong Sang	1/1
Ms. SUN Wei	1/1
Ms. WANG Miaojun	1/1
Ms. WANG Yujie	1/1

During the year, the remuneration committee had reviewed and considered, inter alia, the remuneration policy of the Company and the remuneration of the Directors and senior management.

AUDIT COMMITTEE

During the year ended 31 March 2026, the Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Kwong Sang, Ms. Wang Miaojun and Ms. Wang Yujie. Mr. Liu Kwong Sang, who process appropriate professional qualifications, accounting and financial management expertise, is the chairman of the Audit Committee. The primary duties of the Audit Committee are: to independent review and supervise the financial reporting process, internal control and risk management systems on an ongoing basis, to ensure good communications among Directors and the Company's auditor, to recommend the appointment of external auditor on an annual basis and approval of the audit fees, to assist the Board in oversight of the independence, qualifications, performance and compensation of the independent accountant, to review interim and annual results announcements as well as the consolidated financial statements prior to their approval by the Board, to provide advice on audit report, accounting policies and comments to all Directors.

The Audit Committee held 2 meetings during the year. Details of individual attendance of its members are set out below:

Name of members	Attendance
Mr. LIU Kwong Sang	2/2
Ms. WANG Miaojun	2/2
Ms. WANG Yujie	2/2

During the year, the Audit Committee had reviewed and considered, inter alia, the annual results for the year ended 31 March 2025 and the interim results for the six months ended 30 September 2025. The annual report 2025 has been reviewed by the Audit Committee.

NOMINATION COMMITTEE

The Company has established the Nomination Committee and adopted written terms of reference in April 2012 and January 2019, and currently consists of four members, including Ms. WANG Miaojun (Chairperson), Ms. SUN Wei, Mr. LIU Kwong Sang and Ms. WANG Yujie, a majority of whom are independent non-executive Directors.

The principal duties of the Nomination Committee include, among other things, (i) to review Board composition structure, size and diversity (including but not limited to gender, age, culture and educational background) at least annually; (ii) to make recommendations to the Board on the appointment and re-appointment of Directors; and (iii) to assess the independence of independent non-executive Directors.

During the year, 1 meeting of Nomination Committee were held with attendance of individual member is as follows:

Name of members	Attendance
Ms. WANG Miaojun	1/1
Ms. SUN Wei	1/1
Mr. LIU Kwong Sang	1/1
Ms. WANG Yujie	1/1

Nomination of Directors

The Nomination Committee is responsible for the formulation of nomination policies, making recommendations to Shareholders on Directors standing for re-election, providing sufficient biographical details of Directors to enable Shareholders to make an informed decision on the re-election, and where necessary, nominating appropriate persons to fill casual vacancies or as additions to the Board. The Nomination Committee from time to time reviews the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board independent of management. It also identified and nominates qualified individuals for appointment as new Directors.

New Directors will be appointed by the Board. The Nomination Committee will take into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointments.

Board Nomination Policy

The Company adopted a nomination policy, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted its own board diversity policy and recognises the benefits of having diversity in the composition of the Board.

The Company noted that people from different background and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse background will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group. In determining the Board's composition and selection of candidates to the Board, the Nomination Committee will consider factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Composition of the Diversified Board

As at the date of this annual report, the Board comprises five Directors, one of which are male. The following table further illustrate the composition and diversity of the Board in terms of gender, age and length of service with the Group, educational background and professional experience as of the date of this annual report:

	Age Group				Length of Service	
Name of Director	**20 to 29**	**30 to 39**	**40 to 49**	**60 to 69**	**less than 5 years**	**more than 5 years**
Ms. SUN Wei			✓			✓
Mr. WANG Shidi	✓				✓	
Ms. MAN Qiaozhen		✓				✓
Mr. LIU Kwong Sang				✓		✓
Ms. WANG Miaojun			✓			✓
Ms. WANG Yujie		✓				✓

Name of Director	Educational Background			Professional Experience			
	Finance	Accountancy	Others	Accounting	Management	Media	Others
Ms. SUN Wei	✓			✓	✓		
Mr. WANG Shidi			✓			✓	
Ms. MAN Qiaozhen	✓					✓	
Mr. LIU Kwong Sang		✓	✓	✓	✓		
Ms. WANG Miaojun			✓		✓	✓	
Ms. WANG Yujie			✓				✓

DIRECTORS' TRAINING

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills.

This is to ensure that their contribution to the Board remains informed and relevant. The Company is responsible for arranging and funding suitable training for the Directors, including but not limited to:

- Newly-appointed Directors will be briefed by the Company's legal advisor on director's responsibilities under the relevant legal and regulatory requirements (including but not limited to the Companies Ordinance, the Listing Rules and the SFO). They will also be provided with a memorandum on directors' duties and obligations which assists them in understanding their responsibilities as directors.

- The Chairman or the President will give a general induction on the Group and the Company will provide relevant information and organise various activities, for example, plant visits, to ensure they properly understand the business and governance policies of the Company.

- To update Directors' understanding of the Group's operations and business and refresh their knowledge and skills as directors, the Company will provide Board materials on relevant regulation updates and on issues of significance or on new opportunities of the Group.

Pursuant of code provision A.6.5 of CG Code, which has come to into effect from 1 April 2012, all Directors should participate in continuous professional development ("CPD") to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this annual report, the Directors have participated in appropriate continuous professional development activities by attending training course on the topics related to corporate governance and regulations or by reading materials relevant to the Company's business or to their duties and responsibilities. This is in addition to Directors' attendance at meetings and review of papers and circulars sent by management.

The participation by individual Directors in the program during the year was recorded in the table below:

	Type of CPD programmes
EXECUTIVE DIRECTORS	
Ms. SUN Wei	B
Mr. WANG Shidi	B
Ms. MAN Qiaozhen	B
INDEPENDENT NON-EXECUTIVE DIRECTORS	
Mr. LIU Kwong Sang	A, B
Ms. WANG Miaojun	B
Ms. WANG Yujie	B

Notes:

A: attending seminars/forums/workshops/conferences relating to corporate governance and regulations
B: reading materials relevant to the Company's business or to directors' duties and responsibilities

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 March 2026.

AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditor of the Company with regards its independence, approves its appointment, discusses the scope of its audit, approves its fees, and the scope and appropriate fees for any non-audit services requested to be provided by it. During the year, the fees paid to the Company's auditor in respect of audit services and non-audit services amounted to HK$645,000 and HK$Nil respectively.

The consolidated financial statements for the year were audited by Infinity CPA Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that Infinity CPA Limited be nominated for re-appointment as the auditor of the Company at the forthcoming annual general meeting.

DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Group and ensures that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such consolidated financial statements. The statement of the external auditor of the Group, Infinity CPA Limited, with regard to their reporting responsibilities on the Group's consolidated financial statements is set out in the Independent Auditor's Report on pages 52 to 56.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the establishment, maintenance and review of the Company's risk management and internal control systems. The Company has established risk management and internal control systems and the Board will conduct review on the effectiveness of the system at least annually and report the result of the review to the shareholders.

The Group has engaged an independent internal control review advisor (the "Internal Control Advisor") to conduct the annual review on the effectiveness of the internal control system. Review of the Group's internal controls covered major operational, financial and compliance controls, as well as risk management functions of different systems has been performed on a systematic rotational basis on the risk assessments of the operations and controls. During the risk assessment process, the Internal Control Advisor interviewed the relevant personnel and identified the business objectives and significant risks of the Group. A risk management report prepared by the Internal Control Advisor which sets out the risks, issues and recommended action plan was presented to the Board for review and endorsement. The Board considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on ongoing basis.

COMPANY SECRETARY

Mr. Lam Chee Sum Eddie ("Mr. Lam") has been appointed as the company secretary of the Company ("Company Secretary") on 2 July 2024. His primary corporate contact person at the Company is Ms. SUN Wei, an executive Director. Mr. Lam has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge during the year ended 31 March 2026.

SHAREHOLDERS' RIGHTS

The right and procedures to convene a general meeting and to demand a poll on resolutions at general meetings by the Shareholders are set out in the amended and restated Articles of Association headed "General Meetings", "Notice of General Meetings", "Proceedings At General Meetings" and "Voting". Shareholders may at any time send their enquiries to the Board by addressing them to the Company Secretary by post at the principal place of business of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company has a shareholders communication policy to set out the Company's procedures in providing Shareholders and investors in respect of the information about the Company.

The Company uses various communication methods to ensure its shareholders are kept well informed. These include publication of annual report, various notices, announcements and circulars. The Shareholders' meeting also provides a useful channel for Shareholders to communicate directly with the Board at which the Directors are available to answer questions relating to the Company's affairs. The right to demand voting by poll is communicated to the Shareholders by way of circulars. Resolutions are proposed at each Shareholders' meeting on each substantially separate issue, include the election of individual Director.

Participation of individual Directors at the general meeting held during the year ended 31 March 2026 is as follows:

	Participation
EXECUTIVE DIRECTORS	
Ms. SUN Wei	1/1
Mr. WANG Shidi	1/1
Ms. MAN Qiaozhen	0/1
INDEPENDENT NON-EXECUTIVE DIRECTORS	
Mr. LIU Kwong Sang	1/1
Ms. WANG Miaojun	1/1
Ms. WANG Yujie	1/1

DIVIDEND POLICY

The Company adopted a policy on payment of dividends (the "Dividend Policy") in March 2019, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend on a number of factors, including but not limited to:

(i) the Group's actual and expected financial performance;

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

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

(iv) the Group's liquidity position;

(v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(vi) any other factors that the Board deems relevant.

The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring interim dividends from time to time.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

Biographical Details of Directors

EXECUTIVE DIRECTORS

Ms. SUN Wei ("Ms. Sun"), aged 42, was appointed to the Board in February 2014 as an executive Director, and was appointed as a member of the remuneration committee and nomination committee of the Board in November 2014. She also serves as a director of certain subsidiaries of the Company. Ms. Sun holds a Bachelor of Arts in English Education degree from Shanghai International Studies University, PRC, a Master of Science degree in Finance from Clark University, United States of America and a Postgraduate Certificate in Professional Accounting from City University of Hong Kong. Ms. Sun has over five years of experience in accounting and administration. From May 2020 to June 2021, Ms. Sun has been appointed as a director of TD Holdings, Inc. (ticket symbol: GLG) whose securities are listed on the United States Nasdaq Stock Market.

Mr. WANG Shidi ("Mr. Wang"), aged 27, possess extensive experiences in business management and development and also have extensive network in Culture and Arts sector. Mr. Wang has served as a director of Shanghai Diguo Industrial Group Co., Ltd.*（上海棣國實業集團有限公司）which founded by him in July 2023. Mr. Wang has also been active in several cultural organization, including but not limited to China Great Wall Society Culture and Art Committee*（中國長城學會文化藝術專業委員會）.

Ms. MAN Qiaozhen ("Ms. Man"), aged 40, was appointed to the Board in March 2018 as an executive Director. Ms. Man graduated with a bachelor's degree in Finance from Shenyang Normal University（沈陽師範大學）in July 2008. Ms. Man has over six years of experience in banking industry. She served positions as deputy general manager of private banking section, senior account manager and account manager (private banking) in a number of banks in the PRC. Ms. Man also has years of experience in media industry.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Kwong Sang ("Mr. Liu"), aged 64, was appointed to the Board in September 2004 as an independent non-executive Director, and the Chairperson of the audit committee of the Board. He was also appointed as the Chairperson of remuneration committee of the Board in 2004, and a member of the nomination committee of the Board in 2012.

Mr. Liu has been practising as a certified public accountant in Hong Kong with more than 27 years of experience in accounting profession. Mr. Liu graduated from the Hong Kong Polytechnic University with a bachelor degree in Accountancy (with honours) and obtained the Master degree in Business Administration from the University of Lincoln, the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of Financial Accountants, the United Kingdom and a fellow member of the Institute of Public Accountants, Melbourne, Australia. Mr. Liu is also a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Taxation Institute of Hong Kong, a Chartered Tax Adviser and a fellow member of the Society of Registered Financial Planners.

Mr. Liu currently acts as the independent non-executive director of Graphex Group Limited, whose securities are listed on the main board of the Stock Exchange, and as the independent non-executive director of New Century Logistics (BVI) Limited (ticker symbol: NCEW) whose shares are listed on the United States Nasdaq Stock Market since November 2024 and Mr. Liu has also been appointed as an independent non-executive director of Armlogi Holding Corp. (ticker symbol: BTOC) whose shares are listed on the United States Nasdaq Stock Market in May 2024.

Biographical Details of Directors

From 28 September 2004 to 6 November 2023, Mr. Liu has been appointed as the independent non-executive director of abc Multiactive Limited, securities of which are listed on the GEM of the Stock Exchange. From April 2019 to January 2025, Mr. Liu was also appointed as an independence non-executive director of ATIF Holdings Limited, a company listed on The Nasdaq Stock Market (ticket symbol: ATIF).

Mr. Liu was previously independent non-executive director of Polytec Asset Holdings Limited, securities of which are previously listed on the main board of the Stock Exchange, for the period from 24 July 2000 to 1 September 2000, and from 1 December 2000 to 9 June 2021. The listing of shares of Polytec Asset Holdings Limited was withdrawn by way of a scheme of privatization with effective from 26 May 2021.

He was also previously the independent non-executive director of Pine Care Group Limited, securities of which are listed on the main board of the Stock Exchange, for the period from 23 January 2017 to 19 October 2020. He was the independent non-executive director of Evershine Group Holdings Limited, whose securities are listed on the GEM of the Stock Exchange, for the period from 16 January 2014 to 20 May 2014 and, from 23 May 2014 to 1 January 2017.

Ms. WANG Miaojun ("Ms. Wang"), aged 46, was appointed to the Board in February 2014 as an independent non-executive Director, and the Chairperson of the nomination committee, and a member of the audit committee and remuneration committee of the Board. Ms. Wang holds a bachelor degree in Electronics and Information Engineering from Shenzhen University. Ms. Wang has over 10 years of experience in IT and media industry. Ms. Wang is currently a general manager of the online media department and a director in an online media company. Ms. Wang had extensive experience in operation and management and had held management roles in electronics, IT and media companies and had an established network of relationship within IT industry in the PRC.

Ms. WANG Yujie ("Yujie"), aged 41, was appointed to the Board in July 2016 as an independent non-executive Director, and a member of the nomination committee, audit committee and remuneration committee of the Board. She was graduated from 首都經濟貿易大學華僑學院 (Overseas Chinese College, Capital University of Economics and Business), formerly known as 燕京華僑大學 (Yanjing Overseas Chinese University*) with a bachelor's degree in Foreign Trade English from the Department of Foreign Languages in July 2008. Yujie has years of experience working in bidding maintenance department of a Chinese search engine company.

* *For identification purpose only*

Environmental, Social and Governance Report

ABOUT THE GROUP

China National Culture Group Limited (the "Company", and its subsidiaries collectively referred to as the "Group") keeps focusing on its existing advertising and e-commerce business. Besides, the Group also aims to develop the Group's movie segment, including but not limited to the investment in, purchase of and distribution of film, web series and TV series contents, which are expected to generate positive contributions to the Group in the future.

ABOUT THIS REPORT

This Environmental, Social and Governance ("ESG") Report (the "ESG Report") has been prepared by the management of the Company in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The ESG Report includes the climate-related disclosures under Part D of Appendix C2 that are applicable to financial years commencing on or after 1 January 2025. This ESG Report corresponds to the Group's financial year ended 31 March 2026.

This ESG Report presents mainly ESG-related policies, initiatives and performance of the Group on its advertising and e-commerce business, and its movie segment development activities, for the year ended 31 March 2026. It highlights material ESG matters identified from 1 April 2025 to 31 March 2026 (the "Reporting Period"). The board (the "Board") of directors (the "Directors") confirms that the ESG Report has been reviewed and approved and that, to the best of its knowledge, the information contained in this ESG Report fairly presents the Group's ESG policies, performance, material issues and climate-related matters. The Board has overall responsibility for the Group's ESG strategy, ESG reporting and oversight of climate-related risks and opportunities.

The ESG Report is presented in two subject areas, namely Environmental and Social aspects, together with climate-related disclosures. The preparation of the ESG Report is based on the reporting principles of materiality, quantitative, balance and consistency.

- **Materiality:** ESG issues and climate-related risks and opportunities that have major impacts on investors and other stakeholders are set out in this ESG Report.

- **Quantitative:** Where key performance indicators ("KPIs") have been established, they are measurable and presented together with standards, methodologies, assumptions and, where relevant, intensity calculations to support understanding and comparability.

- **Balance:** This ESG Report provides an unbiased picture of the ESG performance of the Group and avoids selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the reader.

- **Consistency:** Unless otherwise stated, this ESG Report uses methodologies consistent with those adopted in the previous year so as to allow meaningful comparisons of related data over time. Any changes to the methods used will be specified in this ESG Report.

Unless otherwise stated, the reporting boundary of this ESG Report covers the Group's operations in Hong Kong and the PRC that are under its operational control during the Reporting Period, with a primary focus on the advertising and e-commerce business and relevant corporate support functions, and includes climate-related governance, risk management and metrics relevant to such operations. This reporting boundary is substantially consistent with that of the previous year.

Environmental, Social and Governance Report

This ESG Report shall be uploaded and published in Chinese and English on the websites of the Company and HKEX. Should there be any discrepancy between the Chinese and English versions, the English version shall prevail. The Group welcomes comments and suggestions from stakeholders with respect to this ESG Report or its sustainability performance.

BOARD STATEMENT OF ESG GOVERNANCE

The Board is responsible for the Group's ESG strategy and reporting, including evaluating and determining ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board is also responsible for formulating ESG targets, overseeing climate-related risks and opportunities, and reviewing progress against ESG and climate-related goals and targets.

The Group has established an ESG committee to ensure the alignment of ESG governance with the Group's strategic growth. The ESG committee is comprised of members of the Board and core members of different departments. The ESG committee is responsible for executing the Group's ESG measures, collecting and analysing ESG data, giving suggestions to the Board on ESG issues and climate-related matters, and reviewing ESG-related matters. Climate-related matters are included in the ESG committee's regular reports to the Board, and environmental KPIs, including progress against emissions and energy intensity targets, are considered when reviewing the effectiveness of relevant policies and management's performance.

With the assistance of the ESG committee, the Board continuously evaluates and monitors the Group's ESG performance, risks and opportunities. The ESG committee holds regular meetings to discuss the effectiveness of the Group's policies and procedures, identify and assess climate-related risks and opportunities, review relevant metrics and targets, and report its findings to the Board where appropriate so that the Board can consider solutions to manage the Group's ESG and climate-related risks and opportunities.

Setting strategic goals for the coming three to five years enables the Group to develop a realistic roadmap and focus on results in achieving its vision. The progress of ESG target implementation and the ESG performance of the goals and targets are monitored by the ESG committee from time to time. Where progress falls short of expectations, the ESG committee will discuss the underlying reasons and propose appropriate follow-up actions for the Board's consideration.

STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder participation is an integral part of its continuous improvement in sustainable development performance. Therefore, the Group places emphasis on the opinions of both its internal and external stakeholders and communicates with stakeholders via various channels such as written memoranda, regular meetings, interviews and daily business communications. The key stakeholders identified by the Group include the following:

- equity shareholders
- local and central governments of the PRC
- Hong Kong regulatory bodies relating to listing compliance
- employees
- customers
- suppliers/sub-contractors.

Through stakeholder engagement and internal review, the Group considers employment and labour practices, product responsibility, anti-corruption, customer privacy, energy efficiency and climate resilience to be among the matters most relevant to its business.

MATERIALITY ASSESSMENT

The management and staff of the Group's respective major functions have participated in the preparation of the ESG Report to assist the Group in reviewing its operations and identifying relevant ESG issues. An internal materiality assessment was conducted to determine which ESG issues are important to the business of the Group and its stakeholders.

Based on the assessment, the Group continues to regard employee benefits and welfare, diversity and equal opportunities, talent attraction and retention, customer satisfaction, quality of products and services, protection of intellectual property rights, protection of customer privacy, corporate governance and anti-corruption as material ESG issues. In addition, climate-related risks and opportunities, including energy efficiency, extreme weather resilience, regulatory compliance and reputation management, are considered relevant to the Group's business and operations.

Aspects	Material ESG Issues
B. Social Aspect	
B1. Employment	• Employee benefits and welfare • Diversity and equal opportunities • Talent attraction and retention
B6. Product Responsibility	• Customer satisfaction • Quality of products and services • Protection of intellectual property rights • Protection of customer privacy
B7. Anti-corruption	• Corporate governance • Anti-corruption

ENVIRONMENTAL ASPECTS

The Group is always concerned about the adverse impacts of its business activities on the environment. The Group has promoted and educated staff to minimise the use of resources for a more sustainable environment. As the Group does not engage in manufacturing activities and most services are provided through online and digital platforms, exposure to adverse environmental impacts remains limited as compared with resource-intensive industries.

The Group strictly abides by the environmental laws and regulations in Hong Kong and the PRC, including but not limited to the Air Pollution Control Ordinance, Waste Disposal Ordinance (Cap. 354), Water Pollution Control Ordinance (Cap. 358), Noise Control Ordinance (Cap. 400), the Environmental Protection Law of the PRC and other relevant PRC environmental regulations. During the Reporting Period, the Group was not aware of any material non-compliance relating to environmental laws and regulations in Hong Kong and the PRC.

Emissions

The operation of the Group does not involve any manufacturing activities and does not have material impacts on the environment and natural resources. Energy usage occupies a large proportion of inputs in the Group's office operation, mainly involving electricity consumed by office equipment and supporting systems. The Group recognises the importance of reducing greenhouse gas emissions through enhancing energy efficiency and energy conservation.

Air Emissions

Due to the nature of the Group's business, there is no material emission from gaseous fuel consumption. The Group had no operating vehicles under its operational control during the Reporting Period and fuel consumption remained insignificant. Therefore, air emissions were minimal.

Greenhouse Gas Emissions

The Group consumes electricity for its advertising, e-commerce and movie-related operations. Greenhouse gas emissions arise mainly from purchased electricity. The Group will continue to enhance data collection and review the feasibility of further climate-related metrics, including additional value-chain information, having regard to the Group's business model, available information and applicable reporting requirements.

The Group did not consume fuel for vehicles under its operational control and therefore Scope 1 emissions remained insignificant. Purchased electricity represented the Group's principal source of Scope 2 greenhouse gas emissions. The Group has set a target of reducing Scope 2 emissions intensity by 5% by 2028 using 2024 as the baseline year, and continues to pursue this target through electricity-saving measures in office operations.

Greenhouse gas emissions in total and intensity	2025/26	2024/25	Unit
Scope 1 emissions	**–**	–	Tonnes CO_2-e
Scope 2 emissions	**2.5**	2.4	Tonnes CO_2-e
Total greenhouse gas emissions	**2.5**	2.4	Tonnes CO_2-e
Intensity (by employee)	**0.13**	0.14	Tonnes CO_2-e/employee

Waste Management

Waste and wastewater produced during daily operations are managed and handled by property management at office premises. As the Group does not carry out production, mining or exploration activities, no hazardous waste is expected to be generated in the ordinary course of business. The main sources of non-hazardous waste are commercial and domestic waste from office operations.

The Group has launched waste management practices including recycling of paper materials, printing cartridges and batteries, placing waste battery recycling containers and encouraging staff to reduce paper consumption by duplex printing and reuse of single-sided printed paper. Given the Group's office-based operations and the fact that hazardous and non-hazardous waste is primarily managed by property managers, the Group does not yet have complete quantitative data on total hazardous and non-hazardous waste. The Group is enhancing its coordination with property managers and internal systems with the aim of collecting and disclosing such data in future reporting periods, in accordance with the 'comply or explain' requirement of the ESG Code

Use of Resources

The Group is committed to upholding high environmental standards in order to promote environmental friendliness and encourage staff to adopt environmentally responsible habits to reduce the use of resources and waste production. Management seeks opportunities to increase operating efficiency in order to minimise the use of resources, including restricting air-conditioning temperature settings, encouraging the use of recycled paper and switching off lights and air-conditioning systems when not in use.

Energy Consumption

The resources used by the Group in offices mainly relate to electricity for maintaining daily operations. The Group is committed to performing regular assessments and analysing data with the aim of better managing the use of resources. The Group has set a target of a 5% reduction in energy intensity by 2028 as compared with the 2024 baseline year.

Direct and/or indirect energy consumption by type	2025/26	2024/25	Unit
Indirect energy consumption	**4.2**	4.0	MWh
Total energy consumption	**4.2**	4.0	MWh
Intensity (by employee)	**0.221**	0.235	MWh/employee

Water Consumption

Although the operation of the Group does not consume a significant amount of water, the Group encourages water conservation and reminds staff to reduce water wastage whenever possible. Daily water used by the Group is mainly supplied from the municipal water network, and the Group did not encounter any issue in sourcing water that is fit for purpose during the Reporting Period.

While the Group's water consumption remains minimal, it actively promotes responsible water usage practices across its operations. Employees are encouraged to conserve water by turning off taps when not in use and promptly reporting any leakage or malfunction for timely repair.

Given the immaterial level of water consumption, the Group has not established formal quantitative water efficiency targets. This approach is consistent with the "comply or explain" principle under the ESG Code. The Group will continue to monitor its water usage and will consider setting appropriate targets should water consumption become material in the future.

Packaging Materials

The Group encourages staff to communicate through electronic media with clients and co-workers. Good practices, including duplex printing and reuse of single-sided printed paper, are promoted. The use of packaging materials is not material to the Group due to the nature of its business.

Environmental, Social and Governance Report

Environment and Natural Resources

The Group's policy is to maintain daily operational efficiency in order to mitigate the total usage of energy and materials. All companies within the Group are committed to providing quality services while seeking to minimise adverse environmental impacts in their operations in Hong Kong and the PRC.

The Group promotes green procurement, such as the use of recycled paper and the recycling of used toner and cartridges. To reduce copying paper consumption, the Group uses duplex printing, recycled paper where practicable and electronic systems for faxing, document storage and leave applications. During the Reporting Period, the Group was not aware of any material non-compliance with relevant environmental laws and regulations.

Climate-related Disclosures

The Group recognises that climate-related risks and opportunities may affect its operations, costs, business continuity and reputation over the short, medium and long term. In light of the enhanced climate-related disclosure requirements under the HKEX ESG Reporting Code effective for financial years commencing on or after 1 January 2025, the Group has expanded this section to describe its climate governance, strategy, risk management, and metrics and targets in a manner proportionate to its business model and operational profile.

Governance

The Board oversees climate-related risks and opportunities as part of its overall oversight of ESG matters. Supported by the ESG committee, the Board reviews climate-related issues periodically, including regulatory developments, physical and transition risks, relevant targets and progress of implementation, and considers whether such matters should be reflected in the Group's strategic planning, internal controls and operational arrangements.

Management assists the Board and the ESG committee in identifying relevant climate-related matters, collecting environmental data, monitoring compliance developments and implementing mitigation measures in day-to-day operations. Climate-related matters are escalated to the ESG committee and, where appropriate, to the Board through regular reporting and discussion.

Strategy

Given the Group's principal businesses in advertising, e-commerce and development of the movie segment, the climate-related risks and opportunities that could reasonably be expected to affect the Group are mainly associated with office operations, digital infrastructure dependence, service continuity, compliance obligations and stakeholder expectations. Physical risks may arise from more frequent or severe typhoons, rainstorms, flooding, heat events or other extreme weather conditions that could disrupt office operations, affect employees' commuting and workplace safety, interrupt electricity supply or telecommunications services, and delay communication with clients, suppliers and business partners.

Transition risks may arise from changes in laws, regulations and listing requirements, increasing expectations from investors and business partners, higher compliance and data collection costs, market preference for lower-carbon operations and potential reputational impact if the Group is perceived as not responding adequately to climate-related matters. At the same time, opportunities may include improving operational efficiency through energy-saving measures, wider use of digital workflows and paperless processes, and strengthening stakeholder confidence through more transparent governance and disclosures.

In considering time horizons, the Group generally regards short term as within one year, medium term as one to three years and long term as beyond three years for internal management discussion of climate-related matters. Over the short to medium term, the Group expects the most relevant effects to relate to regulatory compliance, business continuity under adverse weather and operating cost management. Over the longer term, the Group will continue to monitor whether climate developments, market expectations or changes in its business portfolio may require further adaptation of strategy, controls or resource allocation.

The climate resilience of the Group's strategy is supported by its relatively low-emission, office-based business model. Nevertheless, the Group acknowledges that its operations remain exposed to physical and transition risks and therefore continues to integrate practical climate considerations into office administration, business continuity planning and ESG governance.

In assessing the resilience of its strategy, the Group has considered qualitative climate scenarios, including a pathway with more frequent extreme weather events in Hong Kong and the PRC and a scenario of more stringent climate-related regulations and disclosure requirements. Under these scenarios, the Group expects potential increases in business continuity and compliance costs but considers that its office-based, low-emission business model and ongoing investments in digital infrastructure, flexible work arrangements and ESG governance provide reasonable resilience over the short to medium term. The Group will continue to refine its climate scenario analysis as regulatory expectations and internal capabilities develop.

Risk Management

Climate-related risks and opportunities are identified and assessed through the Group's existing ESG governance structure and risk management processes. The ESG committee, with input from management and operating departments, reviews relevant internal and external information, including regulatory changes, operational conditions, extreme weather developments and stakeholder expectations, in order to identify climate-related matters relevant to the Group.

Climate-related risks identified through the ESG committee's work are incorporated into the Group's risk register and are considered in internal control reviews, ensuring alignment between climate-related risk management and the Group's overall risk management framework. When assessing climate-related risks, the Group considers the likelihood of occurrence and the potential impact on operations, employees, compliance and reputation. Material climate-related matters identified through this process are discussed with the ESG committee and reported to the Board as appropriate, and relevant mitigating measures are incorporated into existing operational and internal control procedures. This process is intended to align climate-related risk management with the Group's overall risk management and internal control framework.

For physical risks, the Group has developed work arrangements and contingency measures for adverse weather events. The Group stays alert to weather announcements issued by the relevant authorities and may implement flexible work arrangements or other emergency responses where necessary to protect employees and maintain business continuity.

For transition risks, the Group monitors updates to applicable regulatory requirements and enhances internal coordination for ESG reporting and data collection. The Group also seeks to maintain appropriate standards in corporate governance, data protection and anti-corruption, as weaknesses in these areas may amplify transition and reputation risks in an increasingly ESG-conscious market environment.

Metrics and Targets

The Group uses environmental KPIs, including greenhouse gas emissions and energy consumption, to monitor its climate-related performance in a manner appropriate to its business. Scope 2 greenhouse gas emissions from purchased electricity and electricity consumption remain the most relevant quantitative climate-related metrics for the Group's office-based operations.

The Group's existing climate-related targets include a 5% reduction in Scope 2 emissions intensity by 2028 and a 5% reduction in energy intensity by 2028, each against the 2024 baseline year. To support progress toward these targets, the Group continues to implement energy-saving measures such as switching off idle lighting and equipment, managing air-conditioning use, promoting energy conservation awareness among staff and increasing digital and paperless working practices where practicable.

The Group will continue to review the suitability of additional climate-related metrics and disclosures, having regard to the maturity of internal systems, availability of reliable information, proportionality to the Group's business and applicable HKEX requirements.

SOCIAL ASPECTS

Employment and Labour Practices

Employment

The Group regards employees as one of its most valuable assets and attaches great importance to their personal development. Staff are an important asset that drives the long-term development and sustainability of the Group.

Employment in the PRC is subject to the Labour Law and the Employment Contract Law of the PRC, while employment in Hong Kong is subject to the Employment Ordinance, Minimum Wage Ordinance, Employees' Compensation Ordinance, Sex Discrimination Ordinance, Mandatory Provident Fund Schemes Ordinance, Personal Data (Privacy) Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Race Discrimination Ordinance. During the Reporting Period, the Group was not aware of any material non-compliance with the above laws and regulations.

Recruitment and Promotion

In its recruitment process, the Group adheres to the principle of openness, fairness and justice by considering candidates' skills, capabilities and relevant experience and avoiding discrimination on nationality, gender, age, religion or culture. The Group has also established a clear promotion policy based on fair and equal evaluation of employee performance.

Equal Opportunity and Diversity

Being an equal opportunity employer, the Group is committed to creating a working environment characterised by fairness, openness and mutual trust. The Group opposes any consideration involving discrimination not related to work and prohibits all forms of workplace discrimination. Employees in the same position are remunerated on an equal basis regardless of gender, thus the rights of female employees are well protected.

The Group adopts equal employment opportunity policies and treats all employees equally. Employment, remuneration and promotion are not under the influence of social identities, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

As at 31 March 2026, the Group had 19 employees. The graphs below show the workforce distribution by gender, age group, level and geographical region:

Total workforce		2025/26	2024/25	Unit
Total number of employees		**19**	17	Employee
By Gender	Male	**13**	13	Employee
	Female	**6**	4	Employee
By employment type	Full-time	**19**	17	Employee
	Part-time	**0**	0	Employee
By age group	Under 30 years old	**0**	0	Employee
	31–40 years old	**13**	11	Employee
	41–50 years old	**5**	5	Employee
	Over 50 years old	**1**	1	Employee
By employment category	Managerial	**6**	6	Employee
	Senior	**4**	4	Employee
	Middle	**4**	3	Employee
	Junior	**5**	4	Employee
By geographical region	Hong Kong	**6**	6	Employee
	China	**13**	11	Employee

Employee turnover rate		2025/26	2024/25	Unit
Total employee turnover rate		**0**	6	%
By Gender	Male	**0**	0	%
	Female	**50**	22	%
By employment type	Full-time	**11**	6	%
	Part-time	**0**	0	%
By age group	Under 30 years old	**0**	100	%
	31–40 years old	**18**	6	%
	41–50 years old	**0**	0	%
	Over 50 years old	**0**	0	%
By employee category	Managerial	**0**	0	%
	Senior	**0**	0	%
	Middle	**33**	29	%
	Junior	**25**	0	%
By geographical region	Hong Kong	**0**	0	%
	China	**18**	9	%

Health and Safety

Workplace Health and Safety

The Group aims to provide a safe and healthy working environment to the employees and promotes the message of "Work happily, Live healthily". The Group organizes recreational activities, such as badminton races and basketball match for employees regularly. Holding recreational activity not only able build up the sense of belonging and team spirits among employees, but also promote the message of the importance of work-life balance to all staff. The Group also provides free body check to all staff before admission and annually.

During the Reporting Period, there were no cases of non-compliance with the laws and regulations in respect of the provision of a safe working environment and the protection of employees from occupational hazards, such as the Occupational Safety and Health Ordinance, Safety Production Law and Occupational Disease Prevention Law of the PRC. During the past three years, including the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury.

Health and Safety	2025/26	2024/25	Unit
Number of work-related fatalities	**0**	0	No.
Rate of work-related fatalities	**0**	0	%
Lost days due to work injury	**0**	0	No.

Development and Training

Employee Development and Training

The Group encourages employees to continuous development and improves their skill set through training. The Group provided various internal and external training sessions for developing the workforce including but not limited to financing, accounting, corporate governance and other topics that are directly related to the business of the Group.

The Group reserves training budgets per annum for directors and other staff. The cost of the external training programme will be reimbursed after the completion of the enrolled program. To fully develop the workforce, new staff will also be provided with onboard training to help them adapt faster to the operations and culture of the Group. Staff's performance will also be reviewed annually through appraisal to determine any additional training or improvement plan required for each staff from their performance result.

Percentage of trained employees		2025/26	2024/25	Unit
Percentage of trained employees		**100**	100	%
By Gender	Male	**100**	100	%
	Female	**100**	100	%
By employee category	Managerial	**100**	100	%
	Senior	**100**	100	%
	Middle	**100**	100	%
	Junior	**100**	100	%

Average training hours completed		2025/26	2024/25	Unit
Average training hours per employee		**2**	2.5	Hour/employee
By Gender	Male	**2**	2.5	Hour/employee
	Female	**2**	2.5	Hour/employee
By employee category	Managerial	**2**	2.5	Hour/employee
	Senior	**2**	2.5	Hour/employee
	Middle	**2**	2.5	Hour/employee
	Junior	**2**	2.5	Hour/employee

Labour Standards

The operation team of the Group requires sophisticated training in the field of Finance or extensive exposure to the finance business. Hence, the Group does not rely on labour or involve in any labour-intensive work. As such, it is almost certain that the Group would not be involved in the child or forced labour. Further, the employment policies of the Group focus on the capabilities of the individual regardless of personal traits, such as gender or ethnic groups.

Child Labour and Forced Labour

The Group has strictly complied with the Employment Ordinance of Hong Kong and Labour Contract Law of the PRC. According to the Employment Ordinance, the Provisions on the Prohibition of Using Child Labour and the Law of the PRC on the Protection of Minors and as stipulated by the Labour Law of the PRC in terms of employment management, there is neither child nor forced labour in the Group's operation during the Reporting Period. To screen job candidates during recruitment, the Group reviews the applicants' application forms and conducts verification on their identity cards. The Group would immediately terminate the employment contract with employee who violates the laws and regulations and will regularly review and update the Staff Handbook and internal policies to meet the latest regulatory requirements. The Group also has policies to protect staff's labour rights with a complaint system for staff to report their concerns and any violations of labour rights.

Undoubtedly, the Group prohibited the employment of any staff who has under the legal working age for protecting young people at work. If there are any cases of forced labour, child labour and illegal immigrant labour on staff, employment with all these candidates will be immediately terminated. The Group would also take responsibility for the investigation.

OPERATING PRACTICES AND SOCIAL INVESTMENT

Supply Chain Management

Supplier Management

The Group has a sub-contractor management plan to control the selection and supervision of sub-contractors and suppliers such that they are up to our strict requirements in safety, environmental and quality performances.

Our evaluation of a sub-contractor and supplier includes experience, job references, past performance, statutory licenses and certificates as may be required, financial status, integrity, social responsibility and particular skills, competencies and professionalism of the management teams. Only sub-contractors and suppliers with satisfactory assessment results are added to the Group's list of approved suppliers.

We regard our sub-contractors and suppliers as our business partners and work closely with them to warrant that the services are conducted in a manner that meets the highest professional and ethical standards assuring a quality end-product as well as continued confidence of our customers and the public.

The Group also focused on the environmental and social risks of its sub-contractors and suppliers. The Group focused on purchasing from sub-contractors and suppliers who complied with all labour and environmental regulation of local government and authorities. The Group will take serious assessments of the environmental and social compliance of the sub-contractors and suppliers. If a sub-contractor or supplier fails to properly control and address its environmental and social risks, it may not be retained in the approved list of the Group's suppliers. During the Reporting Period, the Group did not notice that its main sub-contractors and suppliers had any material environmental and social risks.

As at 31 March 2026, the Group had a total of 9 major sub-contractors and suppliers (2025: 5 suppliers) which are all subject to the supplier engagement practice. The Group has set clear requirements on the selection and management of suppliers to ensure standardised management and proper selection of suppliers and effective control over operational risks resulting from improper selection, unreasonable methods or fraudulent practices of suppliers.

Supply Chain Management		2025/26	2024/25	Unit
Number of suppliers by geographical region				
Total number of suppliers		**9**	5	Supplier
By geographical region	Hong Kong	**6**	1	Supplier
	China	**3**	4	Supplier

Product Responsibility

Handling of Complaints

The Group has a standard follow-up and action plan for handling customer complaints relating to advertising products and product sales over the internet. Customer complaints and product recalls will be handled in a consistent and timely manner.

Intellectual Property Rights

The Group's intellectual property, including patents, copyrights, trademarks, service marks, research and development achievements, trade secrets, technical data and other related rights. They are not allowed to damage, delete or take advantage of any asset or documents without the Group's approval.

Protection of Data Privacy

Staff handbook included a data privacy protection clause in which employees are only allowed to use computers, information and software authorized by the Group and the use of the internet, intranet and emails shall be strictly for work purposes. Employees shall not disclose any confidential information to any unauthorized personnel or parties. The Group's IT department has set up a system for ensuring network security and management. No infringement was identified during the reporting period.

The Group has formulated a set of privacy principles in the collection, retention, use, security, openness and accessibility of information to ensure all information received is only for its intended purpose. Access control rights and follow-up action are set to prevent information leakage when information leakage is found.

The Group did not have any material non-compliance with applicable laws and regulations regarding health and safety, advertising, labelling and privacy matters related to services offered for the Reporting Period. These laws and regulations include the Personal Data (Privacy) Ordinance, Trade Marks Ordinance, Patents Ordinance, Copyright Ordinance and Product Quality Law of the PRC.

Product Responsibility	2025/26	2024/25	Unit
Percentage of total products sold or shipped subject to recalls	**0**	0	%
Number of products and service-related complaints received	**0**	0	No.

Anti-Corruption

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

The Code of Conduct also states clearly that the Group shall not tolerate any illegal or unethical acts. Offenders will be subject to disciplinary action, including summary dismissal and termination of employment. In cases of suspected corruption or other forms of criminal activity, a report will be made to ICAC or appropriate authorities. A channel for raising complaints is open to all employees. Any possible break of the Code or unlawful or unethical conduct can be sent directly to the Senior Management for an impartial investigation.

Anti-Corruption	2025/26	2024/25	Unit
Number of concluded legal cases regarding corruption	0	0	Case

Whistle-blowing Policy

We want colleagues and stakeholders to have confidence in speaking up when they observe unlawful or unethical behaviour. We offer a range of speak-up channels to listen to their concerns and have zero tolerance for acts of retaliation. However, we recognise that sometimes people may still not be comfortable using these routes.

The Group understands the importance of promoting anti-corruption awareness among employees. While the pandemic previously delayed preparation work, management has resumed the development of training materials and plans to roll out structured anti-corruption training for directors and staff in the coming year. During the Reporting Period, informal briefings and reminders on the Code of Conduct were provided, and the Group will continue to enhance the breadth and depth of formal training.

During the Reporting Period, the Group has not identified any material non-compliance with the relevant laws and regulations, including but not limited to the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and the Prevention of Bribery Ordinance, that had a significant impact on the Group regarding anti-corruption and money laundering. No violation of any corruption activities has been detected by the Group and reported by staff.

Community Investment

Community Involvement

For the continuous effort in giving back to society, the Group would seek opportunities to get involved in various community programs. The Group's approaches toward community involvement are as follows:

- fulfils the corporate social responsibility through the sustainable development strategy to expand its efforts in the areas of charity work;
- assesses how to give business activities to the interests of the community; and
- commits to the provision of career opportunities to the locals and promotes the development of the community's economy.

During the Reporting Period, the Group did not record material community investment activities. Nevertheless, the Group encourages staff to participate in volunteer services during their leisure time and will consider developing more structured community engagement initiatives in future.

HKEX ESG CODE CONTENT INDEX

KPIs	Disclosure Requirements	Description	Sections
A. Environmental			
Governance Structure			
1	Governance Structure	Disclosure of the board's oversight of ESG issues; Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	Board Statement of ESG Governance
		How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement of ESG Governance
	Reporting Principles	Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report	About This Report
	Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change	About This Report
Aspect A1: Emissions			
A1	General Disclosure	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
A1.1		The types of emissions and respective emissions data.	Emissions
A1.2		Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity. (e.g. per unit of production volume, per facility).	Waste Management
A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. (e.g. per unit of production volume, per facility).	Waste Management
A1.5		Description of emission target(s) set and steps taken to achieve them.	Emissions

KPIs	Disclosure Requirements	Description	Sections
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.	Waste Management
Aspect A2: Use of Resources			
A2	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources; Energy Consumption; Water Consumption
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).	Energy Consumption
A2.2		Water consumption in total and intensity. (e.g. per unit of production volume, per facility).	Water Consumption
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
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.	Water Consumption
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging materials
Aspect A3: The Environment and Natural Resources			
A3	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
Aspect A4: Climate Change			
A4	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate-Related Disclosures
A4.1		Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate-Related Disclosures

KPIs	Disclosure Requirements	Description	Sections
Part D: Climate-Related Disclosures (Effective from 1 January 2025)			
	Governance	Disclosure of board oversight and management's role in climate-related matters	Climate-Related Disclosures – Governance
	Strategy	Disclosure of climate-related risks and opportunities, impact on business strategy, financial impact and climate resilience	Climate-Related Disclosures – Strategy
	Risk Management	Disclosure of processes for identifying, assessing and managing climate-related risks	Climate-Related Disclosures – Risk Management
	Metrics and Targets	Disclosure of climate-related metrics including GHG emissions (Scope 1, 2 and 3) and climate-related targets	Climate-Related Disclosures – Metrics and Targets
B. Social			
Aspect B1: Employment			
B1	General Disclosure	Policies and compliance with relevant laws and regulations relating to compensation and dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
B1.2		Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety			
B2	General Disclosure	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Health and Safety
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2		Lost days due to work injury.	Health and Safety
B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training			
B3	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1		The percentage of employees trained by gender and employee category.	Development and Training
B3.2		The average training hours completed per employee by gender and employee category.	Development and Training

Environmental, Social and Governance Report

KPIs	Disclosure Requirements	Description	Sections
Aspect B4: Labour Standards			
B4	General Disclosure	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Labour Standards
B4.1		Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2		Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management			
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1		Number of suppliers by geographical region.	Supply Chain Management
B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility			
B6	General Disclosure	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Product Responsibility
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2		Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3		Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4		Description of quality assurance process and recall procedures.	Product Responsibility
B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

KPIs	Disclosure Requirements	Description	Sections
Aspect B7: Anti-corruption			
B7	General Disclosure	Policies and compliance with relevant laws and regulations.	Anti-corruption
B7.1		Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3		Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment			
B8	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 (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.1		Focus areas of contribution.	Community Investment
B8.2		Resources contributed to the focus area.	Community Investment

Independent Auditor's Report

Infinity CPA Limited
Room 1501, 15/F., Olympia Plaza
255 King's Road, North Point, Hong Kong

To the members of
CHINA NATIONAL CULTURE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China National Culture Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 57 to 115, which comprise the consolidated statement of financial position at 31 March 2026, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS OF OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2026. 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 Matter	How our audit addressed the Key Audit Matter
Impairment assessment of trade receivables	
Refer to notes 3, 4, 6(b) and 21 to the consolidated financial statements. We identified the impairment assessment of trade receivables as a key audit matter due to the significant balances of these assets at the end of the reporting period and the significant judgements and estimates exercised by the Group's management. As at 31 March 2026, the net carrying amount of trade receivables amounted to approximately HK$50,397,000 (net of the allowance for expected credit losses ("ECL") of approximately HK$23,656,000). These receivables represented 50.2% of the Group's total assets and were considered significant balances. Management estimated, with the assistance of an external valuer, the ECL by considering factors including the ageing profile, debtors' repayment history and the current and forward-looking information on macroeconomic factors that involve the exercise of management judgement.	Our audit procedures in relation to impairment assessment of trade receivables included: • obtained an understanding of the key controls over credit assessment procedures performed by management, including the periodic review of aged trade receivables and management's estimation of the allowance for ECL on these receivables; • evaluated the Group's policy for estimating the ECL with reference to the requirements of the prevailing accounting standard; • tested the accuracy of the ageing profile of these receivables by checking to supporting documents on a sample basis; • examined the estimation on the ECL of individual balances on sample basis and the expected loss rate of each category groups and evaluating the basis and factors used in the estimation to the appropriateness of the identification of significant increase in credit risk, defaults and credit-impaired receivables; • evaluated the independence, competence, objectivity and experience of the valuer engaged by management; • obtained an understanding of and evaluated the reasonableness of the methodology, key data inputs and assumptions used to determine the ECL; and • tested the mathematical accuracy of the calculation of ECL rates and the calculation of the allowance for ECL.

OTHER INFORMATION

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

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

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

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

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

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

In preparing the consolidated financial statements, the directors 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 directors are assisted by the audit committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

We also provide 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 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.

Infinity CPA Limited
Certified Public Accountants

Au Yeung Ming Yin Gordon
Practising Certificate Number: P08219
Hong Kong, 30 June 2026

Consolidated Statement of Profit or Loss

For the year ended 31 March 2026

	Notes	**2026 HK$'000**	2025 HK$'000
Revenue	9	**49,968**	43,708
Cost of sales		**(38,065)**	(39,761)
Gross profit		**11,903**	3,947
Administrative expenses		**(6,275)**	(4,567)
Other gains and losses, net	10	**15,217**	(9,459)
(Provision for)/reversal of impairment losses on trade receivables, net		**(8,042)**	6,668
Provision for impairment losses on other receivables		**(201)**	(1,371)
Profit/(loss) before tax	11	**12,602**	(4,782)
Income tax expense	14	**–**	–
Profit/(loss) for the year attributable to the owners of the Company		**12,602**	(4,782)
		HK cents	HK cents
Earnings/(loss) per share			
– Basic and diluted	16	**5.38**	(4.84)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
Profit/(loss) for the year	**12,602**	(4,782)
Other comprehensive income/(expense)		
Item that may be reclassified subsequently to profit or loss:		
– Reclassification adjustment for the cumulative exchange reserve upon disposal of foreign operations	**–**	18,489
Item that will not be reclassified to profit or loss:		
– Fair value gain/(loss) on investment in equity instruments at fair value through other comprehensive income ("FVTOCI")	**1,659**	(1,186)
Other comprehensive income for the year, net of income tax	**1,659**	17,303
Total comprehensive income for the year attributable to the owners of the Company	**14,261**	12,521

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
ASSETS			
Non-current assets			
Intangible assets	17	**–**	–
Equity instruments at FVTOCI	18	**2,740**	1,081
		2,740	1,081
Current assets			
Inventories	19	**5,087**	–
Trade receivables	21	**50,397**	16,478
Prepayments and other receivables	22	**4,676**	2,151
Financial assets held for trading	23	**32,291**	17,124
Cash and cash equivalents	24	**5,248**	15,042
		97,699	50,795
Total assets		**100,439**	51,876
EQUITY			
Capital and reserves			
Share capital	27	**2,344**	2,344
Reserves	30	**56,492**	42,231
Total equity		**58,836**	44,575

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
LIABILITIES			
Current liabilities			
Trade payables	25	**36,857**	3,202
Other payables and accruals	26	**4,746**	4,099
		41,603	7,301
Total liabilities		**41,603**	7,301
Total equity and liabilities		**100,439**	51,876
Net current assets		**56,096**	43,494
Total assets less current liabilities		**58,836**	44,575
Net assets		**58,836**	44,575

The consolidated financial statements on pages 57 to 115 were approved and authorised for issue by the board of directors on 30 June 2026 and signed on its behalf by:

SUN Wei
Director

MAN Qiaozhen
Director

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Total equity attributable to owners of the Company						
	Share capital HK$'000	Shares premium HK$'000	Share options reserve HK$'000 (Note 30)	Exchange translation reserve HK$'000	Investment revaluation reserve HK$'000	Accumulated losses HK$'000	Total equity HK$'000
At 1 April 2024	31,249	1,432,925	10,327	(18,489)	(60,344)	(1,378,918)	16,750
Loss for the year	–	–	–	–	–	(4,782)	(4,782)
Other comprehensive income for the year:							
– Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon disposal	–	–	–	18,489	–	–	18,489
– Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	(1,186)	–	(1,186)
Total comprehensive income for the year	–	–	–	18,489	(1,186)	(4,782)	12,521
Capital reduction upon capital reorganisation	(30,467)	–	–	–	–	30,467	–
Issuance of ordinary shares under rights issue (note 27)	1,562	13,742	–	–	–	–	15,304
Lapse of share options	–	–	(6,369)	–	–	6,369	–
At 31 March 2025 and 1 April 2025	2,344	1,446,667	3,958	–	(61,530)	(1,346,864)	44,575
Profit for the year	**–**	**–**	**–**	**–**	**–**	**12,602**	**12,602**
Other comprehensive income for the year:							
– Fair value gain on investments in equity instruments at FVTOCI	**–**	**–**	**–**	**–**	**1,659**	**–**	**1,659**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**1,659**	**12,602**	**14,261**
Lapse of share options	**–**	**–**	**(3,958)**	**–**	**–**	**3,958**	**–**
At 31 March 2026	**2,344**	**1,446,667**	**–**	**–**	**(59,871)**	**(1,330,304)**	**58,836**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
Cash flows from operating activities		
Profit/(loss) before tax	**12,602**	(4,782)
Adjustments for:		
Fair value changes on financial assets held for trading	**(15,430)**	(3,210)
Provision for/(reversal of) impairment loss on trade receivables, net	**8,042**	(6,668)
Provision for impairment loss on other receivables	**201**	1,371
Impairment loss on inventories	**213**	–
Loss on disposal of subsidiaries	**–**	12,669
Operating cash flows before working capital changes	**5,628**	(620)
(Increase)/decrease in trade receivables	**(41,961)**	944
(Increase)/decrease in prepayments and other receivables	**(2,726)**	315
Increase in inventories	**(5,300)**	–
Increase/(decrease) in trade payables	**33,655**	(2,467)
Increase in other payables and accruals	**647**	873
Net cash used in operating activities	**(10,057)**	(955)
Cash flows from investing activities		
Purchase of financial assets held for trading	**(6,360)**	–
Proceed from disposal of financial assets held for trading	**6,623**	–
Net cash outflow from disposal of subsidiaries	**–**	(34)
Net cash from/(used in) investing activities	**263**	(34)
Cash flows from financing activities		
Proceeds from issue of rights shares, net of transaction costs	**–**	15,304
Net cash from financing activities	**–**	15,304
Net (decrease)/increase in cash and cash equivalents	**(9,794)**	14,315
Cash and cash equivalents at the beginning of the year	**15,042**	727
Cash and cash equivalents at the end of year	**5,248**	15,042
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**5,248**	15,042

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. CORPORATE INFORMATION

China National Culture Group Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 27 August 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit A, 29/F, United Centre, 95 Queensway, Admiralty, Central District, Hong Kong.

In the opinion of the Directors of the Company, the Company has no immediate and ultimate holding Company or ultimate controlling party.

The Company acts as an investment holding company. The principal activities and other details of its subsidiaries are set out in note 20 to the consolidation financial statements.

The consolidated financial statements are prepared in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following Amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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

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

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

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

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosure[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity[1]
Amendments to HKAS 28 and HKFRS 10	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

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

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

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

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

These consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standard ("HKAS") and Interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("Listing Rule") and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets held for trading and equity instruments at FVTOCI which are measured at fair values at the end of each reporting period, as explained in the material accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The material accounting policies are set out below.

Basis of consolidation

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

– has power over the investee;

– is exposed, or has rights, to variable returns from its involvement with the investee; and

– has the ability to use its power to affect its returns.

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

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

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

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

Revenue from contracts with customers

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

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

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

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

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

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

Details of the Group's performance obligations for revenue for contracts with customers resulting from application of HKFRS 15 are set out in note 9.

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

Output method

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

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

Revenue from contracts with customers *(Continued)*

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that goods or services is transferred to a customer.

Leases

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Foreign currencies

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve.

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

Foreign currencies *(Continued)*

Fair value adjustments on identifiable assets acquired arising on the acquisition of foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Income tax

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

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

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

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

Income tax *(Continued)*

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

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

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

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

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

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

Inventories

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

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

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Provisions

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

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

Financial instruments

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

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

Financial instruments *(Continued)*

Financial assets

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

Classification and subsequent measurement of financial assets

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

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

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

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

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains or losses” line item.

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables that result from transactions within the scope of HKFRS 15.

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

(i) Significant increase in credit risk

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(i) Significant increase in credit risk *(Continued)*

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

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

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 1 year past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

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

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

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

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

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

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

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL *(Continued)*

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

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

Foreign exchange gains and losses

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

Derecognition of financial assets

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

Financial liabilities and equity

Classification as debt or equity

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

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities, including trade payables, other payables and accruals, are subsequently measured at amortised cost, using the effective interest method.

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

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

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

Segment information

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

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

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

Equity-settled share-based payments transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

Share options granted to non-employees

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

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

Related parties

For the purposes of these financial statements, related parties include a person and entity as defined below:

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group; or

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

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third entity;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant voting power in the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following is the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Principal versus agent consideration (principal)

The Group engages in e-commerce from sales of mobile products ("E-Commerce"). The Group concluded that the Group acts as the principal for such transactions as it controls the specified goods before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 March 2026, the Group recognised revenue relating to E-commerce amounted to approximately HK$33,740,000 (2025: HK$30,022,000).

(b) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for assets classified as low risk and watch list, or lifetime ECL for trade receivables and financial assets classified as doubtful and loss. An assets move to lifetime ECL when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

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

(a) Provision of ECL for trade receivables

When ECL assessment is performed using a provision matrix. Details on how ECL were measured should be consistent to the internal credit risk management of the Group in note 6 to the consolidated financial statements.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The net carrying amounts, of trade receivables at 31 March 2026 was approximately HK$50,397,000 (2025: HK$16,478,000). Details of the impairment loss assessment are disclosed in notes 6(b) and 21 to the consolidated financial statements.

(b) Net realisable value of inventories

Net realisable value of inventories is based on estimated selling prices less any estimation costs to be incurred to completion and disposal. These estimates, based on the current market condition and the historical experience in selling goods of a similar nature, including but not limit to economic outlook, sales forecasts and the forecast market value for the inventory items. They could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period. As at 31 March 2026, the carrying amount of inventories was approximately HK$5,087,000 (2025: nil). The impairment allowance for inventories was recognised as at 31 March 2026 was approximately HK$213,000 (2025: nil).

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of equity attributable to owners of the Company. The ratio is calculated based on total debt and total assets of the Group. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issuance of new shares as well as the addition of new borrowings.

The Group is not subject to any externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2026 HK$'000	2025 HK$'000
Financial assets		
Equity instruments at FVTOCI	**2,740**	1,081
Financial assets held for trading	**32,291**	17,124
Financial assets at amortised cost	**60,321**	33,524
	95,352	51,729
Financial liabilities		
Financial liabilities at amortised cost	**41,603**	7,301

b. Financial risk management objectives and policies

The Group major financial instruments include equity instruments at FVTOCI, financial assets held for trading, trade receivables, other receivables, cash and cash equivalents, trade payables and, other payables and accruals. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments induce market risk (including foreign currency risk, interest rate risk and other equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

Market risk

(i) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group did not expose to significant fair value interest rate risk as the Group did not have any interest-bearing borrowings at fixed rates. The Group did not enter into interest rate swap to hedge against its exposures to interest rate risk.

Sensitivity analysis

The directors consider that the Group's exposure to interest rate risk of bank balances, which are short term in nature, is insignificant, accordingly no sensitivity analysis is presented.

(iii) Other equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities in Hong Kong. The directors of the Company manage this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments operating in 6 (2025: 6) industry sector quoted in the Stock Exchange. In addition, the Group monitors the price risk closely and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective equity instruments at as FVTOCI and financial assets held for trading had been 5% (2025: 5%) higher/lower:

Pre-tax profit for the year ended 31 March 2026 would increase/decrease by HK$1,615,000 as a result of the change in fair value of financial assets held for trading. Pre-tax loss for the year ended 31 March 2025 would decrease/increase by HK$856,000 as a result of the change in fair value of financial assets held for trading; and

Investment revaluation reserve would increase/decrease by HK$137,000 (2025: HK$54,000) for the Group as a result of the change in fair value of equity instruments at FVTOCI.

The Group's sensitivity to equity instruments at FVTOCI and financial assets held for trading has not changed significantly from the prior years.

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts for trade receivables. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate allowances are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on accounts balances individually or based on provision matrix. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

Trade receivables from advertising

The Group has concentration of credit risk as 11% (2025: 4%) and 42% (2025: 19%) of the total trade receivables before impairment losses from design and advertising was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Trade receivables from E-commerce

The Group has concentration of credit risk as 15% (2025: 47%) and 67% (2025: 76%) of the total trade receivables before impairment losses from E-commerce was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Trade receivables

In addition, the Group performs impairment assessment under ECL model on account balances individually or based on provision matrix. The trade receivables is grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. Provision of impairment loss of approximately HK$8,042,000 (2025: reversal of impairment loss of approximately HK$6,668,000) is recognised in profit or loss during the year. Details of the quantitative disclosures are set out below in this note.

Cash and cash equivalent

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

Other receivables

For other receivables, the directors of the Company make periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL and lifetime ECL. Provision of impairment loss of approximately HK$201,000 (2025: HK$1,371,000) is recognised in profit or loss during the year. Details of the quantitative disclosures are set out below in this note.

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counter party has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	The debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increase in credit risk since initial recognition based on information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Written-off	There is evidence indicating that debtor is severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	Internal credit rating	12-month or lifetime ECL	2026 Gross carrying amounts HK$'000	2025 Gross carrying amounts HK$'000
Financial assets at amortised cost					
Trade receivables	21	(note 1)	Lifetime ECL – not credit-impaired	**51,060**	17,756
			– credit-impaired	**22,993**	37,987
Other receivables	22	(note 2)	12-month ECL	**3,817**	1,820
			Lifetime ECL – credit-impaired	**1,579**	1,562
Cash and cash equivalents	24	Low risk	12-month ECL	**5,248**	15,042

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Notes:

(1) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its e-commerce and advertising operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on a collective basis within lifetime ECL (not credit-impaired). During the year ended 31 March 2026, trade receivables with gross carrying amounts of HK$22,993,000 (2025: HK$37,987,000) are assessed based on individual assessment.

As at 31 March 2026, the Group provided HK$663,000 (2025: HK$1,583,000) impairment allowance for trade receivables based on a collective basis. Impairment allowance of HK$22,993,000 (2025: HK$37,682,000) were made on debtors based on individual assessment.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, based on a collective basis and individual assessed:

At 31 March 2026

	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Not yet due	**0.3**	**34,958**	**(91)**
1–90 days past due	**2.0**	**3,409**	**(69)**
91–180 days past due	**4.0**	**5,380**	**(215)**
181–365 days past due	**3.9**	**6,677**	**(259)**
Over 365 days past due	**4.6**	**636**	**(29)**
Individual assessed	**100**	**22,993**	**(22,993)**
		74,053	**(23,656)**

At 31 March 2025

	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Not yet due	1.0	7,146	(71)
1–90 days past due	2.2	5,590	(122)
91–180 days past due	27.7	1,265	(350)
181–365 days past due	27.7	3,755	(1,040)
Over 365 days past due	–	–	–
Individual assessed	99.2	37,987	(37,682)
		55,743	(39,265)

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Notes: *(Continued)*

(1) *(Continued)*

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	2026			2025		
	Not credit-impaired HK$'000	**Credit-impaired HK$'000**	**Total HK$'000**	Not credit-impaired HK$'000	Credit-impaired HK$'000	Total HK$'000
Balance at beginning of the year	**1,583**	**37,682**	**39,265**	1,744	53,274	55,018
Provision for/(reversal) of impairment loss recognised, net	**426**	**7,616**	**8,042**	(161)	(6,507)	(6,668)
Transfer to credit-impaired	**(1,346)**	**1,346**	**–**	–	–	–
Written-off (note)	**–**	**(23,651)**	**(23,651)**	–	(1,250)	(1,250)
Disposal of subsidiaries	**–**	**–**	**–**	–	(7,835)	(7,835)
Balance at end of the year	**663**	**22,993**	**23,656**	1,583	37,682	39,265

Note: Trade receivables are written-off when the debtors are deregistered or when management considers that there is no realistic prospect of recovery and the receivable is not subject to any enforcement activity.

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Notes: *(Continued)*

(2) Included in other receivables are amounts representing due from independent third parties and a director. The Group assessed the loss allowance for these other receivables on 12-month ECL basis and collective basis within lifetime ECL (credit-impaired). In determining the ECL, the Group has taken into account the probability of default, loss given default and forward-looking information as appropriate. There had been no significant increase in credit risk since initial recognition except for the other receivable with gross carrying amounts of HK$1,579,000 (2025: HK$1,562,000) are assessed based on lifetime ECL. There is no fixed repayment terms for other receivables as at 31 March 2026 and 2025.

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables:

At 31 March 2026

Internal credit rating	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Low risk	**0.26**	**3,817**	**(10)**
Loss	**99.37**	**1,579**	**(1,569)**
		5,396	**(1,579)**

At 31 March 2025

Internal credit rating	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Low risk	0.27	1,820	(5)
Loss	87.90	1,562	(1,373)
		3,382	(1,378)

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Notes: *(Continued)*

(2) *(Continued)*

The following table shows the movement of loss allowance that has been recognised for other receivables under the general approach.

	12m ECL HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2024	7	–	7
Impairment loss recognised, net	5	1,366	1,371
Transfer to credit-impaired	(7)	7	–
At 31 March 2025 and 1 April 2025	5	1,373	1,378
Impairment loss recognised, net	5	196	201
At 31 March 2026	10	1,569	1,579

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's liquidity position is monitored on a daily basis by management and is reviewed monthly by the directors. The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The remaining contractual maturities at the end of the reporting period of the Group's financial liabilities and lease liabilities, which are based on contractual undiscounted cash flows and the earliest date of the Group can be required to pay, are within one year or on demand (2025: within one year or on demand).

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

(ii) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair value hierarchy

The following table illustrate the fair value measurement hierarchy of the Group's financial instruments:

At 31 March 2026

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets:				
Equity instruments at FVTOCI	**2,740**	**–**	**–**	**2,740**
Financial assets held for trading	**32,291**	**–**	**–**	**32,291**
	35,031	**–**	**–**	**35,031**

At 31 March 2025

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets:				
Equity instruments at FVTOCI	1,081	–	–	1,081
Financial assets held for trading	17,124	–	–	17,124
	18,205	–	–	18,205

There were no transfers between Level 1 and 2 or transfer in or out of Level 3 during the both years.

8. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For the purposes of resources allocation and performance assessment, information is reported to the CODM, based on the following operating and reportable segments:

(a) Advertising segment – provision of design and advertising services;

(b) E-commerce segment – sales of mobile products; and

(c) Movie segment – trading and production of films and provision of other film related services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

	Revenue		Results	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Advertising	**16,228**	13,686	**12,625**	9,357
E-commerce	**33,740**	30,022	**(6,450)**	(1,384)
	49,968	43,708	**6,175**	7,973
Other unallocated gains/(expenses), net			**6,427**	(12,755)
Profit/(loss) before tax			**12,602**	(4,782)
Income tax expense			**–**	–
Profit/(loss) for the year			**12,602**	(4,782)

There were no inter-segment sales during the year ended 31 March 2026 (2025: Nil). Segment results represent the profit earned without allocation of central administration costs including directors' emoluments, other revenue, impairment loss in respect of financial assets, net, finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

8. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's revenue from external customers by location of operations and information about segment assets and liabilities, other than equity instruments at FVTOCI, by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**49,968**	43,708	**–**	–

The following is an analysis of the Group's assets and liabilities by operating segment:

	Assets		Liabilities	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Advertising	**20,216**	9,290	**6,288**	3,356
E-commerce	**39,587**	9,301	**33,507**	2,089
	59,803	18,591	**39,795**	5,445
Unallocated	**40,636**	33,285	**1,808**	1,856
Consolidated total	**100,439**	51,876	**41,603**	7,301

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

- all assets are allocated to reportable segments other than equity instruments at FVTOCI, financial assets held for trading and unallocated head office and corporate assets.

- all liabilities are allocated to reportable segments other than unallocated head office and corporate liabilities.

8. SEGMENT INFORMATION *(Continued)*

Other segment information

The following other segment information included in reports provided regularly to CODM.

For the year ended 31 March 2026

	Advertising HK$'000	E-commerce HK$'000	Unallocated HK$'000	Consolidated HK$'000
Cost of sales	**5,690**	**32,375**	**–**	**38,065**
Provision of impairment loss on trade receivables, net	**2,454**	**5,588**	**–**	**8,042**
Provision of impairment loss on other receivables	**9**	**183**	**9**	**201**

For the year ended 31 March 2025

	Advertising HK$'000	E-commerce HK$'000	Unallocated HK$'000	Consolidated HK$'000
Cost of sales	28,520	11,241	–	39,761
(Reversal of)/provision for impairment loss on trade receivables, net	(7,773)	1,105	–	(6,668)
Provision of impairment loss on other receivables	–	1,363	8	1,371

Revenue from its major services

The Group's revenue from its major services/products was as follows:

	2026 HK$'000	2025 HK$'000
Advertising	**16,228**	13,686
E-commerce	**33,740**	30,022
	49,968	43,708

Information about major customers

There is no single customer contributing over 10% of total revenue of the Group for the year ended 31 March 2025. Revenue from customers for the year ended 31 March 2026 contributing over 10% of the total revenue of the Group are as follows:

	2026 HK$'000	2025 HK$'000
Customer A^	**6,138**	N/A*
Customer B^	**5,869**	N/A*
Customer C^	**5,751**	N/A*
Customer D^	**4,982**	N/A*

^ Revenue relating to e-commerce segment.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

9. REVENUE

Disaggregation of revenue from contracts with customers

	2026 HK$'000	2025 HK$'000
Revenue:		
– Advertising	**16,228**	13,686
– E-commerce	**33,740**	30,022
Revenue from contracts with customers	**49,968**	43,708

	2026 HK$'000	2025 HK$'000
Timing of revenue recognition		
Point in time	**33,740**	30,022
Over time	**16,228**	13,686
	49,968	43,708

Performance obligations for contracts with customers

a) Advertising

Revenue from advertising is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

b) E-commerce

Revenue from E-commerce is recognised at a point in time when the goods is delivered to customers, being at the point that the customer obtains the control of the goods and the Group has present right to payment and collection of the consideration is probable.

The historical return and warranty claim rates are negligible. Therefore, the relevant liabilities and provisions are immaterial to the consolidated financial statements as a whole.

Transaction price allocated to remaining performance obligation for contract with customers

As at 31 March 2026, there is no aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts (2025: Nil).

10. OTHER GAINS AND LOSSES, NET

	2026 HK$'000	2025 HK$'000
Fair value changes on financial assets held for trading	**15,430**	3,210
Loss on disposal of subsidiaries	**–**	(12,669)
Impairment loss on inventories	**(213)**	–
	15,217	(9,459)

11. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	2026 HK$'000	2025 HK$'000
Cost of sale		
– E-commerce	**32,375**	28,520
– Advertising	**5,690**	11,241
Auditors' remuneration		
– audit services	**645**	620
– non-audit services	**–**	50
Staff costs (excluding directors' emoluments)		
– Wages and salaries	**1,832**	1,180
– Pension scheme contributions	**62**	62
	1,894	1,242
Expenses related to short-term lease:		
– office premises	**–**	4
Legal and professional fee	**753**	1,318
Company secretary fee	**622**	381
Insurance	**88**	93

12. DIRECTORS' EMOLUMENTS

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

	Fees		Salaries		Pension scheme contributions		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Executive Directors								
Ms. Sun Wei (Chairman)	**218**	240	**–**	–	**–**	–	**218**	240
Mr. Wang Shidi (appointed on 18 July 2025)	**–**	–	**–**	–	**–**	–	**–**	–
Ms. Man Qiaozhen	**120**	100	**–**	–	**–**	–	**120**	100
	338	340	**–**	–	**–**	–	**338**	340

	Fees		Salaries		Pension scheme contributions		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Independent Non-Executive Directors								
Mr. Liu Kwong Sang	**120**	120	**–**	–	**–**	–	**120**	120
Ms. Wang Miaojun	**120**	120	**–**	–	**–**	–	**120**	120
Ms. Wang Yujie	**96**	96	**–**	–	**–**	–	**96**	96
	336	336	**–**	–	**–**	–	**336**	336
	674	676	**–**	–	**–**	–	**674**	676

No emoluments were paid by the Group to the directors or as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2026 (2025: Nil). There were no directors have waived or agreed to waive any emoluments during the year ended 31 March 2026 (2025: Nil).

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries or its parent company 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.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

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

13. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Of the five employees with the highest emoluments in the Group, three (2025: three) were directors of the Company whose emoluments are included in the disclosures in Note 12 above. The emoluments of the remaining two employees was as follows:

	2026 **HK$'000**	2025 HK$'000
Wages and salaries	**652**	217

The emolument of two (2025: two) employees with the highest emolument is within the following band:

	Number of individuals	
	2026	2025
Nil – HK$1,000,000	**2**	2

No emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2026 (2025: Nil). There were no five highest paid employees have waived or agreed to waive any emoluments during the year ended 31 March 2026 (2025: Nil).

14. INCOME TAX EXPENSE

Under the two-tiered profits tax rate regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime of Hong Kong Profits Tax as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

14. INCOME TAX EXPENSE *(Continued)*

For the years ended 31 March 2026 and 2025, no provision for Hong Kong Profits Tax has been made as the Group's has either available tax loss to offset assessable profit or no estimated assessable profits arising in Hong Kong.

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rates for the countries in which the Company and its subsidiaries, are domiciled to the tax expense at the effective tax rates, and a reconciliation of tax at the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2026 HK$'000	2025 HK$'000
Profit/(loss) before tax	**12,602**	(4,782)
Tax at applicable tax rate	**2,079**	(789)
Tax effect of income not taxable of tax purpose	**(185)**	(1,283)
Tax effect of expenses not deductible of tax purpose	**576**	3,052
Tax effect of unrecognised temporary difference	**(6,369)**	–
Utilisation of tax loss previously not recognised	**–**	(980)
Tax effect of tax losses not recognised	**3,899**	–
Tax credit at the Group's effective rate	**–**	–

At the end of the reporting period, the Group has unused tax losses arising in Hong Kong of approximately HK$393,287,000 (2025: HK$369,655,000). Tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets had not been recognised in respect of these losses and temporary differences on ECL of financial assets of approximately HK$663,000 (2025: HK$39,261,000) as they have arisen in subsidiaries that have been loss-making for some time, or it is not probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

15. DIVIDENDS

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

16. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following:

	2026 **HK$'000**	2025 HK$'000
Profit/(loss)		
Profit/(loss) for the year and attributable to the owners of the Company	**12,602**	(4,782)

	2026 **'000**	2025 '000
Number of shares		
Weighted average number of shares for the purpose of basic and diluted earnings/(loss) per share	**234,366**	98,749

The weighted average number of ordinary shares for the year ended 31 March 2025 has been adjusted for the bonus element of the Right Issue completed in March 2025 as if it had been effective on 1 April 2024.

The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for the years ended 31 March 2026 and 2025.

17. INTANGIBLE ASSETS

	Computer software and application HK$'000
Cost:	
At 1 April 2024	94,047
Disposal of subsidiaries	(94,047)
At 31 March 2025, 1 April 2025 and 31 March 2026	–
Accumulated amortisation and impairment:	
At 1 April 2024	94,047
Disposal of subsidiaries	(94,047)
At 31 March 2025, 1 April 2025 and 31 March 2026	–
Net carrying amount:	
At 31 March 2026	**–**
At 31 March 2025	–

Note:

The computer software and application represented an application running on the well-known communication platform to connect potential customers with food and beverages business in the PRC acquired during the year ended 31 March 2017. The directors considered that the application has an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The application will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. The balance was derecognised through disposal of subsidiaries during the year ended 31 March 2025.

18. EQUITY INSTRUMENTS AT FVTOCI

	2026 HK$'000	2025 HK$'000
Equity securities listed in Hong Kong (note)	**2,740**	1,081

These investments are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Note:

The fair value of the listed equity investments is based on the quoted market prices available on the Stock Exchange. During the year ended 31 March 2026, the fair value gain recognised in other comprehensive income and accumulated in investment revaluation reserve amounted to approximately HK$1,659,000 (2025: fair value loss of HK$1,186,000). No dividend income was received during the years ended 31 March 2026 and 31 March 2025.

19. INVENTORIES

	2026 HK$'000	2025 HK$'000
Merchandise	**5,087**	–

20. PRINCIPAL SUBSIDIARIES

The following list contains only the particulars of subsidiaries which, in the opinion of the directors of the Company, principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Particulars of the principal subsidiaries are as follows:

Name of subsidiaries	Place of Incorporation/ Registration and operation	Full paid-up share/ registered capital and number of shares	Proportion of ownership interest and voting power attributable to the Company				Principal activities
			Direct		Indirect		
			2026	2025	**2026**	2025	
Beast Media Limited	Hong Kong/ Hong Kong	HK$1,000, 1,000 ordinary shares	**–**	–	**100%**	100%	E-commerce
Capital Marks Limited	British Virgin Islands/ Hong Kong	US$1,000, 1,000 shares of US$1 each	**100%**	100%	**–**	–	Investment holding
FingerAd Media Company Limited	Hong Kong/ Hong Kong	HK$1, 1 ordinary share	**–**	–	**100%**	100%	Provision of design, advertising services and movie production
Huge Leader Development Limited	British Virgin Islands/ Hong Kong	US$256,410, 256,410 shares of US$1 each	**–**	–	**100%**	100%	Investment holding
Prospect Vantage Investment Limited	British Virgin Islands/ Hong Kong	US$100, 100 ordinary shares of US$1 each	**100%**	100%	**–**	–	Investment holding

None of the subsidiaries had any debt securities outstanding at end of the year or at any time during the year.

21. TRADE RECEIVABLES

An ageing analysis of the trade receivables at the end of the reporting period which based on the date of recognition of revenue, is as follows:

	2026 HK$'000	2025 HK$'000
Within 30 days	**32,969**	2,734
31-60 days	**1,050**	1,994
61-90 days	**939**	2,418
91-365 days	**12,363**	5,590
Over 365 days	**26,732**	43,007
	74,053	55,743
Less: Allowances for credit losses	**(23,656)**	(39,265)
	50,397	16,478

As at 31 March 2026, included in the Group's trade receivables (net of impairment losses) balance are receivables with aggregates carrying amounts of approximately HK$11,936,000 (2025: HK$9,403,000), which are past due at the end of the reporting period. Out of the past due balances, HK$3,739,000 (2025: HK$3,630,000) (net of impairment losses) has been past due 1 year or more and is not considered as credit impaired because of no recent history of unrecoverable debts and the directors are in opinion of these balances are still considered as collectible.

The credit period granted to customers up to 90 days.

Details of impairment assessment are set out in note 6(b) to the consolidated financial statements.

22. PREPAYMENTS AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Prepayments	**900**	147
Amount due from a director (note)	**573**	573
Cash held at securities trading accounts	**3,202**	1,247
Others	**1**	184
	4,676	2,151

For the year ended 31 March 2026, impairment loss on other receivables of approximately HK$201,000 (2025: impairment loss of HK$1,371,000) has been recognised in the consolidated statement of profit or loss.

Details of impairment assessment are set out in note 6(b) to the consolidated financial statements.

Note:

The amount is unsecured, interest free and repayable on demand. As at 1 April 2025, the amount due from a director amounted to HK$573,000, with maximum amount outstanding during the year ended 31 March 2026 amounted to approximately HK$573,000 (2025: HK$982,000).

23. FINANCIAL ASSETS HELD FOR TRADING

	2026 HK$'000	2025 HK$'000
Held-for-trading investments include:		
Equity securities listed in Hong Kong	**32,291**	17,124

The fair value of the listed equity investment is based on the quoted market price available on the Stock Exchange.

24. CASH AND CASH EQUIVALENTS

At 31 March 2026, all cash and cash equivalents are denominated in HK$ and United States Dollars ("USD") (2025: HK$).

The Group's bank balances and cash that are denominated in currency other than the functional currency of the relevant Group entities are as follows:

	2026 HK$'000	2025 HK$'000
USD	**366**	–

Bank balances earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks in Hong Kong with no recent history of default.

25. TRADE PAYABLES

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

	2026 HK$'000	2025 HK$'000
0-30 days	**32,267**	1,643
31-60 days	**–**	142
61-365 days	**2,890**	1,417
Over 365 days	**1,700**	–
	36,857	3,202

The credit period granted by suppliers up to 30 days (2025: 30 days).

26. OTHER PAYABLES AND ACCRUALS

	2026 HK$'000	2025 HK$'000
Other payables	**530**	505
Accruals	**1,575**	1,647
Accrued salary expenses	**2,641**	1,947
	4,746	4,099

27. SHARE CAPITAL

	Notes	Number of shares '000	Nominal value of shares HK$'000
Authorised:			
Ordinary shares of HK$0.4 each			
At 1 April 2024		2,500,000	1,000,000
Increase in number of authorised shares upon Share Sub-division	(a)	97,500,000	–
Ordinary shares of HK$0.01 each			
At 31 March 2025, 1 April 2025 and 31 March 2026		**100,000,000**	**1,000,000**
Issued and fully paid:			
Ordinary shares of HK$0.4 each:			
At 1 April 2024		78,122	31,249
Decrease in share capital upon capital reduction	(a)	–	(30,467)
Issuance of shares under rights issue	(b)	156,244	1,562
Ordinary shares of HK$0.01 each			
At 31 March 2025, 1 April 2025 and 31 March 2026		**234,366**	**2,344**

27. SHARE CAPITAL *(Continued)*

Notes:

(a) Effective on 3 February 2025, the par value of each of the issued share capital of the Company was reduced from HK$0.4 to HK$0.01 by cancelling the paid-up capital of the Company to the extent of HK$0.39 on each of the issued share capital ("Capital Reduction"). The reduced par value from the Capital Reduction with an aggregate amount of HK$30,467,000 was transferred to the capital reserve of the Company, which was then used to offset the Company's accumulated losses as of the effective date of the Capital Reduction. This has consequently reduced the Company's accumulated losses.

Following the Capital Reduction, each of the Company's authorised share capital of par value of HK$0.4 each was sub-divided into forty of par value of HK$0.01 each ("Share Sub-division").

Further details on the Capital Reduction and the Share Sub-division were set out in the announcement of the Company dated 17 January 2025 and 3 February 2025, the circular of the Company dated 31 October 2024 and the poll results announcement of the extraordinary general meeting of the Company dated 18 November 2024.

(b) In March 2025, the Company completed a rights issue of 156,244,304 on the basis of two rights shares for every one existing share ("Rights Issue") of the Company at an issue price of HK$0.1 each. The net proceeds from the rights issue were approximately HK$15,304,000.

28. NON-VOTING CONVERTIBLE PREFERENCE SHARES

	Notes	Number of shares '000	Nominal value of shares HK$'000
Authorised:			
Non-voting convertible preference shares of HK$1.4 each			
At 1 April 2024		350,000	490,000
Share sub-division	(a)	13,650,000	–
Non-voting convertible preference shares of HK$0.035 each			
At 31 March 2025, 1 April 2025 and 31 March 2026		**14,000,000**	**490,000**
Issued and fully paid:			
Non-voting convertible preference shares of HK$1.4 each and HK$0.035 each (after Capital reduction)			
At 1 April 2024, 31 March 2024, 1 April 2025 and 31 March 2026		**–**	**–**

Note:

(a) The par value of the non-voting convertible preference shares of HK$1.4 each is reduced to HK$0.035 each by cancelling the paid-up capital to the extent of HK$1.365 each of the non-voting convertible preference shares with effective from 3 February 2025.

29. SHARE OPTION SCHEMES

The Company operated a share option scheme which became effective on 29 August 2014 (the "Old Share Option Scheme") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. The Old Share Option Scheme was expired on 28 August 2024.

On 18 September 2025, the Company adopted a new share option scheme (the "New Share Option Scheme").

The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and to provide incentives to Participants to work towards the success of the Company.

The Directors may at their absolute discretion grant options to (a) any full-time or part-time employee of any member of the Group; (b) any consultant or adviser of any member of the Group; (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (d) any shareholder of any member of the Group; or (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, to be determined absolutely by the Board. If options are granted to Participants, regards will be had as to, inter alia, the relationship of the grantee to the Group, the length of time of relationship, the contribution made or to be made to the Group, etc.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is equivalent, upon their exercise, to 10% of total number of shares of the Company in issue at 18 September 2025. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes, must not in aggregate exceed 10% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The exercise period of the share options granted is determined by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. The vesting period in respect of any option granted to any eligible participant shall not be less than 12 months from the date of grant. Participants of the New Share Option Scheme are required to pay the Company HK$1.0 upon acceptance of the grant within 30 days from the offer date.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a share of the Company.

29. SHARE OPTION SCHEMES *(Continued)*

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

At 31 March 2025, the number of shares in respect of which options had been granted and remained outstanding under the Old Share Option Scheme was 5,888,400, representing 2.51% of the shares of the Company in issue at that date.

23,436,645 ordinary shares in the share capital of the Company, representing 10% of the issued share capital are available for issue under the New Share Option Scheme as at the date of this annual report.

The following table summaries the movements in the Company's share options during the years ended 31 March 2026 and 31 March 2025.

	Grant date	At 1 April 2024	Adjustment during the year	At 31 March 2024 and 1 April 2025	Lapsed during the year	At 31 March 2026	Exercise period	Exercise price per share (after share consolidation) HK$
Executive Directors								
Sun Wei	21 August 2019	490,700	–	490,700	**(490,700)**	**–**	21 August 2019 – 20 August 2025	4.00
	11 August 2021	588,800	(588,800)	–	**–**	**–**	11 August 2021 – 10 August 2024	1.61
	12 August 2022	731,000	(731,000)	–	**–**	**–**	12 August 2022 – 11 August 2024	1.59
Man Qiaozhen	21 August 2019	490,700	–	490,700	**(490,700)**	**–**	21 August 2019 – 20 August 2025	4.00
	11 August 2021	588,800	(588,800)	–	**–**	**–**	11 August 2021 – 10 August 2024	1.61
	12 August 2022	731,000	(731,000)	–	**–**	**–**	12 August 2022 – 11 August 2024	1.59
Independent Non-executive Directors								
Wang Miaojun	18 August 2020	490,700	–	490,700	**(490,700)**	**–**	18 August 2020 – 17 August 2025	0.76
	12 August 2022	731,000	(731,000)	–	**–**	**–**	12 August 2022 – 11 August 2024	1.59
Wang Yujie	18 August 2020	490,700	–	490,700	**(490,700)**	**–**	18 August 2020 – 17 August 2025	0.76
	12 August 2022	731,000	(731,000)	–	**–**	**–**	12 August 2022 – 11 August 2024	1.59
Other eligible employees	21 August 2019	2,944,200	–	2,944,200	**(2,944,200)**	**–**	21 August 2019 – 20 August 2025	4.00
	11 August 2021	1,177,600	(1,177,600)	–	**–**	**–**	11 August 2021 – 10 August 2024	1.61
	12 August 2022	4,386,000	(4,386,000)	–	**–**	**–**	12 August 2022 – 11 August 2024	1.59
Consultants	21 August 2019	981,400	–	981,400	**(981,400)**	**–**	21 August 2019 – 20 August 2025	4.00
		15,553,600	(9,665,200)	5,888,400	**(5,888,400)**	**–**		
Weighted average exercise price		2.30	1.59	3.46	**3.46**	**N/A**		
Exercisable at end of the year		15,553,600		5,888,400		**N/A**		

29. SHARE OPTION SCHEMES *(Continued)*

Notes:

(1) The share options granted on 21 August 2019, 18 August 2020, 11 August 2021 and 12 August 2022 were fully vested immediately.

(2) The weighted average remaining contractual life of the share options outstanding is 0.39 years as at 31 March 2025.

The fair value of the share options granted on 21 August 2019, 18 August 2020, 11 August 2021 and 12 August 2022 are measured based on the Binomial option pricing model.

30. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity of the consolidated financial statements.

The Company

Under the Companies Law (2004 revision) of the Cayman Islands, the Company's share premium account and capital reserve may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Share options reserve

Share options reserve comprises the fair value of share options granted which are yet to be exercised, the amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulated losses should the related options expire or be forfeited.

Exchange translation reserve

Exchange translation reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) are recognised directly in other comprehensive income and accumulated in the exchange translation reserve. Such exchange differences accumulated in the exchange translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

Investment revaluation reserve

Investment revaluation reserve represents gains/losses arising on recognising financial assets classified as investment in equity instruments at fair value through other comprehensive income.

31. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year:

Key management personnel compensation

	2026 HK$'000	2025 HK$'000
Salaries, wages and other benefits in kind	674	676
Retirement benefit scheme contributions	–	–
	674	676

The remuneration of the directors and key management personnel is determined by the remuneration committee regarded to the performance of individuals and market trends.

Further details of directors' emoluments are included in note 15(a) to the consolidated financial statements.

32. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employee's relevant income subject to a cap of monthly relevant income of HK$30,000. Contributions to the MPF Scheme vest immediately.

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK$'000	2025 HK$'000
ASSETS		
Non-current assets		
Interests in subsidiaries	**–**	–
Current assets		
Amounts due from subsidiaries	**6,010**	799
Prepayments and other receivables	**846**	93
Cash and cash equivalents	**4,558**	14,786
	11,414	15,678
Total assets	**11,414**	15,678
EQUITY		
Capital and reserves		
Share capital	**2,344**	2,344
Reserves (Note)	**7,282**	11,497
Total equity	**9,626**	13,841
LIABILITIES		
Current liabilities		
Other payables and accruals	**1,788**	1,837
Total liabilities	**1,788**	1,837
Total equity and liabilities	**11,414**	15,678
Net current assets	**9,626**	13,841
Net assets	**9,626**	13,841

Approved and authorised for issue and signed by the Board of Directors on 30 June 2026.

SUN Wei
Director

MAN Qiaozhen
Director

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

The movements of the Company's reserve during the year are as follows:

	Share premium HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	1,432,925	10,327	(1,472,597)	(29,345)
Loss and total comprehensive expenses for the year	–	–	(3,367)	(3,367)
Capital reduction upon Capital Reorganisation	–	–	30,467	30,467
Issue of ordinary shares under rights issue (note 27)	13,742	–	–	13,742
Lapse of share options	–	(6,369)	6,369	–
At 31 March 2025 and 1 April 2025	**1,446,667**	**3,958**	**(1,439,128)**	**11,497**
Loss and total comprehensive expenses for the year	**–**	**–**	**(4,215)**	**(4,215)**
Lapse of share options	**–**	**(3,958)**	**3,958**	**–**
At 31 March 2026	**1,446,667**	**–**	**(1,439,385)**	**7,282**

34. DISPOSAL OF SUBSIDIARIES

On 1 April 2024, the Group disposed of 100% equity interests in Recent Value Limited and its subsidiary to an independent third party at consideration of HK$780. Net liabilities of disposed subsidiaries at the date of disposal were as follows:

	HK$'000
Trade receivables	540
Cash and cash equivalents	35
Other payables and accruals	(6,394)
Total net liabilities of subsidiaries disposed of	(5,819)
Exchange reserve released on disposal	18,489
Consideration	(1)
Loss on disposal of subsidiaries	12,669
Net cash outflow arising on disposal:	
Cash consideration received	1
Bank balances and cash disposed of	(35)
Net cash outflow arising on disposal	(34)

35. EVENTS AFTER REPORTING PERIOD

On 28 April 2026, the Company entered into four subscription agreements with four independent third-party subscribers, pursuant to which the subscribers have conditionally agreed to (on their own behalf or through their designated entity) subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 46,800,000 warrants at the issue price of HK$0.10. The warrant will be allotted and issued pursuant to the specific mandate to be sought from the shareholders of the Company at the extraordinary general meeting of the Company ("EGM"). Up to the date of this report, the EGM has not yet convened.

Other than those disclosed in the consolidated financial statements, the Group has no material events after the reporting period which are required to be disclosed.

36. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2026.

Summary of Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

RESULTS

	Year ended 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**49,968**	43,708	27,883	43,019	67,457
Profit/(loss) from operations	**12,602**	(4,782)	(44,434)	(3,015)	(40,008)
Profit/(loss) before tax	**12,602**	(4,782)	(44,434)	(3,015)	(40,008)
Income tax credit	**–**	–	766	1,517	5,457
Profit/(loss) after tax	**12,602**	(4,782)	(43,668)	(1,498)	(34,551)
Profit/(loss) for the year and attributable to owners of the Company	**12,602**	(4,782)	(43,668)	(1,498)	(34,551)

ASSETS AND LIABILITIES

	At 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**100,439**	51,876	32,039	78,006	87,103
Total liabilities	**(41,603)**	(7,301)	(15,289)	(17,025)	(30,768)
Net assets	**58,836**	44,575	16,750	60,981	56,335