ALCO HOLDINGS LIMITED

Stock Code 股份代號 : 328

年報 2026
ANNUAL REPORT

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Corporate Information

Executive Director	Mr. Zheng Yuxing
Non-executive Director	Ms. Pan Ying (Chairman)
Independent non-executive Directors	Mr. Chu Hoi Kan Mr. Lam Chi Wing Mr. Tang Sher Kin
Company Secretary	Mr. Yu Ngai
Principal Bankers	Bank of China (Hong Kong) Limited
Auditor	Global Link CPA Limited Registered Public Interest Entity Auditor
Legal Advisers on Bermuda Law	Conyers, Dill & Pearman
Registered Office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Head Office and Principal Place of Business	Unit 6, 9/F, Wing Fung Industrial Building, 40-50 Sha Tsui Road, Tsuen Wan New Territories Hong Kong
Principal Registrars	Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HM11 Bermuda
Registrars in Hong Kong	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Website	http://www.alco.com.hk
Stock Code	328

Chairman's Statement

GROUP RESULTS AND DIVIDENDS

The revenue of the continuing operations of the Group was HK$123 million for the year ended 31 March 2026 as compared to HK$99 million for the year ended 31 March 2025, represented a 23% increase in revenue. Gross profit of the continuing operations of HK$6 million was recorded for the year ended 31 March 2026 as compared to the gross profit of HK$5 million for the year ended 31 March 2025. The loss for the year ended 31 March 2026 of HK$96 million was mainly attributable to the decrease in revenue due to economic downturn worldwide and people reduces personal consumptions in markets, while the profit for the year ended 31 March 2024 of HK$592 million was mainly attributable to the gain on deconsolidation of Disposal Group from discontinued operation of HK$596 million and gain on deconsolidation of subsidiaries of HK$78 million.

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

REVIEW OF OPERATIONS

The core business of the Group during the period under review was focused on the development and sales of own brand notebooks and tablets.

While there has been a modest improvement in transitioning from in-house manufacturing to outsourcing Original Design Manufacturer (ODM) and Original Equipment Manufacturer (OEM) functions, yielding a gross profit, the Company remains in challenging business environment. Exploring new products and markets has become one of the most important missions for the Company to complete.

The Company still require additional resources to refine operations, including but not limited to strategically leveraging its network from business partners and investors. These collaborations aim to enhance operational efficiency and optimize processes, aligning with the Company's commitment to adaptability and growth.

It is crucial to note that the overall financial picture remains challenging. Disregarding the one-off gain from deconsolidation of subsidiaries, the company still faces a net loss for the year. Caution is advised in both operational and cash flow aspects, given the persistently grim business environment.

To address financial challenges, the company will continue relying on raising funds from the capital market. Although there's a slight improvement in ongoing operations, finding a stable and profitable mode of operation remains a focal point. Efforts will be devoted to navigating these challenges and securing a sustainable and resilient business model for the future.

Chairman's Statement

PROSPECTS

Looking ahead, the Group remains committed to its strategic objectives and will continue to pursue opportunities for growth and profitability. The following prospects outline the key focus areas for the Group:

- Operational optimization: The Group will continue to implement measures to improve operational efficiency, including ongoing downsizing initiatives, process enhancements, and cost control measures.

- Business cooperation: The Group will actively explore opportunities for business cooperation, including strategic partnerships, technological innovation, and product diversification, to enhance competitiveness and capture new market opportunities.

- Capital market financing: The Group intends to explore capital market financing options, including rights issues, to raise funds for strategic investments and future growth initiatives.

The Group remains cautiously optimistic about its prospects, driven by the ongoing efforts to improve operational efficiency, reduce debts, and pursue growth opportunities. The focus on financial stability, strategic partnerships, and transformative initiatives positions the Group for long-term success in a rapidly evolving market landscape.

APPRECIATION

On behalf of the Board of Directors, I want to thank every staff member of the Group for their endurance, dedication and commitment in assisting the Group in this particular difficult year. I also want to extend our sincere gratitude to our business partners for their tremendous understanding, patient and support to the Group.

Pan Ying
Chairman and non-executive director

Hong Kong, 30 June 2026

Biographical Details of Directors

Executive Directors

Mr. Zheng Yuxing ("Mr. Zheng"), aged 59, has over 30 years of business experience. He has established companies in mainland China and directly operated businesses of computer, communications, and other electronic equipment as a major shareholder and executive director, primarily responsible for overall management and supervision of corporate resources and administration function; Mr. Zheng has served as the chief business advisor for the Group's subsidiaries for many years, responsible for managing and coordinating the Group's operations in Greater China and Taiwan. Therefore, Mr. Zheng is highly familiar with the Group's business management. In summary, Mr. Zheng possesses extensive business experience, and he will take this opportunity to assume the position of executive director of a listed company and lead the Company's business forward.

Non-executive Directors

Ms. Pan Ying ("Ms. Pan"), aged 40, obtained her bachelor's degree from Liaoning University of Technology in July 2009. Ms. Pan has over 15 years of experience in asset management, institutional business, securities brokerage, capital markets and investment operations. Ms. Pan has served as the chief executive officer of Shengjun Capital Limited since March 2021. Shengjun Capital Limited is a corporation licensed by the Securities and Futures Commission of Hong Kong to carry on Type 9 (asset management) regulated activity. In this role, Ms. Pan is responsible for the overall management and strategic development of the company, with a focus on compliance oversight, investment management, risk control and team leadership.

Independent Non-executive Directors

Mr. Chu Hoi Kan ("Mr. Chu"), aged 38, has over 10 years of experience in the accounting and corporate finance industries. He is currently an associate director in Honestum International Limited performing corporate finance advisory work since January 2019. Prior to that, he was mainly engaged in corporate finance advisory work at CLC International Limited from December 2012 to January 2019 with his last position as a manager. He also gained accounting experience from Deloitte Touche Tohmatsu from October 2010 to November 2012, with his last position as an audit senior in the audit function.

Mr. Chu obtained a degree of Bachelor of Business Administration in Finance and Professional Accounting with first class honors from the Hong Kong University of Science and Technology in November 2010. He has been certified as a member of the Hong Kong Institute of Certified Public Accountants since September 2014. Mr. Chu was an independent non-executive director of MOG Digitech Holdings Limited (stock code: 1942) from September 2022 to September 2023. Mr. Chu currently serves as an independent non-executive director of DreamEast Group Limited formerly listed on the Stock Exchange (former stock code: 593) since January 2024.

Biographical Details of Directors

Independent Non-executive Directors

Mr. Lam Chi Wing ("Mr. Lam"), aged 47, obtained a bachelor of business administration in accounting and finance degree from The University of Hong Kong in December 2003, a master of science in knowledge management degree from The Hong Kong Polytechnic University in December 2006 and a master of business administration degree from The Chinese University of Hong Kong in December 2010. He is currently a postgraduate of the Executive Master in Public Administration Hong Kong Administrative Talents Program conducted by the School of Public Policy & Management at Tsinghua University.

Mr. Lam joined Li & Fung Group in September 2003, where he served as the group chief representative and general manager of Southern China of Li & Fung Development (China) Limited prior to his departure in July 2015. From June 2020 to December 2020, he was a brand and new retail strategic officer of Bonjour Holdings Limited.

Mr. Lam has been a deputy to the 14th National People's Congress (第十四屆全國人大代表), a member of each of the 12th and 13th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十二屆及第十三屆廣東省委員會) and a member of each of the 11th and 12th Zhongshan Municipal Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆及第十二屆中山市委員會). Mr. Lam is currently a vice-chairman of each of the Hong Kong Guangdong Youth Association (香港廣東青年總會), the council of the Guangdong Society of Commercial Economy (廣東省商業經濟學會理事會), the Council for the Promotion of Guangdong-Hong Kong-Macao Cooperation (廣東省粵港澳合作促進會) and the Federation of Hong Kong Zhong Shan Community Organisations Limited (香港中山社團總會). He is also currently an adjunct associate professor of the department of information systems, business statistics and operations management of the Business School of The Hong Kong University of Science and Technology, and co-director and an adjunct professor of the Center of Innovation Design and Entrepreneurship of the School of Management and Economics of The Chinese University of Hong Kong, Shenzhen. Mr. Lam served as a part-time member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region from 2011 to 2012.

Mr. Lam was an executive director of Bonjour Holdings Limited (stock code: 653) from July 2020 to December 2020. Mr. Lam currently serves as an independent non-executive director of Carry Wealth Holdings Limited (stock code: 643) since January 2024, an independent non-executive director of China Wantian Holdings Limited (stock code: 1854) since June 2023, a non-executive director of DreamEast Group Limited formerly listed on the Stock Exchange (former stock code: 593) since November 2023, an independent non-executive director of MTT Group Holdings Limited (stock code: 2350) since August 2022, an independent non-executive director of Renheng Enterprise Holdings Limited (stock code: 3628) since July 2023, an independent non-executive director of Space Group Holdings Limited (stock code: 2448) since April 2023, an independent non-executive director of TOMO Holdings Limited (stock code: 6928) since January 2024 and an independent non-executive director of Wai Hung Group Holdings Limited (stock code: 3321) since March 2019.

Biographical Details of Directors

Mr. Lam has also served as an independent non-executive director of Aidigong Maternal & Child Health Limited (stock code: 0286) from March 2016 to December 2022, and from October 2023 to February 2025.

Mr. Tang Sher Kin ("Mr. Tang"), aged 56, has about 30 years of experience in the engineering industry and project management. Mr. Tang obtained a bachelor's degree of engineering in mechanical engineering from the Oxford Polytechnic (now known as the Oxford Brookes University) in the United Kingdom in July 1992 and a master's degree of arts in global business management from the City University of Hong Kong in November 2006. Mr. Tang was admitted as a chartered engineer of the Engineering Council in December 2004, a registered professional engineer of the Engineer Registration Board in April 2009, a BEAM professional of the Hong Kong Green Building Council in July 2010 and a registered energy assessor of the Electrical and Mechanical Services Department of the Government in August 2012. Mr. Tang is a council member of The Hong Kong Institution of Engineers (HKIE) and also a fellow member of HKIE in five disciplines including (i) building services; (ii) control, automation and instrumentation; (iii) environmental; (iv) energy; and (v) mechanical. He was an independent non- executive director of Kwong Luen Engineering Holdings Limited (stock code: 1413) from February 2021 to September 2023.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company's corporate governance practices are based on the principles and code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). During the year ended 31 March 2026 ("Year"), the Company has complied all the applicable code provisions of the Code.

THE BOARD

The Board is responsible for the formulation of the Group's business and strategic decisions and monitoring the performances of the management team.

Board composition

The Board currently comprises one executive Director, namely Mr. Zheng Yuxing, one non-executive Director, namely Ms. Pan Ying (Chairman), and three independent non-executive Directors, namely Mr. Chu Hoi Kan, Mr. Lam Chi Wing and Mr. Tang Sher Kin.

All independent non-executive Directors are appointed for a term of three years.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors in accordance with rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive Directors are independent.

Board diversity policy

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board. The nomination committee of the Company will review the board diversity policy from time to time to ensure its continued effectiveness.

Responsibilities and accountabilities of the Board and Senior Management

The Board is the primary decision making body of the Company and takes the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company. The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. Before entering into any significant transactions or commitments on behalf of the Company, members of the senior management should obtain prior approval and authorization from the Board.

Delegation by the Board

The management, consisting of executive Directors along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day management and operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Corporate Governance Report

Directors' attendance at Board/general meetings

24 Board meetings and 3 general meetings were held during the year ended 31 March 2026. The attendance of each Director is set out as follows:

	Attended/Eligible to attend	
Members of the Board	**Board Meeting**	**General Meeting**
Executive Directors		
Mr. Zheng Yuxing (appointed on 17 July 2025)	17/17	0/3
Ms. Liao Liping (resigned on 10 April 2026)	24/24	0/3
Mr. Ho Chak Yu (ceased his role on 25 November 2025)	18/18	0/2
Non-executive Directors		
Ms. Pan Ying (appointed on 10 April 2026)	N/A	N/A
Mr. Tian Yi (resigned on 10 April 2026)	24/24	0/3
Mr. Yang Min (resigned on 20 June 2025)	2/2	N/A
Mr. Bian Wenbin (appointed on 20 June 2025 and resigned on 25 November 2025)	15/15	0/2
Mr. Xu Liao (appointed on 17 July 2025 and resigned on 25 November 2025)	11/11	0/2
Independent non-executive Directors		
Mr. Chu Hoi Kan	24/24	3/3
Mr. Lam Chi Wing	24/24	2/3
Mr. Tang Sher Kin	24/24	0/3
Mr. Deng Chaowen (resigned on 3 June 2025)	0/11	1/1
Mr. Liu Liheng (appointed on 11 September 2025 and resigned on 25 November 2025)	4/4	0/1

CHAIRMAN

At the dated of this report, Ms. Pan Ying is the chairman of the Board.

LEGAL ADVICE AND INDUCTION FOR NEWLY APPOINTED DIRECTORS

During the year ended 31 March 2026 and up to the date of this annual report, Mr. Zheng Yuxing, Ms. Pan Ying, Mr. Bian Wenbin, Mr. Xu Liao, and Mr. Liu Liheng were appointed as Directors of the Company.

Each of the aforesaid Directors obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 7 July 2025, 10 April 2026, 20 June 2025, 17 July 2025 and 11 September 2025 and confirmed that he/she understood his/her obligations as a director of a listed issuer. Each of them was also provided with a comprehensive, formal and tailored induction upon or prior to his/her appointment, covering, among other things, the business and operations of the Group, directors' duties and responsibilities, the Listing Rules, applicable legal and regulatory requirements, corporate governance practices and the Company's internal policies and procedures.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions with the Company for the year ended 31 March 2026.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference in accordance with the Code provisions.

The Remuneration Committee currently comprises Mr. Tang Sher Kin (chairman of the Remuneration Committee), Mr. Chu Hoi Kan and Mr. Lam Chi Wing, all of whom are independent non-executive Directors.

The Remuneration Committee reviews and recommends to the Board the remuneration and other benefits paid by the Group to its Directors and senior management. The primary duties of the Remuneration Committee include, but are not limited to (i) establishing, reviewing and providing advice to the Board on the Group's policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management member; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

Four Remuneration Committee meetings were held during the Year for making recommendations to the Board on the remuneration packages of individual Directors and the senior management. The attendance of each Committee member is set out as follows:

Members of the Remuneration Committee	Attended/ Eligible to attend
Mr. Tang Sher Kin	4/4
Mr. Chu Hoi Kan	4/4
Mr. Lam Chi Wing	4/4
Mr. Deng Chaowen (resigned on 3 June 2025)	0/3
Mr. Liu Liheng (appointed on 11 September 2025 and resigned on 25 November 2025)	N/A

Corporate Governance Report

AUDIT COMMITTEE

The Audit Committee currently comprises Mr. Chu Hoi Kan (chairman of the Audit Committee), Mr. Lam Chi Wing and Mr. Tang Sher Kin, all of whom are independent non-executive Directors.

The primary duties of the Audit Committee include, but are not limited to, (i) reviewing and supervising the Group's financial reporting process and internal control system of the Group, risk management and internal audit; (ii) providing advice and comments to the Board; and (iii) performing other duties and responsibilities as may be assigned by the Board.

Three Audit Committee meetings were held during the Year to review the Group's interim and annual financial results for submission to the Board for approval, make recommendation on the re-appointment of the external auditor, review the internal control and risk management systems of the Group, review and monitor the effectiveness of internal audit function and oversee the audit process. The attendance of each Committee member is set out as follows:

Members of the Audit Committee	Attended/ Eligible to attend
Mr. Chu Hoi Kan	2/2
Mr. Lam Chi Wing	2/2
Mr. Tang Sher Kin	2/2
Mr. Deng Chaowen (resigned on 3 June 2025)	0/1
Mr. Liu Liheng (appointed on 11 September 2025 and resigned on 25 November 2025)	N/A

NOMINATION COMMITTEE

The Company established a Nomination Committee with written terms of reference in accordance with the Code provisions.

The Nomination Committee currently comprises Mr. Lam Chi Wing (chairman of the Nomination Committee), Mr. Chu Hoi Kan and Mr. Tang Sher Kin.

The primary duties of the Nomination Committee include, but are not limited to, (i) reviewing the structure, size and composition of our Board on a regular basis and making recommendations to the Board regarding any proposed changes to the composition of the Board; (ii) identifying, selecting or making recommendations to the Board on the selection of individuals nominated for directorship, and ensuring the diversity of our Board members; (iii) assessing the independence of the independent non-executive Directors; and (iv) making recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors and succession planning for the Directors.

Four Nomination Committee meetings were held during the Year to review the structure, size and composition (including the skills, knowledge and experience) of the Board, the board diversity policy, assess the independence of independent non-executive Directors, and make recommendations to the Board on the appointment of the new Director in accordance with the Company's nomination policy including the nomination procedures and criteria listed below and composition of the Board Committees. The attendance of each Committee member is set out as follows:

Members of the Nomination Committee	Attended/ Eligible to attend
Mr. Lam Chi Wing	4/4
Mr. Chu Hoi Kan	4/4
Mr. Tang Sher Kin	4/4
Mr. Deng Chaowen (resigned on 3 June 2025)	0/3
Mr. Liu Liheng (appointed on 11 September 2025 and resigned on 25 November 2025)	N/A

Nomination policy

The Company has adopted a nomination policy which sets out the selection criteria and procedures to nominate board candidates. The Nomination Committee aims to nominate suitable candidates to the Board and advise the Board on the appointment of directors and make recommendation to the Board, after assessing a number of factors of a candidate as set out in the nomination policy.

Pursuant to the nomination policy, the Nomination Committee shall identify suitable board candidates and make recommendation to the Board, after assessing a number of factors of a candidate, including, but not limited to:

- reputation for integrity
- accomplishment and experience
- compliance with legal and regulatory requirements
- commitment in respect of available time and relevant interest
- diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The Nomination Committee may also consider such other factors as it may deem are in the best interests of the Company and the shareholders as a whole.

The Nomination Committee will review the nomination policy, as appropriate, and recommend revision to the Board for consideration and approval from time to time.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the Hong Kong Financial Reporting Standards have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by Global Link, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 March 2026.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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.

Material Uncertainty

Related to going concern We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a loss of HK$86,893,000 for the year ended 31 March 2026, as at 31 March 2026, the Group had total deficit of HK$18,973,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The Management's Position, View and Assessment

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 31 March 2026, the Directors have adopted the going concern basis after considering the Group's financial position, cash flow requirements and the plans and measures disclosed in note 1 to the consolidated financial statements.

The Directors are aware that the Group incurred a loss of approximately HK$86.9 million for the year ended 31 March 2026 and had total deficit of approximately HK$19.0 million as at 31 March 2026. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the appropriateness of the going concern basis, the Directors have taken into account, among other things, the restructuring and settlement of bank and other borrowings and financial guarantee obligations, the settlement of loans from shareholders, and the proceeds received from the 2026 Rights Issue. The Directors consider that, taking into account these plans and measures, the Group will have sufficient working capital to meet its present requirements for the year ending 31 March 2027.

The Audit Committee has reviewed and discussed with management and the auditor the Group's going concern basis of preparation, the related disclosures in the consolidated financial statements and the section headed "Material Uncertainty Related to Going Concern" in the independent auditor's report. The auditor's opinion is not modified in respect of this matter.

AUDITOR'S REMUNERATION

For the Year, the remuneration paid to the Company's auditor, Global Link CPA Limited, is set out as follows:

Services rendered	Fees paid/payable HK$'000
Audit-related services	780

RISK MANAGEMENT AND INTERNAL CONTROL

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

The audit committee is responsible for overseeing the Company's risk management and internal control systems and procedures, and to report to the Board on any material issues and make recommendations to the Board.

The audit committee and management are responsible for identifying the risks of the Group and discussing those risks with management board. Management board shall evaluate whether the risks are significant and shall manage them according to a level that is acceptable to the Group when achieving its strategic objective.

During the Year, we have outsourced the internal control review work to a third party consulting company to review the effectiveness and adequacy of the internal controls over the various systems of the Group. Recommendations for internal control will be communicated with management and proper improvement plans will be implemented after due consideration.

The Company holds at least two audit committee meetings in a financial year, with the participation of external auditors. External auditors prepare audit committee reports and discuss the issues with the audit committee. Deficiencies or weaknesses in internal control (if any) are identified and appropriate corrective actions are to be taken.

The Board evaluates whether the information is inside information and requires disclosure according to the requirements of Securities and Futures Ordinance and the Listing Rules. Inside information shall be handled strictly confidential on a need-to-know basis and shall be disclosed to the public as soon as reasonably practicable.

Corporate Governance Report

DIRECTOR'S TRAINING

During the year, all Directors have participated in professional training relevant to business developments and regulatory updates. All Directors have provided the Company with their records of training which they received during the year.

DIVIDEND POLICY

The Company does not have any pre-determined dividend payout ratio. The Board considers a number of factors in declaration and payment of dividends, including the financial condition, results of operation and level of cash; statutory and regulatory restrictions; future prospects and any other factors that the Board may consider relevant. The Board has the discretion to declare and distribute dividends to the shareholders of the Company to the extent that the Company shall maintain adequate cash reserve for meeting its working capital requirements and future growth.

COMMUNICATION WITH SHAREHOLDERS

In order to allow shareholders and potential investors to make enquiries and provide comments in an informed manner, the Company has established a Shareholders' Communication Policy which sets out the ways shareholders and potential investors may communicate with the Company.

Shareholders and potential investors may send written enquiries to the Company Secretary of the Company by email to enquiry@alco.com.hk, by fax to (852) 2597 8700 or by mail to Unit 6, 9/F, Wing Fung Industrial Building, 40-50 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

Under the Company's Bye-laws, shareholders holding not less than one-tenth of the paid-up capital of the Company can, by deposit a written requisition signed by the shareholders concerned to the Board or the Company Secretary to the principal place of business of the Company at Unit 6, 9/F, Wing Fung Industrial Building, 40-50 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

CONCLUSION

The Board believes that good corporate governance can safeguard the effective allocation of resources and protect shareholders' interest. The management will try to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

Report of the Directors

The Directors submit their report together with the audited financial statements for the year.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 17 to the consolidated financial statements.

Analysis of the Group's performance for the Year by product and geographical area is set out in Note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 33.

The Directors did not declare an interim dividend.

The Directors do not recommend the payment of a final dividend.

BUSINESS REVIEW

A review of the business of the Group during the year as required by Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) is included in the Chairman's Statement and covered by different sections in this annual report. Those sections form part of this Report of the Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to managing and, where possible, minimizing environmental impacts attributable to its operation. The Group actively controls and endeavors to reduce emissions and waste, and uses energy and resources in an efficient manner. It also uses environmental-friendly production parts in its manufacturing operation. In addition, the Group's management team constantly reviews the effectiveness of the environmental protection measures and makes improvement where necessary.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the importance of good relationships with its employees, customers and suppliers to meet long-term business goals.

Employees are considered valuable assets of the Group and are reasonably remunerated according to performance, qualification and market trend. Remuneration packages, including medical insurance and education subsidies, will be reviewed regularly.

Report of the Directors

The Group has been building long-term relationships with customers and suppliers. A good relationship with suppliers helps develop practices of punctual delivery of raw materials with good condition. With reliable production parts, we are able to produce products with high quality and reliability for our customers. These all in turn benefit the Company and its shareholders as a whole.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with relevant laws and regulations that have a significant impact on the business and operation of the Group.

USE OF PROCEEDS FROM THE RIGHTS ISSUE PLACING

The net proceeds from placing completed in November 2025 ("2025 Rights Issue") amounted to approximately HK$143.9 million.

Set out below is the actual use of net proceeds during the year ended 31 March 2026.

Use of net proceeds	Net proceeds	Net proceeds utilised during the year ended 31 March 2026	Unutilised net proceeds as at 31 March 2026	Expected timeline on utilisation of Unutilised net proceeds
	HK$'000	HK$'000	HK$'000	
Nov 2025 Rights Issue				
Repayment of bank and other borrowings	60,000	(60,000)	–	N/A
Repayment of creditors and other liabilities	65,500	(65,500)	–	N/A
Development of new business	7,000	(7,000)	–	N/A
General working capital	11,400	(11,400)	–	N/A

There is no material change between the intended use of the net proceeds of the 2025 Rights issue.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total deficit as at 31 March 2026 was HK$96 million (2025: HK$65 million). As at 31 March 2026, we had bank balances and cash of HK$10 million (2025: HK$10 million). After deducting bank and other borrowings of HK$42 million (2025: HK$48 million), provision of financial guarantee of HK$ Nil (2025: HK$108 million) and loans from shareholders of HK$ Nil (2025: HK$38 million), we had net borrowing of HK$32 million (2025: HK$184 million).

As at 31 March 2026, our inventory was HK$29 million (2025: HK$25 million). We take a cautious approach to monitor the inventory level especially during this environment with uncertainty. Trade receivables as at 31 March 2026 were HK$56 million (2025: HK$43 million). We are actively following the receivable with our customers for payments. Trade payables as at 31 March 2026 were HK$5 million (2025: HK$7 million).

Due to peg-rate system, we have limited exposure to trade-related foreign exchange risk as substantially all of our sales, purchases and borrowings are denominated in United States dollars and Hong Kong dollars. Adhering to the policy of not engaging in currency speculation, there were no speculative activities during the reporting financial year.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2026.

EMPLOYEES

As at 31 March 2026, the Group had approximately 25 (2025:20) employees in Mainland China, Taiwan and Hong Kong. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

EVENT OCCURRING AFTER THE REPORTING PERIOD

As of 12 June 2026, 103,035,794 new shares, representing approximately 44.97% of the total number of the offered shares from the rights issue ("2026 Rights Issue"), were subscribed and the proceeds of approximately HK$56,668,000 had been received by the Company. As detail of the 2026 Rights Issue, please refer to the announcements of the Company dated 25 March, 24 April, 28 May and 15 June 2026. Save as disclosed above, the Group had no material events after the reporting period and up to the date of this report.

MAJOR SUPPLIERS AND CUSTOMERS

The purchases and sales attributable to the Group's major suppliers and customers expressed as a percentage of total purchases and sales of the Group for the year are as follows:

Purchases	
— the largest supplier	38%
— five largest suppliers combined	86%
Sales	
— the largest customer	39%
— five largest customers combined	79%

None of the directors, their associates or shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above at any time during the year.

DISTRIBUTABLE RESERVES AND RESERVES

Movements in reserves of the Group and the Company during the year are set out in Note 27 and Note 32(b) to the consolidated financial statements respectively.

Distributable reserves of the Company as at 31 March 2026 amounted to nil (2025: Nil), comprising the contributed surplus and accumulated losses.

DONATIONS

No donations had been made by the Group during the year (2025: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 30 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 100.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiary companies has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2026.

BANK LOANS AND OTHER BORROWINGS

An analysis of the Group's bank borrowings as at 31 March 2026 and 2025 is set out below:

	Bank borrowings	
	2026	2025
	HK$'000	HK$'000
Within one year	**–**	47,528
After one year but within two years	**–**	–
After two years but within five years	**–**	–
After five years	**–**	–
	–	47,528

PRINCIPAL SUBSIDIARIES

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

Report of the Directors

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in Note 12 to the consolidated financial statements.

Directors

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

Executive Directors
Mr. Zheng Yuxing (appointed on 17 July 2025)
Ms. Liao Liping (resigned on 10 April 2026)
Mr. Ho Chak Yu (ceased his role on 25 November 2025)

Non-executive Directors
Ms. Pan Ying (appointed on 10 April 2026)
Mr. Tian Yi (resigned on 10 April 2026)
Mr. Yang Min (resigned on 20 June 2025)
Mr. Bian Wenbin (appointed on 20 June 2025 and resigned on 25 November 2025)
Mr. Xu Liao (appointed on 17 July 2025 and resigned on 25 November 2025)

Independent non-executive Directors
Mr. Chu Hoi Kan
Mr. Lam Chi Wing
Mr. Tang Sher Kin
Mr. Deng Chaowen (resigned on 20 June 2025)
Mr. Liu Liheng (appointed on 11 September 2025 and resigned on 25 November 2025)

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has entered into a service contract with the Company for a term of 3 years.

Each of the non-executive Director and the independent non-executive Directors has signed an appointment letter with the Company for a term of 3 years.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of Directors are set out on pages 5 to 7.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries 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.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors of the Company has an interest in a business which competes or may compete with the business of the Group.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws of the Company, Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they 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.

The Company has arranged directors' liability insurance, which provides appropriate insurance cover for the directors.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2026, none of the Directors and chief executives or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO), which were (a) required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; (c) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or the chief executives or their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors

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

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2026, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Name	Capacity in which shares were held	Number of shares — Long position	Percentage of the issued share capital of the Company
Mr. Bong Ching Chung	Beneficial owner	6,400,000	6.70% (note 1)
Mr. Toh Cheng Hock Kenneth	Beneficial owner	5,500,000	7.00% (note 2)
Mr. Yu Jianchu	Beneficial owner	5,746,000	5.02% (note 3)

Note 1: Based on the date of latest DI notice made on 18 March 2024
Note 2: Based on the date of latest DI notice made on 18 August 2023
Note 3: Based on the date of latest DI notice made on 15 August 2025

Save as disclosed above, as at 31 March 2026, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the Directors of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, who had any interest or short position in the shares or underlying shares of the Company.

SHARE OPTION SCHEME

There was no share option scheme for 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

Report of the Directors

CORPORATE GOVERNANCE

The Company is maintaining a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in Corporate Governance Report on pages 8 to 16.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the financial statements of the Group for the Year.

The Audit Committee currently comprises three independent non-executive Directors of the Company, namely Mr. Chu Hoi Kan, Mr. Lam Chi Wing and Mr. Tang Sher Kin.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at all times during the Year and up to the date of this report.

AUDITOR

The consolidated financial statements have been audited by Global Link CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting of the Company.

By order of the Board

Pan Ying
Chairman and non-executive director

Hong Kong, 30 June 2026

Independent Auditor's Report

Global Link CPA Limited

Room 1604, 16/F, Shun Tak Centre West Tower,
No. 168-200 Connaught Road Central,
Sheung Wan, Hong Kong
General Line: (852) 3580 0885
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Email: info@globallinkcpa.com
Website: www.globallinkcpa.com

TO THE MEMBERS OF ALCO HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Alco Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 99, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to auditors of financial statements of public interest entities. We also have 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a loss of HK$86,893,000 for the year ended 31 March 2026 and, as at 31 March 2026, the Group had total deficit of HK$18,973,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

The Key Audit Matters	How Our Audit Addressed the Key Audit Matter
Impairment assessment of trade receivables As at 31 March, 2026, the Group had gross trade receivables of HKD64,788,000, which represented approximately 49.9% of the total assets of the Group, against which an expected credit loss ("ECL") allowance approximately HKD8,056,000 was recognized. For trade receivables with objective evidence of impairment evaluated individually, management has assessed the expected credit losses based on the estimated cash flows and taken into considerations of current and future economic situations.	Our procedures relating to the impairment assessment of trade receivables included: • We obtained an understanding of the management's internal control and assessment process of impairment of trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as subjectivity and changes; • We evaluated the outcome of prior period impairment assessment of trade receivables to assess the effectiveness of management's estimation process; • We evaluated the appropriateness of management's modelling methodologies in accordance with the applicable financial reporting standards;

KEY AUDIT MATTERS (Continued)

The Key Audit Matters	How Our Audit Addressed the Key Audit Matter
For trade receivables without objective evidence of impairment, management has applied the simplified approach and grouped the trade receivables based on shared credit risk characteristics and aging of receivables for the collective assessment on the likelihood of recovery and applying expected loss rates to the respective gross carrying amounts of the receivables. The expected loss rates are determined based on the payment profiles and the historical credit losses, and are adjusted to reflect the forward-looking information on macroeconomic factors. We focus on this area because of the magnitude of the trade receivables balance in the consolidated statement of financial position and management's significant judgements and assumptions applied in the impairment assessment of trade receivables.	• For trade receivables assessed collectively based on the credit risk characteristics and aging of receivables: — We understood management's grouping process and assessed the reasonableness; — We tested, on a sample basis, the accuracy of the key data inputs such as the aging of trade receivables; — We assessed the appropriateness of expected loss rates by considering the payment profiles, historical credit losses and forward-looking information. When assessing the forward-looking information, we made reference to the industry and macroeconomic market data as obtained from our independent search; • We tested the mathematical accuracy of the calculations of impairment of trade receivables; • We assessed the adequacy of the disclosures related to impairment assessment of trade receivables in the context of the applicable financial reporting standards.

KEY AUDIT MATTERS (Continued)

The Key Audit Matters	How Our Audit Addressed the Key Audit Matter
Estimated Allowance for inventories We identified the estimated allowance for inventories as a key audit matter due to the use of judgement and estimates by the management in estimating the allowance of inventories. Management assessed the provision at each period end for obsolete or slow moving inventories based on consideration of the net realisable value of finished goods. The identification of inventory obsolescence and determination of estimated selling price less cost to sell require the use of significant judgement and estimates, including their nature, ageing, latest selling price, and expectation of future sales orders. The estimates are also subject to uncertainty of market trends, customer demands and technological development. As at 31 March 2026, the carrying amount of the inventories, net of allowance, was HKD28,996,000. During the year, the Group recognised an allowance of HKD419,000.	Our procedures in relation to estimated allowance for the Relevant Inventories included: • Obtaining an understanding on management process and control in identifying obsolete and/ or slow-moving inventories items and how management estimates the allowance of obsolete and/or slow-moving inventory items; • Evaluating the reasonableness of the allowance for inventories with reference to the ageing analysis and/or latest/subsequent selling and purchase prices of the inventories; and • Testing latest sales/usage of inventories and/or purchase of materials on a sample basis.

OTHER INFORMATION

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

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

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

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors of the Company 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 solely to you, as a body, in accordance with our 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 scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

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

Global Link 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	6	**122,500**	99,313
Cost of goods sold	8	**(116,889)**	(94,192)
Gross profit		**5,611**	5,121
Other income, gain and loss	7	**167**	2,483
Selling expenses	8	**(14,034)**	(13,770)
Administrative expenses	8	**(55,959)**	(46,787)
Other operating expenses	8	**(15)**	(46)
Impairment losses on trade and other receivables		**(6,637)**	(1,310)
		(70,867)	(54,309)
Finance costs	9	**(16,026)**	(9,961)
Loss before income tax		**(86,893)**	(64,270)
Income tax expense	10	**–**	–
Loss for the year		**(86,893)**	(64,270)
			(Restated)
Loss per share	13		
Attributable to the owners of the Company			
— Basic (HK$)		**(3.52)**	(5.62)
— Diluted (HK$)		**(3.52)**	(5.62)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	2026	2025
	HK$'000	HK$'000
Loss for the year	**(86,893)**	(64,270)
Other comprehensive (expense)/income, net of tax:		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(11,325)**	6,187
Total comprehensive expense for the year	**(98,218)**	(58,083)
Total comprehensive expense for the year attributable to:		
– Owners of the Company	**(97,235)**	(58,083)
– Non-controlling interests	**(983)**	–
Total comprehensive expense for the year	**(98,218)**	(58,083)

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**3,648**	37,486
Right-of-use assets	16	**267**	53,357
Prepayments, deposits and other receivables	20	**226**	226
		4,141	91,069
CURRENT ASSETS			
Inventories	19	**28,996**	24,875
Trade and other receivables	20	**70,425**	53,485
Income tax recoverable		**9**	9
Bank balances and cash	21	**10,171**	10,056
		109,601	88,425
CURRENT LIABILITIES			
Trade and other payables	22	**47,924**	37,028
Provision of financial guarantee	24	**–**	108,468
Bank and other borrowings	23	**42,000**	47,528
Lease liabilities	16	**149**	–
Loans from shareholder	25	**–**	38,052
		90,073	231,076
Net current assets (liabilities)		**19,528**	(142,651)
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,669**	(51,582)

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	26	**573**	1,146
Reserves		**(17,913)**	(65,189)
Equity attributable to owners of the Company		**(17,340)**	(64,043)
NON-CONTROLLING INTERESTS		**(1,633)**	(650)
Total deficit		**(18,973)**	(64,693)
NON-CURRENT LIABILITIES			
Other payables	22	**510**	1,111
Lease liabilities — non-current	16	**132**	–
Bank and other borrowings	23	**42,000**	12,000
		42,642	13,111
TOTAL DEFICIT AND NON-CURRENT LIABILITIES		**23,669**	(51,582)

The consolidated financial statements on pages 33 to 99 were approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Mr. Zheng Yuxing
Director

Ms. Pan Ying
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company					
	Share capital HK$'000	Other reserves (Note 27) HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
As at 1 April 2024	955	93,998	(167,538)	(72,585)	(14,942)	(87,527)
Loss for the year	–	–	(64,270)	(64,270)	–	(64,270)
Other comprehensive expense for the year:						
– Currency translation differences	–	6,187	–	6,187	–	6,187
Total comprehensive expense	–	6,187	(64,270)	(58,083)	–	(58,083)
Capital reorganisation (Note 26)	191	66,434	–	66,625	–	66,625
Deconsolidation of subsidiaries	–	–	–	–	14,292	14,292
As at 31 March 2025 and 1 April 2025	1,146	166,619	(231,808)	(64,043)	(650)	(64,693)
Loss for the year	**–**	**–**	**(85,910)**	**(85,910)**	**(983)**	**(86,893)**
Other comprehensive expense for the year:						
– Currency translation differences	**–**	**(11,325)**	**–**	**(11,325)**	**–**	**(11,325)**
Total comprehensive expense	**–**	**(11,325)**	**(85,910)**	**(97,235)**	**(983)**	**(98,218)**
Capital reorganisation and Capital Reduction	**(1,031)**	**–**	**1,031**	**–**	**–**	**–**
Issue of share upon right issue (Note 26)	**458**	**143,480**	**–**	**143,938**	**–**	**143,938**
As at 31 March 2026	**573**	**298,774**	**(316,687)**	**(17,340)**	**(1,633)**	**(18,973)**

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
OPERATING ACTIVITIES		
Loss for the year	**(86,893)**	(64,270)
Adjustments for:		
Finance costs	**16,026**	9,961
Depreciation of property, plant and equipment	**4,035**	3,804
Depreciation of right-of-use assets	**2,339**	2,398
Impairment losses on trade and other receivables	**6,637**	1,310
Gain on deconsolidation of subsidiaries	**–**	(2,473)
Gain on disposal of property, plant and equipment	**(166)**	–
Operating cash flows before movements in working capital	**(58,022)**	(49,270)
Increase in inventories	**(4,121)**	(21,607)
Increase in trade and other receivables	**(29,802)**	(12,996)
Decrease in trade and other payables	**(40,996)**	(12,684)
Cash used in from operations	**(132,941)**	(96,557)
NET CASH USED IN OPERATING ACTIVITIES	**(132,941)**	(96,557)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK$'000	2025 HK$'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(2,703)**	(1,934)
Net cash inflow from disposal of subsidiaries	**–**	(120)
NET CASH USED IN INVESTING ACTIVITIES	**(2,703)**	(2,054)
FINANCING ACTIVITIES		
Repayments of loans from shareholder	**(38,052)**	–
Repayments of principal element of lease liabilities	**(27)**	–
Proceeds from issue of bonds	**30,000**	12,000
Net proceeds from issue of shares	**143,938**	66,625
NET CASH FROM FINANCING ACTIVITIES	**135,859**	78,625
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	**215**	(19,986)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**10,056**	23,855
EFFECT OF FOREIGN EXCHANGE RATE CHANGE	**(100)**	6,187
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	**10,171**	10,056

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Alco Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in designing, manufacturing and selling of consumer electronic products including AV products and notebook products.

The consolidated financial statements are presented in Hong Kong dollars ("HK$" or "HKD"), which is the Company's functional and the Group's presentation currency.

The consolidated financial statements are presented in thousands of units of Hong Kong dollars ("HK$'000"), unless otherwise stated.

Basis of preparation

In preparing the consolidated financial statements, the directors of the Company (the "Board") have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred loss of approximately HK$86,893,000 for the year ended 31 March 2026, as at 31 March 2026, the Group had total deficit of approximately HK$18,973,000.

The Board considers that it is appropriate to prepare the consolidated financial statements on the going concern basis taking into account the following facts and assumptions:

(i) Restructure of bank and other borrowings and provision of financial guarantee

As disclosed in the announcement dated 10 December 2025, the disposal of a building and leasehold improvements (the "Property") generated proceeds of approximately HK$90,000,000.

During the year ended 31 March 2026, the Company utilised these proceeds to restructure its borrowings and financial guarantee obligations. Specifically, HK$47,528,000 was applied to fully repay the secured bank borrowings for which the Property served as a pledged asset. Following this repayment, the entire remaining proceeds were used to settle the provision for a financial guarantee, with the residual balance of this guarantee also being fully cleared by the Company during the same financial year.

1. GENERAL INFORMATION AND BASIS OF PREPARATION (Continued)

Basis of preparation (Continued)

(ii) Settlement of the loans from shareholder

As per the announcement dated 21 November 2025, the gross proceeds raised from the rights issue ("2025 Rights Issue") were approximately HK$148,000,000 and part of the proceeds from the 2025 Rights Issue had been used to settle to loans from past and existing shareholders of approximately HK$38,052,000.

(iii) 2026 Rights Issue

As of 12 June 2026, 103,035,794 new shares, representing approximately 44.97% of the total number of the offered shares from the rights issue ("2026 Rights Issue"), were subscribed and the proceeds of approximately HK$56,668,000 had been received by the Company. As detail of the 2026 Rights Issue, please refer to the announcements of the Company dated 25 March 2026, 24 April 2026, 28 May 2026 and 15 June 2026.

The Board believes that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements for the year ending 31 March 2027. However, should the Group fail to achieve the above mentioned plans and measures, the Group may be unable to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively.

2. APPLICATION OF NEW AND REVISED TO HKFRS ACCOUNTING STANDARDS

(a) Adoption of amendments to standards and interpretations

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of amendments to standards and interpretations that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	*Lack of Exchangeability*

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

(b) New standards, interpretation and amendments that have been issued but are not yet effective

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

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

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

The Group is currently assessing the effect of these new accounting standards and amendments, other than as explained below, the management did not anticipate these new accountings standards and amendments will have material impact to the Group.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Company Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at revalued amounts at the end of each reporting period, as explained in the accounting policies set out 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. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

Consolidation

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors and senior management that make strategic decisions.

Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of that reporting period;

(ii) income and expenses for each statement of profit or loss and statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) and all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Ownership interest in leasehold land

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their costs over their estimated useful lives or, in the case of leasehold improvements the shorter lease term. Certain furniture, fixture and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a reducing balance basis. The principal depreciation rates are as follows:

Furniture, fixtures and equipment	20%
Motor vehicles	20%
Buildings	2.5%
Leasehold improvements	20% and 33.3%

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. Those are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

Financial assets

(a) Classification

The Group classifies its financial assets category as financial assets at amortised cost.

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

The Group reclassifies debt investments when and only when its business model for managing the assets changes.

(b) Recognition and derecognition

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Financial assets (Continued)

(c) Measurement

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other income, gain and loss". Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

(d) Impairment

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has 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 increase in the likelihood or risk of a default occurring since initial recognition.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 4.1(b) for a description of the Group's impairment policies.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Share capital

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Trade and other payables

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

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Employee benefits

Employee leave entitlement

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

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

(a) Pension obligations

The Group operates a number of defined contribution plans. Under defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present values.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Provisions

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

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

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

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognised 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 customers.

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 same.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Revenue recognition (Continued)

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 asset is created or enhanced; 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 goods or service.

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

The Group recognised revenue from the following major source:

Sales of goods

Sales of goods are recognised when control of the products has transferred, being a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group. It is the Group's policy to sell its products to the customer with a right of return. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 9 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Leases

The Group as lessee

A right-of-use asset and a corresponding liability are recognised at the date of commencement of a lease.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Leases (Continued)

The Group as lessee (Continued)

A lessee shall reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that: (a) is within the control of the lessee; and (b) affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Lease modifications

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

- the modification increase the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the lease increases by an amount commensurate with the stand- alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

The Group as lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Group's treasury function. The Group adopts a conservative and balanced treasury policy which focuses on the financial risks factors as below and seeks to minimise potential adverse effects on the Group's financial performance.

4.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Most of the Group's sales is denominated in currencies other than the functional currency of the group entity making the sale, whilst majority of costs is denominated in the group entity's respective functional currency.

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

	United States Dollars ("USD") HK$'000
31 March 2026	
Assets	
Cash and cash equivalents	**197**

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(a) ***Market risk*** (Continued)

(i) *Foreign exchange risk* (Continued)

	United States Dollars ("USD") HK$'000	Great British Pound ("GBP") HK$'000
31 March 2025		
Assets		
Trade receivables	–	1,040
Cash and cash equivalents	26	–

Since HKD is pegged to USD, the Group does not have significant currency risks arising from USD.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Sensitivity analysis

The Group is mainly exposed to foreign currency risk arising from GBP.

The following table details the Group's sensitivity to a 10% (2025: 10%) increase and decrease in HKD against the relevant foreign currencies. 10% (2025: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of reporting period for a 10% change in foreign currency rate.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity analysis (Continued)

A negative number below indicates an increase in post-tax loss where HKD strengthen 10% (2025: 10%) against the relevant currency. For a 10% (2025: 10%) weakening of HKD against the relevant currency, there would be an equal and opposite impact on the loss and the balances below would be positive.

	2026 HK$'000	2025 HK$'000
Effect on post-tax loss:		
GBP (Note)	–	(87)

Note:

This is mainly attributable to the exposure outstanding on GBP of trade receivables at year end.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, other than short-term bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from bank and other borrowings and loans from shareholder. The Group's bank and other borrowings and loans from shareholder are carried at floating rates which expose the Group to cash flow interest rate risk. The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risk.

As at 31 March 2026, if interest rates on all borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax loss for the year would have been approximately HK$1,145,000 higher/lower (2025: HK$397,000 higher/lower), mainly as a result of higher/lower interest expense on floating rate borrowings.

The bank balances are excluded from the sensitivity analysis as the management of the Group considers that the interest rate fluctuation is not significant.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management

Credit risk arises from bank balances and cash, trade and other receivables, other current assets and deposits. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's bank balances and cash are placed with reputable banks and financial institutions. The Group reviews regularly the recoverable amount of deposits and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. For trade receivables from customers, management assesses the credit quality of each individual major customer, taking into account its financial position, past experience and other factors.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the ECL model:

- trade receivables; and
- other financial assets carried at amortised cost.

While bank balances and cash are also subject to the impairment requirements of HKFRS 9, management considers that the impairment loss is immaterial.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) ***Credit risk*** (Continued)

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

Trade receivables

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables in dispute are assessed individually for impairment allowance and determined whether specific provisions are required. Trade receivables are written off when there is no reasonable expectation of recovery. The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2026		
	Average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Current (not past due)	7.2%	28,835	(2,069)
1–30 days past due	7.2%	20,131	(1,444)
31–60 days past due	7.2%	11,026	(791)
61–90 days past due	74%	4,025	(2,981)
Over 90 days but less than 1 year past due	100%	771	(771)
		64,788	(8,056)

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) *Credit risk* (Continued)

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

Trade receivables (Continued)

	2025		
	Average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Current (not past due)	6.7%	27,449	(1,846)
1–30 days past due	8.8%	9,200	(809)
31–60 days past due	10.8%	6,437	(695)
61–90 days past due	12.7%	2,500	(318)
Over 90 days but less than 1 year past due	62.0%	3,990	(2,475)
		49,576	(6,143)

The lifetime ECL in respect of individually assessed trade receivables as at 31 March 2026 was 3,671,000 (2025: nil).

Other financial assets at amortised cost

The Group applies a 12-month ECL on other financial assets at amortised cost. Management considered among other factors, analysed credit risk of the counterparties and historical repayment pattern and concluded that the ECL for other financial assets at amortised cost as at 31 March 2026 was approximately HK$4,995,000 (2024: HK$271,000).

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) *Liquidity risk*

As at 31 March 2026, Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The Group maintains its liquidity mainly through funding generated from its daily operations and maintaining funding availability under committed credit facilities and loans from shareholder.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have 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 maturity dates for lease liabilities are based on the contractual repayment dates.

	On demand or within one year	In the second year	In the third to fifth year	Over five years	Total	Carrying amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 March 2026						
Bank and other borrowings	**50,400**	**–**	**–**	**–**	**50,400**	**42,000**
Bonds payables	**–**	**–**	**–**	**65,282**	**65,282**	**42,000**
Trade and other payables	**47,924**	**–**	**–**	**–**	**47,924**	**47,924**
As at 31 March 2025						
Bank and other borrowings	66,528	–	–	–	66,528	47,528
Bonds payables	–	–	–	19,200	19,200	12,000
Loans from shareholder	38,052	–	–	–	38,052	38,052
Provision of financial guarantee	108,468	–	–	–	108,468	108,468
Trade and other payables	37,028	–	–	–	37,028	37,028

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The amounts included above for variable-rate borrowings are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

Certain of the Group's bank and other borrowings that are repayable on demand due to default in payment, as disclosed in Note 23, are included in the "on demand or within one year" time band in the above maturity analysis. As at 31 March 2026, the aggregate carrying amounts of these bank borrowings (including provision of financial guarantee) amounted to HK$42,000,000 (2025: HK$155,996,000). The Group is actively formulating and undertaking a number of plans and measures as disclosed in Note 1 to remediate the default in payment.

The following table details the Group's aggregate principal and interest cash outflows based on scheduled repayments for bank borrowings that became repayable on demand due to the aforesaid default in payment by the Group or having repayable on demand clause. To the extent that the interest flows are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	On demand	Within one year	In the second year	In the third to fifth year	Over five years	Total	Carrying amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 March 2026	**50,400**	**–**	**–**	**–**	**–**	**50,400**	**42,000**
As at 31 March 2025	174,996	–	–	–	–	174,996	155,996

(d) Fair value risk

The directors of the Company consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, raise or repay loans from shareholder and bank and other borrowings, issue new shares or sell assets to reduce debt.

The Group had net deficit of approximately HK$18,973,000 as at 31 March 2026 (2025: HK$64,693,000) and going concern assumptions adopted by the directors of the Company are stated in Note 1. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings net of bank balances and cash (including those classified as held for sale) divided by total equity as shown in the consolidated statement of financial position.

The gearing ratios as at 31 March 2026 and 2025 were as follows:

	2026 **HK$'000**	2025 HK$'000
Bank balances and cash (Note 21)	**10,171**	10,056
Less: Bank and other borrowings (Note 23)	**(84,000)**	(59,528)
Provision of financial guarantee (Note 24)	**–**	(108,468)
Loans from shareholder (Note 25)	**–**	(38,052)
Net debt	**(73,829)**	(195,992)
Total deficit	**(18,973)**	(64,693)
Gearing ratio	**(389.13%)**	(302.96%)

The Group has a negative gearing ratio due to the Group's deficit position as at 31 March 2026. The negative gearing ratio is primarily resulted from the increase in net debt and the deficit as a result of the net loss for the current year.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expense reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The followings are 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) Going concern and liquidity

The assessment of the going concern assumptions involves making judgement by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. Going concern assumptions adopted by the directors of the Company are stated in Note 1.

Key sources of estimation uncertainty

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

(a) Provision for slow-moving and obsolete inventories

The Group makes provision for slow-moving and obsolete inventories based on consideration of obsolescence and net realisable value of inventories considering the production plan and expected future market demand. The identification of inventory obsolescence and estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and expectation of future market condition require the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of inventory and impairment provision in the year in which such estimate has been changed.

As at 31 March 2026 the carrying amount of inventories of the Group was approximately HK$28,996,000 (2025: HK$24,875,000), net of accumulated allowance for inventories of approximately (HK$419,000) (2025: HK$419,000).

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

Key sources of estimation uncertainty (Continued)

(b) Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

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

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less costs to disposal or its value in use. Changes in any of these estimates could result in a material change to the asset's carrying amount in the consolidated financial statements.

As at 31 March 2026, the carrying amount of property, plant and equipment was approximately HK$3,648,000 (2025: HK$37,486,000). No provision on impairment loss has been recognised during the year ended 31 March 2026 and 31 March 2025.

As at 31 March 2026, the carrying amount of right-of-use assets was approximately HK$267,000 (2025: HK$53,357,000). No provision on impairment loss has been recognised during the year ended 31 March 2026 and 31 March 2025 from continuing operations.

(c) Provision for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. Significant judgement is required in determining the provision for liabilities and charges. The Group's management determines the provision for liabilities and charges by estimating the present value of the expenditures expected to be required to settle the obligation. This assessment requires the use of estimation. Nature and extent of significant provisions estimated and related changes on contingencies arising from the Group's production and other business activities are disclosed in the consolidated financial statements, except to the extent that such disclosures might seriously prejudice the Group's position in pending disputes with or possible claims from vendors or other counter parties.

6. REVENUE AND SEGMENT INFORMATION

Revenues recognised during the year are as follows:

	2026 HK$'000	2025 HK$'000
Notebook products	**122,500**	99,313
	122,500	99,313
Timing of revenue recognition		
— At a point in time	**122,500**	99,313

Operating segments

The Group is engaged in a single segment in design and selling of consumer electronic product, mainly notebook products. This operating segment has been identified on the basis of internal management reports that are regularly reviewed by the chairman of the board of directors of the Group, being the chief operating decision maker (the "CODM"), for the purpose of resources allocation and performance assessment. The information reported to the CODM is further categorised into different locations within the PRC, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they share similar economic characteristics.

6. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Geographical information

The Group's revenue analysed by geographical area are as follows:

	2026 HK$'000	2025 HK$'000
Asia	**122,500**	98,273
Europe	**–**	1,040
	122,500	99,313

The analysis of revenue by geographical area is based on the destination to which the goods are delivered.

All non-current assets of the Group, excluding non-current portion of prepayments, deposits and other receivables are located in Hong Kong.

(b) Information about major customers

Detail of the customer accounting for 10% or more of total revenue is as follows:

	2026 HK$'000	2025 HK$'000
Customer A	**N/A**	21,053
Customer B	**N/A**	27,437
Customer C	**48,235**	N/A
Customer D	**31,194**	N/A
Customer E	**13,070**	N/A

7. OTHER INCOME, GAIN AND LOSS

	2026 HK$'000	2025 HK$'000
Gain on disposal of property, plant and equipment	**167**	–
Gain on deconsolidation of subsidiaries	**–**	2,473
Others	**–**	10
	167	2,483

8. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling expenses, administrative expenses, research and development expenses and other operating expenses are analysed as follows:

	2026 HK$'000	2025 HK$'000
Auditor's remuneration	**780**	750
Cost of inventories	**116,789**	94,192
Impairment loss on trade and other receivables	**6,637**	1,310
Depreciation of property, plant and equipment	**4,035**	3,804
Depreciation of right-of-use assets	**2,339**	2,398
Employee benefit expenses (including directors' emoluments)	**8,220**	9,171

9. FINANCE COSTS

	2026 HK$'000	2025 HK$'000
— Interest expense on bank and other borrowings	14,298	9,961
— Interest expense on loan from shareholder (Note 25)	1,724	–
— Interest expense on lease liabilities (Note 16)	4	–
	16,026	9,961

10. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax, the People's Republic of China corporate income tax and oversea corporate income tax for continuing operations have been made as there are no assessable profits for the years ended 31 March 2026 and 2025.

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

	2026 HK$'000	2025 HK$'000
Loss before income tax	(86,893)	(64,270)
Tax calculated at a tax rate of 16.5% (2025: 16.5%)	(14,337)	(10,605)
Effect of different tax rates in other jurisdictions	(653)	300
Tax effect of income not taxable for tax purposes	(28)	(408)
Tax effect of expenses not deductible for tax purposes	–	3,615
Tax effect of tax losses not recognised	15,018	7,381
Tax effect of unrecognised temporary differences	–	(283)
Income tax expense	–	–

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2026 HK$'000	2025 HK$'000
Wages and salaries	7,842	10,197
Other staff benefits and pension costs	378	1,676
	8,220	11,872

Note:

(a) Pension costs — defined contribution retirement schemes

Before 1 December 2000, the Group operated a defined contribution retirement scheme (the "ORSO Scheme") in Hong Kong for all qualified employees. The rate of contribution payable by the Group was 5% of the individual employee's basic salaries.

With effect from 1 December 2000, the Mandatory Provident Fund Scheme (the "MPF Scheme") was set up under the MPF Scheme Ordinance for existing staff who opted for this scheme and eligible staff recruited on or after that date. The ORSO Scheme has remained in place with the introduction of the MPF Scheme. Under the MPF Scheme, eligible employees and the Group are require to contribute 5% on the employees' monthly net salaries with a maximum monthly contribution of HK$1,500 for employees' monthly contribution.

Contributions to the ORSO Scheme and MPF Scheme charged to the consolidated statement of profit or loss for the year amounted to approximately HK$180,000 (2025: HK$840,000).

Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. No forfeited contribution in respect of the defined contribution retirement scheme was utilised during the year (2025: nil). No forfeited contribution was available as at 31 March 2026 to reduce future contributions (2025: nil).

The Company's subsidiaries in the People's Republic of China (the "PRC") are members of the state-managed retirement benefits scheme operated by the government of the PRC. The retirement benefits scheme contributions of approximately Nil (2025: HK$2,192,000), which are based on a certain percentage of the salaries of the subsidiaries' employees, are charged to the consolidated statement of profit or loss in the period to which they relate and represent the amount of contributions payable by these subsidiaries to the scheme.

For both retirement benefits schemes, the Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2025: two) directors whose emoluments are reflected in the analysis presented in Note 12. The emoluments payable to the remaining four (2025: three) individual during the year are as follows:

	2026 HK$'000	2025 HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	**2,107**	1,272
Contributions to pension schemes	**62**	54
	2,168	1,326

Their emoluments fell within the following band:

	Number of individual	
	2026 HK$'000	2025 HK$'000
Emolument band		
HK$0–HK$500,000	**2**	3
HK$500,000–HK$1,000,000	**2**	–
HK$1,000,001–HK$1,500,000	**–**	–
HK$1,500,001–HK$2,000,000	**–**	–
	4	3

During the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) or other directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

12. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executives emoluments

Directors' remuneration, including remuneration of chief executive officer, for the year, disclosed pursuant to Appendix C1 to the Listing Rules and section 383 of the Hong Kong Companies Ordinance, is as follows:

For the year ended 31 March 2026:

Name	Fees	Salaries and other benefits	Employer's contribution to a retirement benefit scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors:				
Ms. LIAO Li Ping (i)	–	360	–	360
Mr. HO Chak Yu (ii)	–	392	–	392
Mr. ZHENG Yuxing (iii)	–	600	–	600
Non-executive directors:				
Mr. Yang Min (iv)	27	600	18	645
Mr. TIAN Yi (i)	135	–	–	135
Mr. BIAN Wenbin (v)	78	–	–	78
Mr. XU Liao (vi)	65	–	–	65
Independent non-executive directors:				
Mr. LAM Chi Wing	180	–	–	180
Mr. TANG Sher Kin	180	–	–	180
Mr. CHU Hoi Kan	180	–	–	180
Mr. DENG Chaowen (vii)	180	–	–	180
Mr. LIU Liheng (viii)	38	–	–	38
	1,063	1,952	18	3,033

12. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executives emoluments (Continued)

Note:

(i) Resigned on 10 April 2026

(ii) Resigned on 25 November 2026

(iii) Appointed on 17 July 2025

(iv) Resigned on 20 June 2025

(v) Appointed on 20 June 2025 and resigned on 25 November 2025

(vi) Appointed on 17 July 2025 and resigned on 25 November 2025

(vii) Resigned on 3 September 2025

(viii) Appointed on 11 September 2025 and resigned on 25 November 2025

12. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executives emoluments (Continued)

For the year ended 31 March 2025:

Name	Fees	Salaries and other benefits	Employer's contribution to a retirement benefit scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors:				
Ms. LIAO Li Ping (i)	–	353	–	353
Mr. HO Chak Yu (ii)	–	600	–	600
Mr. LIANG Ya Nan (iii)	–	8	–	8
Non-executive directors:				
Mr. Yang Min (iv)	120	600	18	738
Mr. TIAN Yi (v)	135	–	–	135
Independent non-executive directors:				
Ms. MO Li (vi)	7	7	–	7
Mr. LAM Chi Wing (vii)	180	180	–	180
Mr. TANG Sher Kin (viii)	180	180	–	180
Mr. CHU Hoi Kan (ix)	180	180	–	180
Mr. Deng Chaowen (x)	180	180	–	180
Ms. Mak Suet Man (xi)	113	113	–	113
	1,095	961	–	2,056

12. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executives emoluments (Continued)

Note:

(i) Appointed on 8 April 2024

(ii) Appointed on 27 January 2023

(iii) Appointed on 9 October 2023 and resigned on 8 April 2024

(iv) Appointed on 10 November 2023 and resigned on 20 June 2025

(v) Appointed on 15 November 2024

(vi) Appointed on 25 October 2024 and resigned on 15 November 2024

(vii) Appointed on 16 June 2022

(viii) Appointed on 16 June 2022

(ix) Appointed on 9 September 2022

(x) Appointed on 27 October 2023

(xi) Appointed on 27 October 2023 and resigned on 15 November 2024

None of the directors of the Company waived any emoluments during the current and prior years.

(b) Directors' and chief executives emoluments

No payment was made to directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2025: nil).

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

No payment was made to the third parties for making available directors' services (2025: nil).

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

The information about loans, quasi-loans and other dealings entered into by the company or subsidiary undertaking of the company, where applicable, in favour of directors are set out in Note 29.

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

Other than those disclosed in Note 32, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries 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 (2025: nil).

13. LOSS PER SHARE

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

	2026	2025
	HK$'000	HK$'000
Loss		
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(97,235)**	(58,083)

Number of shares

	2026	2025 (restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**27,901,658**	10,336,437

For the year ended 31 March 2026, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the capital reorganisation and right issue during the year ended 31 March 2026 (note 26).

Comparative figures of the weighted average number of shares for calculating basic loss per share has been restated for the capital reorganisation and right issue during the year ended 31 March 2026 (note 27).

There were no dilutive potential ordinary shares during the years ended 31 March 2026 and 2025. Therefore, the diluted loss per share is the same as basic loss per share.

14. DIVIDENDS

No dividend was paid or proposed by the Company during the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

15. PROPERTY, PLANT AND EQUIPMENT

(a) Details of movements in property, plant and equipment of the Group are as follows:

	Buildings HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Year ended 31 March 2025				
Opening net book amount	38,879	–	477	39,556
Additions	–	1,934	–	1,934
Depreciation	(2,400)	(1,241)	(163)	(3,804)
Closing net book amount	36,479	693	314	37,486
As at 31 March 2025				
Cost	49,685	20,382	2,558	72,625
Accumulated depreciation and impairment	(13,206)	(19,689)	(2,244)	(35,139)
Net book amount	36,479	693	314	37,486

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Details of movements in property, plant and equipment of the Group are as follows: (Continued)

	Buildings HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Year ended 31 March 2026				
Opening net book amount	36,479	693	314	37,486
Additions	–	2,703	–	2,703
Depreciation	(3,973)	(1)	(61)	(4,035)
Disposal	(32,506)	–	–	(32,506)
Closing net book amount	–	3,395	253	3,648
As at 31 March 2026				
Cost	49,685	23,085	2,558	75,328
Accumulated depreciation and impairment	(17,179)	(19,690)	(2,305)	(39,174)
Disposal	(32,506)	–	–	(32,506)
Net book amount	–	3,395	253	3,648

(b) No impairment was made based on the internal assessment by the management.

(c) As at 31 March 2025, certain of the Group's bank and other borrowings is secured by the Group's buildings, equipment and machineries with aggregate carrying amounts of approximately HK$36,479,000 (Note 23).

During the year ended 31 March 2026, the Group has disposal buildings with a carrying amount of approximately HK$32,506,000 (Note 15) and leasehold land with a carrying amount of approximately HK$51,055,000 (Note 16) to an independent third party at a consideration of approximately HK$ 90,000,000.

16. LEASES

This note provides information for leases where the Group is a lessee.

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

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

(a) Right-of-use assets

	Leasehold land HK$'000	Office and buildings HK$'000	Total HK$'000
As at 1 April 2024	55,755	–	55,755
Depreciation	(2,398)	–	(2,398)
As at 31 March 2025	**53,357**	**–**	**53,357**
Additions	**–**	**304**	**304**
Disposals	**(51,055)**	**–**	**(51,055)**
Depreciation	**(2,302)**	**(37)**	**(2,339)**
As at 31 March 2026	**–**	**267**	**267**

The Group has lease arrangements for leasehold land, office and buildings. The lease terms office and buildings are generally 2 years. The Group also entered into short- term lease arrangements in respect of warehouse, equipment and vehicles.

No impairment was made based on the internal assessment by the management.

As at 31 March 2025, certain of the Group's bank borrowing is secured by the Group's leasehold land of approximately HK$53,357,000 (Note 23).

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For the year ended 31 March 2026

16. LEASES (Continued)

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

(b) Lease liabilities

	HK$'000
As at 1 April 2024, 31 March 2025 and 1 April 2025	–
Additions	304
Finance costs incurred	4
Payments	(27)
As at 31 March 2026	**281**

(ii) Amounts recognised in profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases for continuing operations:

	2026 HK$'000	2025 HK$'000
Depreciation charge of right-of-use assets		
— Leasehold land	**2,302**	2,398
— Office and buildings	**37**	–
	2,339	2,398
Interest expense on lease liabilities (Note 9)	**4**	–

The total cash outflow for leases for the year ended 31 March 2026 was approximately HK$27,000 (2025: nil).

17. PRINCIPAL SUBSIDIARIES

As at 31 March 2025, the Company held interests in the following principal subsidiaries:

Name	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Percentage of equity held by the Company				Principal activity
			2026 Direct	2026 Indirect	2025 Direct	2025 Indirect	
Alco Investments (B.V.I.) Limited	The British Virgin Islands	Ordinary USD50,000	100	–	100	–	Investment holding and provision of management services to its subsidiaries
Advance Packaging Limited	Hong Kong	Ordinary HK$500,000	–	100	–	100	Property investment
Alco International Limited	Hong Kong	Ordinary HK$500,000	–	100	–	100	Trading of AV and Notebook products
Windom Limited	Hong Kong	Ordinary HK$100,000	–	100	–	100	Property holding
YJ International (Macau) Limited	Macau	Ordinary MOP 25,000,000	–	100	–	100	Trading of Notebook products

The above table lists out the principal subsidiaries of the Company as at 31 March 2026 and 2025 which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

18. FINANCIAL INSTRUMENTS BY CATEGORY

	2026 HK$'000	2025 HK$'000
Financial assets at amortised cost		
Trade and other receivables	**70,425**	47,942
Bank balances and cash	**10,171**	10,056
Total	**80,596**	57,998

	2026 HK$'000	2025 HK$'000
Financial liabilities at amortised cost		
Trade and other payables	**47,924**	37,028
Bank and other borrowings	**42,000**	59,528
Provision of financial guarantee	**–**	108,468
Loans from shareholder	**–**	38,052
Total	**89,924**	243,076

19. INVENTORIES

	2026 **HK$'000**	2025 HK$'000
Finished goods	**29,415**	25,294
	29,415	25,294
Less: Provision for impairment	**(419)**	(419)
Total	**28,996**	24,875

During the year ended 31 March 2025, there was a fall in the net realisable value of inventories as the price has dropped significantly due to technical obsolescence of products. In addition, as stated in Note 1, to improve the operational efficiency, the Group is taking measure to simplify product mix. As a result of these, no provision impairment of inventory from continuing operation had been recognised for the year ended 31 March 2025 and 2026.

20. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Non-current		
Prepayments, deposits and other receivables	**226**	226
Less: loss allowance	**–**	–
	226	226
Current		
Trade receivables	**64,788**	49,576
Less: loss allowance (note a)	**(8,056)**	(6,143)
Trade receivables, net	**56,732**	43,433
Prepayments, deposits and other receivables	**18,688**	10,323
Less: loss allowance (note b)	**(4,995)**	(271)
Prepayments, deposits and other receivables, net	**13,693**	10,052
	70,425	53,711

20. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

At as 31 March 2026, the gross amount of trade receivable arising from contracts with customers amounted to approximately HK$64,788,000 (2025: HK$49,576,000).

The Group allows an average credit period of 30 to 150 days to its customers. The credit terms given to customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

As at 31 March 2026 and 2025, the ageing analysis of the trade receivables based on revenue recognition dates is as follows:

	2026 HK$'000	2025 HK$'000
0–30 days	**45,453**	33,979
31–60 days	**10,235**	5,709
61–90 days	**1,044**	2,217
Over 90 days	**–**	1,528
	56,732	43,433

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix and such information is disclosed in Note 4.1(b)(ii).

20. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Note:

(a) **Movements of the loss allowance of trade receivables are as follows:**

	2026 HK$'000	2025 HK$'000
As at 1 April	6,143	6,471
Impairment losses recognised	1,913	1,310
Deconsolidation of subsidiaries	–	(1,638)
As at 31 March	8,056	6,143

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

(b) **Movement in the loss allowance for other receivables is set out below:**

	2026 HK$'000	2025 HK$'000
As at 1 April	271	2,484
Impairment losses recognised	4,724	–
Deconsolidation of subsidiaries	–	(2,213)
As at 31 March	4,995	271

21. BANK BALANCES AND CASH

	2026 HK$'000	2025 HK$'000
Cash at bank and on hand	10,171	10,056
Maximum exposure to credit risk	10,171	10,056

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22. TRADE AND OTHER PAYABLES

	2026 HK$'000	2025 HK$'000
Non-current		
Other payables	**510**	1,111
Current		
Trade payables	**5,044**	7,338
Other payables and accruals	**42,880**	29,690
	47,924	37,028
	48,434	38,139

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

	2026 HK$'000	2025 HK$'000
0–30 days	**–**	832
31–60 days	**–**	328
61–90 days	**3,360**	564
Over 90 days	**1,684**	5,614
	5,044	7,338

23. BANK AND OTHER BORROWINGS

	2026 HK$'000	2025 HK$'000
Bank borrowing, secured (Note i)	**–**	47,528
Bond payable (Note ii)	**42,000**	12,000
Other borrowing (Note iii)	**42,000**	–
	84,000	59,528

Note:

(i) As at 31 March 2025, the bank borrowing is secured by the Group's buildings (Note 15) and leasehold land (Note 16) with aggregate carrying amounts of approximately HK$89,836,000.

(ii) The Company issued a bond with an aggregate principal amount of HK$12,000,000 in the year ended 31 March 2025, and a further bond with an aggregate principal amount of HK$30,000,000 in the year ended 31 March 2026; both bonds carry a coupon rate and an effective interest rate of 6% per annum.

(iii) During the year ended 31 March 2026, the Group obtained unsecured borrowings from an independent third party with the amount of HK$42,000,000. These borrowings bear interest at 20% per annum and are repayable on demand.

23. BANK AND OTHER BORROWINGS (Continued)

As at 31 March 2026 and 2025, the following is a carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	2026 HK$'000	2025 HK$'000
On demand or within one year	42,000	47,528
After one year but within two year	–	–
After two year but within five year	–	–
After five years	42,000	12,000
	84,000	59,528

	2026 HK$'000	2025 HK$'000
Carrying amount that are not repayable on demand or within one year from the end of the reporting period but contain a repayment on demand clause or default in payment	42,000	47,528*
Amounts shown under current liabilities	42,000	47,528
Amounts shown under non-current liabilities	42,000	12,000
	84,000	59,528

As at 31 March 2026, other borrowing was interest-bearing at fixed rates at 20% per annum (2025: bank and other borrowings were interest-bearing of fixed rates from 1.3% to 5.2% per annum or a margin over HIBOR, Lender's Costs of Funds or loan prime rate) and are repayable within one year.

* During the year ended 31 March 2025, in respect of bank borrowings with a carrying amount of approximately HK$47,528,000 as at 31 March 2025, the Group was default in repayment. Thus, the relevant bank borrowings become immediately due and payable should the lenders exercise their rights under the bank loan agreement. During the year ended 31 March 2026, the Group fully settled all respective outstanding bank borrowings.

24. PROVISION OF FINANCIAL GUARANTEE

	2026 HK$'000	2025 HK$'000
Financial guarantee issued	–	108,468

The Group had undertaken to indemnify certain lenders of the former subsidiaries for borrowings and related interest payables to the maximum extent of HK$108,468,000. As at 31 March 2025, provision for these financial guarantee contracts amounted to HK$108,468,000 has been recognized. The whole amount had been settled by the Company during the year ended 31 March 2026.

25. LOANS FROM SHAREHOLDER

	2026 HK$'000	2025 HK$'000
Current		
Mr. Leung Wai Sing, Wilson (deceased)	–	38,052
	–	38,052

As at 31 March 2026 and 2025, the maturity of loan from shareholder analysis:

	2026 HK$'000	2025 HK$'000
Within one year	–	38,052

The carrying amounts of the loans from shareholders approximate their fair values.

As at 31 March 2025, the loan from shareholder was interest-bearing at a fixed rate of 4% per annum or 1.3% over HIBOR per annum. Balances of HK$38,052,000 as at 31 March 2025 would be repayable within one year or on demand. During the year ended 31 March 2026, the whole amount of loans had been fully settled.

26. SHARE CAPITAL

	Company Ordinary Shares Number of shares	HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 April 2024, 31 March 2025 and 31 March 2026	30,000,000,000	300,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 1 April 2024	95,466,865	955.00
Placing of new share (Note i)	19,090,000	191.00
As at 31 March 2025	114,556,865.00	1,146.00
As at 1 April 2024	114,556,865.00	1,146.00
Effect of capital reorganisation (Note ii)	(103,101,179.00)	–
Effect of capital reduction (Note ii)	–	(1,031.00)
Issue of shares upon right issue (Note iii)	45,822,744.00	458.00
As at 31 March 2026	57,278,430.00	573.00

Notes:

(i) In November 2024, the Company issued a total of 19,090,000 ordinary shares with par value of HK$0.01 each at a price of HK$3.49 each. Further details were mainly set out in the announcement dated 20 November 2024.

(ii) On 29 September 2025, every ten (10) issued and unissued existing shares of par value of HK$1.0 each in the authorised share capital of the Company be consolidated into one (1) ordinary share of par value of HK$1.00 each. Canceled the paid-up share capital to the extent of HK$0.99 on each issued consolidated share such that the par value of each issued consolidated share will be reduced from HK$1.00 to HK$0.01. Further details were mainly set out in the circular dated 13 October 2025.

(iii) In November 2025, the Company issued a total of 45,822,744 ordinary shares with par value of HK$0.01 each at a price of HK$3.24 each. Further details were mainly set out in the announcement dated 21 November 2025.

27. OTHER RESERVES

	Share premium	Capital Redemption reserve (Note a)	Exchange reserves	Staff Compensation reserve (Note b)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 April 2024	121,082	1,089	(39,956)	11,783	93,998
— Currency translation differences	–	–	6,187	–	6,187
Total comprehensive expense	–	–	6,187	–	6,187
Placing	66,434	–	–	–	66,434
As at 31 March 2025 and 1 April 2025	187,516	1,089	(33,769)	11,783	166,619
— Currency translation differences	**–**	**–**	**(11,325)**	**–**	**(11,325)**
Total comprehensive expense	**–**	**–**	**(11,325)**	**–**	**(11,325)**
Issue of shares by right issues (Note 26)	**143,480**	**–**	**–**	**–**	**143,480**
As at 31 March 2026	**330,996**	**1,089**	**(45,094)**	**11,783**	**298,774**

Note:

a. Capital redemption reserve represents the excess of market prices over par value of shares upon repurchase of shares of the Company in prior years.

b. Staff compensation reserve represented the value of equity-settled share option expenses incurred in prior years.

28. DEFERRED INCOME TAX

As at 31 March 2026, the Group did not recognise deferred tax assets in respect of tax losses of approximately HK$1,496,574,000 (2025: HK$1,410,230,000) as it was uncertain that future taxable profits against which the tax losses could be utilised would be available in the relevant tax jurisdiction. Tax losses do not expire under current tax legislation.

29. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Bank and other borrowings HK$'000	Loans from shareholders HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 April 2024	(47,528)	(38,052)	–	(85,580)
Financing cash flows	(12,000)	–	–	(12,000)
As at 31 March 2025 and 1 April 2025	**(59,528)**	**(38,052)**	**–**	**(97,580)**
Financing cash flows	**(30,000)**	**38,052**	**27**	**8,079**
Lease additions	**–**	**–**	**(304)**	**(304)**
Settlement by disposal of property	**47,528**	**–**	**–**	**47,528**
Settlement the amount of provision of financial guarantee through assignment to independent third party pursuant to a mutual agreement	**(42,000)**	**–**	**–**	**(42,000)**
Interest expenses	**–**	**–**	**(4)**	**(4)**
As at 31 March 2026	**(84,000)**	**–**	**(281)**	**(84,281)**

30. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2026 and 2025.

31. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the year was as follows:

	2026	2025
	HK$'000	HK$'000
Short-term employee benefits	**4,059**	1,561
Retirement benefit scheme contributions	**80**	18
	4,139	1,579

Further details of the directors' and chief executive's emoluments are included in Note 12.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2026 HK$'000	2025 HK$'000
Non-current assets			
Interests in subsidiaries		**212,381**	63,386
Current assets			
Income tax recoverable		**8**	8
Bank balances and cash		**167**	3
		175	11
Current liabilities			
Other payables		**–**	469
Net current asset (liabilities)		**175**	(458)
Non-current liabilities			
Other payables		**42,000**	–
Total assets less current asset(liabilities)		**170,556**	62,928
Capital and reserves attributable to owners of the Company			
Share capital		**573**	1,146
Reserves	(b)	**169,983**	61,782
Total deficit		**170,556**	62,928

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Interests in subsidiaries

	2026 HK$'000	2025 HK$'000
Investment cost in subsidiaries	**67,586**	62,586
Amounts due from subsidiaries	**1,527,843**	1,378,848
	1,595,429	1,446,434
Less: Accumulated impairment loss	**(1,383,048)**	(1,383,048)
	212,381	63,386

Note: As at 31 March 2026, interests in subsidiaries are carried at cost of HK$1,595,429,000 (2025: HK$1,446,434,000) less accumulated impairment loss of HK$1,383,048,000 (2025: HK$1,383,048,000). The amounts due from subsidiaries are unsecured, interest free and repayable on demand. The directors of the Company do not expect repayments from subsidiaries within next twelve months from the end of the reporting period.

(b) Reserves movement of the Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Staff compensation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2024	121,080	1,089	40,586	11,783	(175,956)	(1,418)
Placing	66,436	–	–	–	–	66,436
Total comprehensive expense and loss for the year	–	–	–	–	(3,236)	(3,236)
As at 31 March 2025 and 1 April 2025	**187,516**	**1,089**	**40,586**	**11,783**	**(179,192)**	**61,782**
Effect of capital reorganisation and capital reduction	**–**	**–**	**–**	**–**	**1,031**	**1,031**
Issue of share upon rights issue	**142,932**	**–**	**–**	**–**	**–**	**142,932**
Total comprehensive expense and loss for the year	**–**	**–**	**–**	**–**	**(35,762)**	**(35,762)**
As at 31 March 2026	**330,448**	**1,089**	**40,586**	**11,783**	**(213,923)**	**169,983**

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(b) Reserves movement of the Company (Continued)

Note:

The contributed surplus of the Company, which arose from a corporate reorganisation in November 1992, represents the difference between the nominal value of the Company's shares issued in exchange for the issued ordinary shares of Alco Investments (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired as at 6 November 1992. Under the Companies Act 1981 of Bermuda (as amended), a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. Otherwise the contributed surplus is distributable.

33. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2026, bank borrowings of HK$47,528,000 were settled in full through the disposal of Property. Concurrently, a financial guarantee provision of HK$108,468,000 was partially settled by HK$42,472,000 upon the same disposal, while the substantial majority of the remaining balance was assigned to independent third parties pursuant to mutual agreements.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is as follows:

RESULTS

For the year ended 31 March	**2026 HK$'000**	2025 HK$'000	2024 HK$'000	2023 HK$'000 (Restated)	2022 HK$'000
Revenue	**122,500**	99,313	148,422	89,321	542,408
(Loss)/profit attributable to owners of the Company	**(97,235)**	(58,083)	600,692	(510,242)	(594,575)

ASSETS AND LIABILITIES

As at 31 March	**2026 HK$'000**	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
Total assets	**113,742**	179,494	182,410	283,288	833,777
Total liabilities	**(132,715)**	(244,187)	(269,937)	(1,077,958)	(1,106,700)
Total deficit	**(18,973)**	(64,693)	(87,527)	(794,670)	(272,923)