LIFE CONCEPTS

Life Concepts Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Stock Code: 8056

2024/25

ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "**Directors**") of Life Concepts Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.*

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Xu Qiang *(Chairman, Chief Executive Officer and Executive Director)*
Ms. Wu Liyu
Mr. Liu Guowei (resigned on 15 April 2025)
Mr. Yu Quansheng (resigned on 17 September 2024)

Independent non-executive Directors:

Mr. Hui Hung Kwan
Mr. Bian Hongjiang
Mr. Chen Wenrui

COMPLIANCE OFFICER

Mr. Xu Qiang
Mr. Liu Guowei (resigned on 15 April 2025)

AUTHORISED REPRESENTATIVES

Mr. Tse Tsz Him (appointed on 10 February 2025)
Ms. Kwok Wai Chun (resigned on 10 February 2025)

AUDIT COMMITTEE

Mr. Hui Hung Kwan *(Chairman)*
Mr. Bian Hongjiang
Mr. Chen Wenrui

REMUNERATION COMMITTEE

Mr. Bian Hongjiang *(Chairman)*
Mr. Xu Qiang
Mr. Hui Hung Kwan
Mr. Chen Wenrui

NOMINATION COMMITTEE

Mr. Xu Qiang *(Chairman)*
Mr. Hui Hung Kwan
Mr. Bian Hongjiang
Mr. Chen Wenrui
Ms. Wu Liyu (appointed on 27 June 2025 as a member)

COMPANY SECRETARY

Mr. Tse Tsz Him (appointed on 10 February 2025)
Ms. Kwok Wai Chun (resigned on 10 February 2025)

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Shop 1, G/F
The Centre Mark,
287-299 Queen's Road Central,
Central, Hong Kong
(with effect from 23 July 2025)

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Ltd.
Canon's Court, 22 Victoria Street
Hamilton, HM12 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKER

Bank of Communications (Hong Kong) Limited

INDEPENDENT AUDITOR

McMillan Woods (Hong Kong) CPA Limited
(appointed on 3 April 2023)
24/F, Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong

COMPANY'S WEBSITE

http://www.lifeconcepts.hk

GEM STOCK CODE

8056

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT TO OUR SHAREHOLDERS

On behalf of the board of Directors of the Company (the "**Board**"), I am pleased to present the annual results of the Group for the year ended 31 March 2025.

FINANCIAL RESULTS

For the year ended 31 March 2025, the total revenue of the Group was approximately HK$7.4 million (2024: approximately HK$16.1 million). Profit attributable to owners of the Company for the year end 31 March 2025 was approximately HK$49.7 million, while the loss attributable to owners of the Company for the year ended 31 March 2024 was approximately HK$19.5 million. The profit attributable to owners of the Company was primarily attributable to (i) the gain on dissolution of subsidiaries of approximately HK$26.8 million and (ii) the gain on debt restructuring of approximately HK$35.2 million and (iii) one off impairment loss on non-financial assets of approximately HK$8.7 million for the year ended 31 March 2024.

BUSINESS REVIEW AND PROSPECTS

The principal businesses of the Group include: (i) catering operations, including operation of restaurants and trading of food and beverages; and (ii) provision of financial institution intermediation services.

Since the outbreak of COVID-19 at the beginning of 2020, the global economy has been severely impacted, with the Group's restaurant business being the most affected. After due consideration of the re-opening of Hong Kong-Mainland borders and the lifting of COVID-19 pandemic, the company believe the inbound tourism and Government's various support shall benefit to restaurant business, hence, the Company opened a new Chinese restaurant and aim to expand to Mainland and Asia in the future.

The Group also run the food ingredient sales business during the year ended 31 March 2025. In November 2022, the Group successfully launched the frozen meat sales business, which has continuously generated stable income. For the year ended 31 March 2025, the revenue generated from the food ingredient sales business was approximately HK$6.0 million. The Group will continue to seek suppliers and customers for long-term collaboration of food ingredients to maintain a stable income and to restore its growth momentum.

CHAIRMAN'S STATEMENT

APPRECIATION

I am thankful to my fellow Board members for their guidance and support. Also I would like to express my sincere gratitude to our valuable shareholders, business partners and customers for their trust and unwavering support to the Group. Finally, I would like to thank the management team and all the staff member of the Group for their tremendous contribution. With such a dedicated team, I am certain that the Group can overcome the challenges and create greater value for our shareholders in 2025.

Xu Qiang
Chairman, Chief Executive Office and Executive Director

Hong Kong, 30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 March 2025 (the "**Year**"), the Group has been principally engaged in (i) catering operations, including operation of restaurants and trading of food and beverages; and (ii) provision of financial institution intermediation services.

Business Review

Provision of Catering Services Business

In November 2022, the Group successfully launched the frozen meat sales business, which has continuously generated stable income. For the year ended 31 March 2025, the revenue generated from the food ingredient sales business was approximately HK$6.0 million. In April 2024, the Group successfully signed cooperation agreements with other food suppliers and customers. In addition to our existing suppliers and customer base, the Group will invest more resources in the food ingredient sales business and will actively seek more suppliers and customers for long-term collaboration.

The new Chinese restaurant has finished the renovation and was opened in February 2025 as a soft opening. The market responded enthusiastically and the Company believes that the restaurant business will bring a long term and sustainable income for the Company.

Financial Institution Intermediation Services

The Group has laid out a one-stop and professional financial services platform for financial practitioners and financial institutions based on the macro background of China's consistent policy of vigorously supporting small and medium-sized enterprises. Currently, the Group cooperates with financial practitioners and financial institutions to contact potential qualified borrowers through financial practitioners, and then the Group recommends potential qualified borrowers to financial institutions and facilitates both parties to enter into loan agreements, and the financial institutions provide loans to the borrowers.

During the Year, this business has been significantly affected by the downturn of macro-economy and the heightening of risk appetite in the PRC and globally. As a result, no new loans to borrowers had been facilitated by the Group during the Year and approximately HK$0.9 million of revenue had been generated during the Year.

Financial Review

Revenue

During the Year, the Group's revenue was generated from (i) the provision of catering services in Hong Kong; and (ii) provision of financial institution intermediation services in the PRC. The Group decided during the Year to open a new restaurant in Hong Kong. Meanwhile, the Group proactively sought other business development directions and shifted its investment to the food ingredient sales business.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a breakdown of the Group's revenue generated by (i) provision of catering services; (ii) provision of financial institution intermediation services, and as a percentage of the total revenue during the Year (and 31 March 2024 for comparison purpose).

	2025		2024	
	Revenue (HK$'000)	% of total Revenue (%)	Revenue (HK$'000)	% of total Revenue (%)
Provision of catering services	**6,511**	**88.1**	11,992	74.5
Provision of financial institution intermediation services	**883**	**11.9**	4,094	25.5
Total	**7,394**	**100.0**	16,086	100.0

Provision of Catering Services Business

The revenue generated from provision of catering services decreased by approximately HK$5.5 million, or approximately 45.8%, from approximately HK$12.0 million for last year to approximately HK$6.5 million for the Year. Such decrease was mainly due to (i) the negative impact by the weak market sentiment amidst the COVID-19 Pandemic in prior years.

Provision of Financial Institution Intermediation Services Business

The revenue generated from provision of Financial Institution Intermediation Services by the Group was approximately HK$0.9 million for the Year (31 March 2024: approximately HK$4.1 million).

The decrease was resulted from the unfavourable macro-economic environment in the PRC, particularly with the gigantic loan default events in 2021 with lasting impacts up to the date of this annual report, which led to no new loans facilitated for the Year. While income from early redemption penalty and service charges may also adversely affect future post loan facilitation service fees and future guarantee service fees.

Cost of sales and inventories consumed

Cost of sales and inventories consumed mainly represented the costs of food ingredients for the Provision of Catering Services Business for the year ended 31 March 2025. The major food ingredient purchased by the Group is frozen food. Cost of sales and inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK$6.3 million and approximately HK$12.0 million for the year ended 31 March 2025 and the year ended 31 March 2024, respectively, representing approximately 85.8% and approximately 74.3% of the Group's total revenue for the year ended 31 March in 2025 and 2024. The decrease in cost of sales and inventories consumed was due to the drop of sales by the weak market sentiment.

Loan referral and guarantee expenses

Loan referral and guarantee expenses, which represents the cost of Financial Institution Intermediation Services, including customer service cost and third party guarantee fee, which amounted to Nil for the year ended 31 March 2025 (31 March 2024: Nil).

Employee benefits expenses

Employee benefits expenses represented one of the major components of the Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits.

The employee benefits expenses decreased by approximately HK$0.5 million from approximately HK$3.7 million to approximately HK$3.2 million for the year ended 31 March 2024 and 2025, respectively. The decrease was mainly due to the continuous streamlining of organizational structure in the PRC.

Gain on debt restructuring

Gain on debt restructuring of approximately HK$35.2 million mainly included (i) an extension of the non-interest-bearing advances from a related party, (ii) an extension of the non-interesting bearing borrowing from the former directors and (iii) an interest-free director facilities for the use of the working capital and business expense (31 March 2024: Nil).

Other expenses

Other expenses mainly included legal and professional fee and insurance. During the two years ended 31 March 2025 and 2024, the Group recognised other expenses of approximately HK$6.8 million and approximately HK$4.5 million, respectively, representing approximately 92.4% and approximately 28.0% of the Group's total revenue for the corresponding periods. The increase in other expenses incurred in the year ended 31 March 2025 was mainly due to the increase in insurance.

Other gains/(loss), net

During the year ended 31 March 2025, the Group recognised net other gains of approximately HK$27.0 million (31 March 2024: net other loss of approximately HK$5,764) which was mainly due to dissolution of subsidiaries with net liabilities of approximately HK$26.8 million.

Finance (cost)/income, net

Finance income mainly included interest income from contract assets and loan receivables.

The finance income is offsetted by finance costs, which mainly represent finance costs recognised in relation to the lease liabilities regarding the rental contracts upon adoption of HKFRS 16 "Leases".

The decrease in finance income, net for the Year is mainly caused by reduction in provision of Financial Institution Intermediation Services.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the year end 31 March 2025 was approximately HK$49.7 million, while the loss attributable to owners of the Company for the year ended 31 March 2024 was approximately HK$19.5 million.

The profit attributable to owners of the Company was primarily attributable to (i) the gain on dissolution of subsidiaries of approximately HK$26.8 million and (ii) the gain on debt restructuring of approximately HK$35.2 million and (iii) one off impairment loss on non-financial assets of approximately HK$8.7 million for the year ended 31 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

As at 31 March 2025, total assets of the Group amounted to approximately HK$128.0 million (31 March 2024: approximately HK$122.2 million) and the cash and cash equivalents amounted to approximately HK$171,000 (31 March 2024: approximately HK$1.3 million). The cash and cash equivalents were denominated in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**"). The Group's working capital was approximately negative HK$23.5 million (31 March 2024: approximately negative HK$91.0 million), represented by total current assets of approximately HK$40.5 million (31 March 2024: approximately HK$40.2 million) against total current liabilities, net of amounts due to former directors, which was nil in 31 March 2025 (31 March 2024: approximately HK$131.1 million). The current ratio, being the proportion of total current assets against total current liabilities, net of amounts due to directors, was 0.63 (31 March 2024: 0.31).

The gearing ratio (being net debt divided by the aggregate of net debt and total capital) of the Group as at 31 March 2025 was approximately 209.1% (31 March 2024: approximately 792.5%). Net debt was approximately HK$120.1 million (31 March 2024: approximately HK$134.7 million) which is calculated based on the sum of total lease liabilities, amounts due to directors, loans from related parties and bank borrowings, less cash and cash equivalents. Total deficit and net debt was approximately HK$57.4 million (31 March 2024: approximately HK$17.0 million).

CAPITAL STRUCTURE

Change of domicile

The Company has been deregistered from the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The change of domicile became effective on 6 September 2022 (Bermuda time) (7 September 2022 (Hong Kong time)). In connection with the change of domicile, a new memorandum of continuance and the New Bye-laws have been adopted by the Company with effect from 6 September 2022 (Bermuda time) (7 September 2022 (Hong Kong time) and amened by the Company with effect from 29 August 2024 (Bermuda time) (30 AUGUST 2024 (Hong Kong time))).

Outlook

With the lifting of COVID-19 pandemic restrictions and the re-opening of Hong Kong-Mainland borders, and after due consideration, the Company believes that the ongoing recovery of inbound tourism and the Government's various support initiatives shall benefit restaurant business of the Company, the Company has expanded its catering business and opened a new Chinese restaurant located in Hong Kong in February 2025. the Company believes that the restaurant business will bring a long term and sustainable income and the Company will further explore other opportunities in Catering in Mainland and Asia.

Since launching its frozen meat sales business in November 2022, the Group has generated stable revenue through quality sourcing and efficient distribution. The Group aims to secure long-term supplier partnerships and focus on current customers, while investing in cold chain logistics and exploring value-added products to drive sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, liquidity risk and compliance risk. The risk management policies and practices of the Group are stated in notes 3 and 30 to the consolidated financial statements in this annual report.

Pledge of Assets

As at 31 March 2025, save as restricted bank and other deposits of approximately HK$67,567,000 (31 March 2024: approximately HK$66,214,000) for the Group's obligations under certain operating leases or service agreements in relation to the provision of financial institution intermediation services, the Group did not pledge any other assets (31 March 2024: Nil).

Contingent Liabilities

As at 31 March 2025, the Group did not have any significant contingent liabilities (31 March 2024: Nil).

Capital Commitments

As at 31 March 2025, the Group did not have any capital commitments (31 March 2024: Nil).

Dividend

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 March 2025 (31 March 2024: Nil).

Employees and Remuneration Policies

As at 31 March 2025, the total number of employees employed by the Group in Hong Kong and the PRC was 14 (31 March 2024: 28). Total staff costs (including Directors' emoluments) were approximately HK$3.2 million for the year ended 31 March 2025 (31 March 2024: approximately HK$3.7 million).

Employees' remuneration (including Directors' emoluments) is commensurate with their job nature, qualifications, experience, competent and market comparable. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

Furthermore, the Company has adopted a share option scheme as an incentive to the Directors and eligible employees. The Group also provides and arranges on-the job training for the employees.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and the PRC. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the Group collects most of the revenue and incur most of the expenditure in HK$ and RMB, being the local currencies of the operating subsidiaries in Hong Kong and the PRC. Moreover, the Group adopted a conservative treasury policy with most of the bank deposits being kept in HK$, or in RMB to minimise exposure to foreign exchange risks. The management will closely monitor the fluctuation in these currencies and take appropriate actions when needed.

Significant Investments

The Group did not hold any significant investment with a value of 5% or more of the Company's total assets during the Year.

Future Plans for Material Investments and Capital Expenditures

Save as disclosed in this annual report, the Group does not have any present plans for material investments and capital assets.

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

Events After Reporting Period

On 22 July 2025, the Company has agreed to appoint the Placing Agent, placees to purchase up to 13,650,000 Placing Shares at the Placing Price on the terms and subject to the conditions set out in the Placing Agreement. For further details, please refer to the announcement of the Company dated 22 July 2025 for details.

On 23 July 2025, the head office and principal place of business the Company in Hong Kong has been changed to Shop 1, G/F, the Centre Mark, 287-299 Queen's Road Central, Central, Hong Kong.

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Mr. Xu Qiang（徐強）, aged 41, was appointed as an executive Director, the chairman of the Board and chief executive officer of the Company on 3 July 2023. He is the chairman of the nomination committee of the Board (the "**Nomination Committee**") and a member of remuneration committee of the Board (the "**Remuneration Committee**"). He graduated from Zhongnan University of Economics and Law（中南財經政法大學）in the PRC, studying International Economic Law. He is a Chartered Financial Practitioner of the Asia Pacific Financial Services Association (APFinSA). He was the investment director of asset management department in Jialian Rongfeng Investment Development Management Limited（嘉聯融豐投資發展管理有限公司）from 2009 to 2012 and involved in private equity, initial public offerings and mergers and acquisitions projects. From 2012 to 2015, Mr. Xu served as a fund manager in an offshore fund and was responsible for managing and hedging of international derivatives products. Mr. Xu is also familiar with asset management, risk management and business strategic planning. From February 2017 to December 2020, Mr. Xu served as an executive director of China Creative Global Holdings Limited（中創環球控股有限公司）, a company delisted on the Stock Exchange (Stock Code:1678) in July 2022.

Ms. Wu Liyu（吳麗玉）, aged 39, was appointed as an executive Director on 22 March 2024 and has been appointed the member of the Nomination Committee on 27 June 2025. She has extensive experience in the food industry and production site management in large and medium-sized food production enterprises. She is familiar with export health registration applications and production license applications. She is currently a director of Shenzhen Peptide Youyuan Food Technology Co., Ltd.（深圳市肽友緣食品科技有限公司）, responsible for the research, production, and sales of self-heating food product series. Ms. Wu graduated from Guangdong Medical College in 2013, studying nursing.

Independent non-executive Directors

Mr. Hui Hung Kwan（許鴻群）, aged 53, was appointed as an independent non-executive Director on 4 August 2023. He is also the chairman of the audit committee of the Board (the "**Audit Committee**") and a member of each of the Remuneration Committee and the Nomination Committee. He is currently an independent non-executive Director of Shanghai Kindly Medical Instruments Co., Ltd（上海康德萊醫療器械股份有限公司）, a company listed on the Main Board of the Stock Exchange (stock code: 1501) since December 2018, and the company secretary of Wuxi Life International Holdings Group Limited (formerly known as Aurum Pacific (China) Group Limited（奧栢中國集團有限公司）), a company listed on the GEM Board of the Stock Exchange (stock code: 8148) since May 2023.

Mr. Bian Hongjiang（邊洪江）, aged 50, was appointed as an independent non-executive Director on 4 August 2023. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He graduated from the Northeast Agricultural University in July 2010 and majored in accounting. Mr. Bian was an executive director of Tree Holdings Limited (stock code: 8395) from 21 October 2022 to 20 June 2023. Mr. Bian has over 21 years' experience in financial management. He has been the executive director and legal representative of Beijing Huijing Yian Asset Management Co., Ltd.*（北京匯金易安資產管理有限公司）since October 2019 and the financial officer of Shandong Yuanqi Wisdom Agriculture Development Co., Ltd.*（山東源齊智慧農業發展有限公司）since May 2022.

Mr. Chen Wenrui（陳文鋭）, aged 37, was appointed as an independent non-executive Director on 4 August 2023. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. He graduated from Xi'an International Studies University in 2011, studying in Russian. He is currently served as director of Investment Banking Department of Zhongtian Capital Holdings (Shenzhen) Limited*（中天資本控股（深圳）有限公司）.

* *For identification purposes only*

CORPORATE GOVERNANCE REPORT

The Board is committed to achieving high standards of corporate governance by emphasizing transparency, independence, accountability, responsibility and fairness. The Board strives to ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company and to enhance long-term shareholders' value.

Purpose, Value and Strategy

The Group mainly provides two types pf services, namely (i) catering operations, including operation of restaurants and trading of food and beverages; and (ii) provision of financial institution intermediation services. The core value of the Company is to provide the best experience to its customers and to enhancing shareholder value.

To achieve the above, the Board promotes a dedicated culture to serve with highest standard and integrity in the Group's daily operations, and cultivated a competent and committed team.

Corporate Governance Practices

In the opinion of the Directors, save as disclosed in this annual report, other than the deviation from code provision C.2.1 (as disclosed in the paragraph headed "Chairman and Chief Executive" below), the Company has applied the principles of, and complied with, all the code provisions set forth in the section headed "Part 1 – Mandatory disclosure requirements" and the applicable provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules (the "**CG Code**") throughout the year ended 31 March 2025. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Corporate Governance Structure

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All these committees perform their distinct roles in accordance with their respective terms of reference (available on the Company's website) and assist the Board in supervising certain functions of the senior management.

Directors' Securities Transactions

The Group has adopted the required standard of dealings in the securities as contained in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") as its own code of conduct for dealings in the securities of the Company by the Directors.

Having made specific enquiries by the Company, all the Directors have confirmed that they had complied with the Required Standard of Dealings during the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

Board of Directors

The Board comprises five Directors as follows:

Executive Directors:

Mr. Xu Qiang (Chairman and Chief Executive Officer)
Ms. Wu Liyu
Mr. Liu Guowei (resigned on 15 April 2025)
Mr. Yu Quansheng (resigned on 17 September 2024)

Independent non-executive Directors:

Mr. Hui Hung Kwan
Mr. Bian Hongjiang
Mr. Chen Wenrui

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board may from time to time delegate certain functions to the senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time. The Board is accountable to the shareholders of the Company for the strategic development of the Group with the goal of maximizing long-term shareholder value, while balancing broader stakeholder interests.

The attendance record of each Director during the year ended 31 March 2025 at Board meetings, Audit Committee meetings, Remuneration Committee meeting, Nomination Committee meeting, annual general meeting (the "**AGM**") and extraordinary general meeting ("**EGM**") is set out in the following table:

Directors	Attendance/no. of meetings eligible to attend Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	AGM	EGM
Executive Directors:						
Mr. Xu Qiang (Chairman, Chief Executive Officer and Executive Director)	9/9	N/A	1/1	1/1	1/1	1/1
Ms. Wu Liyu	9/9	N/A	N/A	N/A	1/1	1/1
Mr. Liu Guowei (resigned on 15 April 2025)	6/9	N/A	N/A	N/A	0/1	0/1
Mr. Yu Quansheng (resigned on 17 September 2024)	3/3	N/A	N/A	N/A	1/1	N/A
Independent non-executive Directors:						
Mr. Hui Hung Kwan	9/9	2/2	1/1	1/1	1/1	1/1
Mr. Bian Hongjiang	9/9	2/2	1/1	1/1	1/1	1/1
Mr. Chen Wenrui	9/9	2/2	1/1	1/1	1/1	1/1

During the Year, the Board held 9 meetings. Special Board meetings will be held as and when required. Formal notice for each proposed regular meeting is given at least 14 days before the day of the meeting. With regard to special Board meetings, notices are issued within a reasonable period.

All Directors are provided with details of agenda items for decisions making with reasonable notice. Directors have access to the advice and services of the company secretary of the Company (the "**Company Secretary**") who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

All Directors assume the responsibilities owed to the shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates the shareholders of the Company on the operations and financial position of the Group through quarterly, half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

The Company has three independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the GEM Listing Rules. Each of the independent non-executive Directors has made an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Relationship

There is no financial, business, family or other material or relevant relationship among the directors. The biographical details of the Directors are set out in the section of "Biographical Details of Directors" of this annual report.

Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of the chairman of the Board and chief executive officer of the Company should be separated and should not be performed by the same individual.

During the year ended 31 March 2025, the Company has not separated the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Xu Qiang was the chairman of the Board and also the chief executive officer of the Company responsible for overseeing the operations of the Group during the year. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management as the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

Appointment and Re-Election of Directors

Each of the executive Directors and independent non-executive Directors has entered into a service contract with the Company for an initial term of three (3) years from the date of signing the letter of appointment with the Group unless terminated by either party. Each of the Directors are subject to retirement by rotation and re-election pursuant to the bye-laws of the Company (the "**Bye-Laws**").

At each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be eligible for re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Corporate Governance Function

The Board is responsible for performing corporate governance duties and has adopted written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

(i) developing and reviewing the Company's policies and practices on corporate governance;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Year and up to the date of the annual report, the Board has performed the corporate governance duties in accordance with its terms of reference.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Policy**") setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of 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.

On recommendation from the Nomination Committee, the Board will set measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Board believes that gender diversity is a representing manifestation of Board diversity, among all other measurable objectives. While the Board has a domination of male composition, the Company has one female Director achieving a female representation in the Board. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board. The Board is also characterised by significant diversity, whether considered in terms of professional background and skills.

As of the date of this annual report, approximately 20.0% of Directors and 28.6% of total workforce of the Company (including senior management) were female. The Company's hiring is merit-based and nondiscriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

Nomination Policy

The Board has established a set of nomination policy (the "**Nomination Policy**") setting out the approach to nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies. The criteria of nomination have been considered from a number of aspects, including but not limited to gender, skills, experience, qualifications and aspects as detailed in the Nomination Policy.

During the Year, the Company reviewed its Nomination Policy for a formal, considered and transparent procedure to help identifying and nomination of candidates for Directors. All valid nomination of candidates, accompanied with biographical details, would be presented to the Board for consideration. Consideration would be given to factors such as the candidate's integrity, experience and qualifications relevant to the Group's business. It is believed that members of the Nomination Committee collectively would have required relevant knowledge and skills to identify, invite and evaluate qualifications of nominated candidates for directorship.

The process of our appointment and re-election of Directors are as follows:

Potential new Directors are identified and considered for appointment at any time by the Board upon the recommendation of the Nomination Committee. External recruitment professional might be engaged to carry out selection procedure when necessary. Nomination Committee considers the candidates based on merit having regard to the knowledge, experience, skills and expertise as well as the overall board diversity which, in the opinion of the Directors, will enable them to make positive contributions on the performance of the Board and makes recommendations to the Board as appropriate. Emoluments of new Directors will be considered by the Remuneration Committee.

The Nomination Committee will adopt the above selection process and criteria in the selection and recommendation of candidates for directorship.

Newly appointed members by the Board to fill a casual vacancy on the Board are subject to re-election at the first general meeting after their appointment or as addition to the existing Board are subject to re-election at the first annual general meeting after their appointment. All Directors are subject to re-election by the shareholders every 3 years.

Remuneration Committee

The Remuneration Committee was set up on 14 July 2016 to oversee the remuneration policy and structure for all Directors and senior management.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and recommending to the Board the remuneration packages of all executive Directors and senior management. The Remuneration Committee is also responsible to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

During the Year, the Remuneration Committee held 1 meeting and reviewed the remuneration package of Directors and the senior management of the Company.

As at the date of this annual report, the Remuneration Committee comprises four members namely:

Mr. Bian Hongjiang (Chairman)
Mr. Xu Qiang
Mr. Hui Hung Kwan
Mr. Chen Wenrui

All the members are independent non-executive Directors except Mr. Xu Qiang, which is executive Director.

Particulars of the Directors' remuneration for the year ended 31 March 2025 are set out in note 29 to the consolidated financial statement.

Nomination Committee

The Company has established the Nomination Committee on 14 July 2016 for making recommendations to the Board on appointment of Directors and succession planning for the Directors. The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, assessing the independence of the independent non-executive Directors and reviewing the Policy.

During the Year, the Nomination Committee held 1 meeting and, among other matters, (i) reviewed the structure, size, composition and diversity of the Board; (ii) assessed the independence of the independent non-executive Directors; (iii) reviewed the Policy of the Group; and (iv) reviewed and made a recommendation on the re-appointment of Directors.

As at the date of this annual report, the Nomination Committee comprises five members namely:

Mr. Xu Qiang (Chairman)
Ms. Wu Liyu (appointed on 27 June 2025 as a member)
Mr. Hui Hung Kwan
Mr. Bian Hongjiang
Mr. Chen Wenrui

All the members are independent non-executive Directors except Mr. Xu Qiang and Ms. Wu Liyu, which are executive Directors.

Audit Committee

The Company has established the Audit Committee on 14 July 2016 with written terms of reference setting out the authorities and duties of the Audit Committee. The Audit Committee performs, amongst others, the following functions:

- Review financial information of the Group;
- Review relationship with and terms of appointment of the independent auditors; and
- Review the Company's financial reporting system, internal control system and risk management system.

During the Year, the Audit Committee held 2 meetings. The Audit Committee oversees the internal control system and risk management system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

Major accomplishments for the year ended 31 March 2025 and up to the date of this annual report comprised of the following:

(i) reviewed the final results for the year ended 31 March 2024, unaudited interim results for the six months ended 30 September 2024 and the final results for the year ended 31 March 2025;

(ii) considered and approved the terms and remuneration for the appointment of McMillan Woods (Hong Kong) CPA Limited as independent auditor; and

(iii) reviewed the connected transactions of the Group.

As at the date of this annual report, the Audit Committee comprises three members namely:

Mr. Hui Hung Kwan (Chairman)
Mr. Bian Hongjiang
Mr. Chen Wenrui

All the members are independent non-executive Directors (including one independent non-executive Director, Mr. Hui Hung Kwan who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing independent auditor.

Risk Management and Internal Control

The Audit Committee reviews the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management of the Company.

The Board is responsible for the risk management and internal control systems and is fully aware of the need to put in place a system of risk management and internal controls within the Group to safeguard the interests of the shareholders and the Group's assets, and to manage and mitigate risks. The Board also acknowledges that no cost effective risk management and internal control systems will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. As the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provides technical support, develops new system and oversees portfolio management. It ensures that risks are within acceptable range and that the first line of defence is effective. As the final line of defense, the Audit Committee reviews the first and second lines of defence.

The Company does not have internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function or engage an independent internal control consulting firm in light of the size, nature and complexity of the Group's business. The need for an internal audit function or engaging an independent internal consulting firm will be reviewed from time to time.

The Group has established internal control procedures for handling and dissemination of inside information, amongst others, the following in order to comply with code provision D.2.1 of CG Code as well as Part XIVA of the SFO:

- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;

- the Group has strictly prohibited unauthorized use of confidential or inside information; and

- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors, Company Secretary and investor relations officers are authorised to communicate with parties outside the Group.

During the Year, the Board has discussed and reviewed the effectiveness of the Group's risk management and internal control systems covering material controls (including financial, operational and compliance controls) at entity and operational levels. Based on the outcome of the review performed by the Company's Audit Committee, administrative management and the independent auditor, the Directors considered and were of the opinion that the Group's risk management and internal control systems and internal audit function are effective and adequate.

Mechanism Regarding Independent Views To The Board

The Board has implemented different ways to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The mechanism is disclosed below:

(i) Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board Committees as required under the GEM Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The Nomination and Corporate Governance Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

(iii) Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution.

A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

(iv) Board Evaluation

The Board assesses and reviews the time contributed by every independent non-executive Director and their attendance to meetings of the Board and the board committees so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his/her responsibilities as a Director of the Company.

Remuneration of Senior Management

The remuneration payable to the senior management of the Company, including those members of senior management who are also the executive Directors whose particulars are contained in section headed "Biographical Details of Directors" in this annual report, is shown in the following table by band:

Remuneration Bands	Number of Individual
Nil – HK$500,000	2
HK$500,001 – HK$1,000,000	–

Independent Auditor and its Remuneration

The statement of the independent auditor on their reporting responsibilities and opinion on the Group's consolidated financial statements for the year ended 31 March 2025 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee is responsible for considering the appointment of the independent auditor and reviewing any non-audit functions performed by the independent auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

The fees paid/payable to McMillan Woods (Hong Kong) CPA Limited for the year ended 31 March 2025 are set out as follows:

	Fee paid/payable HK$'000
Audit services	1,000
Non-audit services	–
Total	1,000

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the year ended 31 March 2025, which give a true and fair view of the state of affairs of the Company and the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards. Material uncertainties which may affect the Company's business or cast significant doubt about the Company's ability to continue as a going concern are disclosed in note 2.1 to the consolidated financial statements of this annual report.

In addition, McMillan Woods (Hong Kong) CPA Limited has stated its reporting responsibility in the independent auditor's report of the Company's consolidated financial statements for the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

Company Secretary

Mr. Tse Tsz Him ("**Mr. Tse**"), aged 36, appointed as the company secretary of the Company (the "**Company Secretary**") on 10 February 2025.

Mr. Tse, holder of a Master's degree in Corporate Governance, is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom. Mr. Tse has extensive experience in the corporate secretarial field. During the Year, Mr. Tse has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

Induction and Continuing Professional Development

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant training materials to the Directors. All Directors, namely Mr. Xu Qiang, Mr. Liu Guowei (resigned on 15 April 2025), Ms. Wu Liyu, Mr. Hui Hung Kwan, Mr. Bian Hongjiang and Mr. CHEN Wenrui had participated in courses relating to roles, functions and duties of a listed company director or further enhancement of their professional development by the way of attending training courses or reading relevant materials. All Directors had provided the Company their training records for the year ended 31 March 2025 and the Company will continue to arrange training in accordance with code provision C.1.4 of the CG Code. The Directors and officers are indemnified under the directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

Dividend Policy

The Board has approved and adopted a dividend policy (the "**Dividend Policy**"). It is the policy of the Board in declaring or recommending a payment of dividends, to allow shareholders of the Company to participate in the Company's profits and for the Company to retain adequate reserves for future growth.

The Board shall consider the following factors before declaring or recommending any dividend:

- general business conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- the financial condition and results of operations of the Group;
- the expected capital requirements and future expansion plans of the Group;
- future prospects of the Group;
- statutory and regulatory restrictions;

- contractual restrictions on the payment of dividends by the Group to the shareholders of the Company or by the subsidiaries of the Company to the Company;
- taxation considerations;
- shareholders' interests; and
- other factors the Board may deem relevant.

The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits of the Company justify the payment. The payment of dividend is also subject to applicable laws and regulations and the Bye-Laws.

Whilst the Dividend Policy reflects the Board's current views on the financial and cash-flow position of the Group, such Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be recommended or declared in any particular amount for any given period. The declaration of or recommendation of declaration of dividends is subject to the absolute discretion of the Board. Even if the Board decides to recommend and declare dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group.

Whistle-Blowing Policy

The Company has put in place whistleblowing policy which applies to all the directors and employees of the Group and any parties who deal with the Group. The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas.

Anti-Corruption Policy

The Group does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. As such, it has formulated an anti-corruption policy (the "**Anti-Corruption Policy**") which prohibits all forms of corruption practice by making reference to the relevant laws and regulations. The Anti-Corruption Policy forms an integral part of the Group's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Anti-Corruption Policy is reviewed and updated on a regular basis to align with the applicable laws and regulations as well as the industry best practices. All the employees are informed and expected to act with integrity, impartiality and honesty.

COMMUNICATION WITH THE SHAREHOLDERS

The Board has adopted a shareholder communication policy which is subject to annual review to ensure its implementation and effectiveness. Such policy aims at ensuring shareholders can have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and to allow them to engage actively with the Company.

A summary of the Company's shareholder communication policy is as follows:

Information will be communicated to the Shareholders through the Company's financial reports, circulars and announcements, AGMs and other general meetings that may be convened, as well as all the disclosures submitted to the Stock Exchange for publication.

As a channel to further promote effective communication, the Company maintains a website at as a communication platform with Shareholders, where Company's announcements and press releases, business developments and operations, financial information, corporate governance report and other information are posted.

Shareholders' meeting is one of the channels for shareholders to communicate their views on various matters affecting the Company. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. Shareholders may make enquiries to the Company directly by raising questions at general meetings. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditor will use all reasonable efforts to attend annual general meetings and to answer Shareholders' questions.

Furthermore, Shareholders are given sufficient notice of Shareholders' meetings, detailed procedures for conducting a poll was stated in circular to Shareholders accompanying the notice of the annual general meeting. In order for the Company to solicit and understand the views of Shareholders, Shareholders may make enquiries to the Company through the contact method provided by the Company's website.

The Company reviewed the implementation and effectiveness of the shareholder communication policy has been properly implemented and during the year and considered that the policy is effective.

Constitutional Documents

On 30 August 2024, a special resolution was passed at the 2024 AGM to approve the proposed amendments and the adoption of the Company's constitutional documents.

The new constitution documents of the Company are posted on the designated website of the Stock Exchange and the website of the Company.

During the Year, there was no other changes in the constitution documents of the Company.

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting

Pursuant to Section 74 of the Bermuda Companies Act 1981, shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a special general meeting ("**SGM**") to be called by the Board. The written requisition (i) must state the purposes of the SGM, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for attention of the Company Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Bermuda Companies Act 1981, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Procedures for Shareholders to Propose a Person for Election as a Director

The provisions for a shareholder of the Company to propose a person for election as a Director are laid down in Bye-Law 100 of the Bye-Laws. If at any general meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:–

i) it shall be determined at such meeting to reduce the number of Directors; or

ii) it is expressly resolved at such meeting not to fill up such vacated offices; or

iii) in any such case the resolution for re-election of a Director is put to the meeting and lost; or

iv) such Director has given notice in writing to the Company that he is not willing to be re-elected.

Procedures for Sending Enquiries to the Board

Shareholders of the Company may send written enquiries to the Company, for the attention of the Company Secretary, by email: cosec@lifeconcepts.hk, or mail to Shop 1, G/F, 299 QRC, 287-299 Queen's Road Central, Sheung Wan, Hong Kong.

Information Disclosure

The Company discloses information in compliance with the GEM Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders of the Company, investors as well as the public to make rational and informed decisions.

Conclusion

The Company believes that good corporate governance could ensure an effective distribution of the resources and the Shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

DIRECTORS' REPORT

The Board presents its annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2025.

Principal Activities

The Company acts as an investment holding company and its subsidiaries are principally engaged in (i) catering operations, including operation of restaurants and trading of food and beverages; and (ii) provision of financial institution intermediation services.

Business Review and Performance

Review of our business and performance

Information about a fair review of, and an indication of likely future development in, the Group's business during the Year with financial key performance indicators is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

Compliance with laws and regulations

The Company was not aware of material non-compliance with the relevant laws and regulations that had a significant impact on the business and operations of the Group during the year ended 31 March 2025.

Important Events after the Reporting Period

The important events after the reporting period are set out the section headed "Management Discussion and Analysis" of this annual report.

Principal risks and uncertainties

A description of the principal risks and uncertainties facing that the Group may be facing is set out in the section headed "Management Discussion and Analysis" of this annual report.

Environmental policies and performance

The Group is committed to nurturing its staff to care about and protect the environment. It conducts its business in a manner that balances the environment and economic needs.

The Group complies with all relevant environment regulations. It works with its partners including customers and suppliers in a concerted effort to operate in an environmentally responsible manner by making concerted efforts to be energy-efficient and to practise "Reduce, Reuse and Recycle".

Among others, the Group has taken the following initiatives:

- uses recycled print paper and toilet paper; and

- adjusts the temperature for an air-conditioning at 24 degrees Celsius during winter season.

Details of the Group's environmental policies and performance are contained in the Environmental, Social and Governance Report on pages 39 to 57 of this annual report.

Stakeholders' engagement

The Group understands the importance of its customers, suppliers and employees to its long-term business development, and therefore has dedicated to establishing and maintaining a close and caring relationship with these stakeholders.

Recognising the crucial roles of our customers and suppliers in our business operations, the Group has reinforced its relationship with these business partners by ongoing communication in a proactive and effective manner. In particular, the Group has been through continuous interaction with its customers to ensure that the quality of our services has satisfied their needs and requirements and will, therefore, meet up to our customers' expectation. Besides, the Group is also dedicated to developing good relationship with its suppliers to ensure a stable supply of reliable and high-quality products for the Group's daily operation.

Apart from the above, the Group recognises the importance of human capital in its long-term development. The Group has provided a fair and safe workplace and offered competitive remuneration, benefits and career development opportunities based on the merits and performance of our employees. The Group also places ongoing effort to provide adequate training and development resources to our staff with the aim of fostering an environment in which the employees can develop to their fullest potential and can achieve their personal and professional growth.

Segment Information

Segment Information of the Group for the year ended 31 March 2025 are set out in note 5 to the consolidated financial statements of this annual report.

Share Capital

Details of the movements in the share capital of the Company during the year ended 31 March 2025 are set out in note 19 to the consolidated financial statements of this annual report.

Results and Appropriations

The results of the Group for the year ended 31 March 2025 are set out in the consolidated financial statements on pages 63 to 68 of this annual report.

The Board has resolved not to recommend the payment of a final dividend in respect of the year ended 31 March 2025 (31 March 2024: Nil).

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2025 are set out in note 14 to consolidated financial statements of this annual report.

Interest Capitalised

No interest was capitalised by the Group during the year ended 31 March 2025 (31 March 2024: Nil).

DIRECTORS' REPORT

Reserves

Details of the movement in the reserves of the Company during the year ended 31 March 2025 are set out in note 28 to the consolidated financial statements of this annual report.

Details of the movement in the reserves of the Group during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity in this annual report.

Distributable Reserves

As at 31 March 2025, the Company did not have distributable reserve available for distribution to shareholders (31 March 2024: Nil).

Five-Year Financial Summary

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 132 of this annual report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

Directors

The Directors during the year ended 31 March 2025 and up to the date of this annual report were:

Executive Directors:

Mr. Xu Qiang *(Chairman and Chief Executive Officer)*
Ms. Wu Liyu
Mr. Liu Guowei (resigned on 15 April 2025)
Mr. Yu Quansheng (resigned on 17 September 2024)

Independent non-executive Directors:

Mr. Hui Hung Kwan
Mr. Bian Hongjiang
Mr. Chen Wenrui

In accordance with Bye-Law 102(b) of Bye-Laws, Mr. Bian Hongjiang and Mr. Chen Wenrui shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-election.

DIRECTORS' REPORT

Confirmation of Independence

The Company has received a written confirmation of independence from each of the independent non-executive Directors, namely Mr. Hui Hung Kwan, Mr. Bian Hongjiang and Mr. Chen Wenrui, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this annual report, the Company considers the independent non-executive Directors to be independent.

Directors' Biographies

Biographical details of the Directors are set out on page 12 of this annual report.

Directors' Service Contracts

Each of the executive Directors and independent non-executive Directors has entered into a service contract with the Company for an initial term of three (3) years from the date of signing the letter of appointment with the Group unless terminated by either party.

None of the Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

There was no arrangement under which a Director waived or agreed to waive any emolument during the Year.

Placing of New Shares Under General Mandate

On 11 July 2024, the Company entered into a placing agreement with a third party placing agent, pursuant to which the placing agent, as the agent of the Company, agreed to place on a best effort basis up to 370,000,000 Placing Shares at placing price of HK$0.0144 (representing a discount of approximately 10.00% to the closing price of HK$0.016 per share on 11 July 2024). The placing was completed on 2 August 2024. A total of 370,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK$0.0144 per Placing Share pursuant to the terms and conditions of the Placing Agreement and the Supplemental Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees are professional, institutional or other investors (i) independent of; and (ii) not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are independent third parties. The net proceeds from the Placing, after deduction of applicable costs and expenses including commission and levies, amounted to approximately HK$5.1 million. The Company intends to apply (i) approximately HK$4.0 million or 78.43% of net proceeds from the Placing towards repayment of debt of the Group; and (ii) approximately HK$1.1 million or 21.57% of net proceed from Placing towards replenishment of the working capital of the Group.

Details of the above were disclosed in the announcements of the Company dated 11 July 2024 and 2 August 2024.

As at 31 March 2025, the net proceeds from the Placing under general mandate had been applied as follows:

	Net amount available on 2 August 2024 HK$ million	Actual net amount utilised as at 31 March 2025 HK$ million	Unutilised net amount on 31 March 2025 HK$ million
Repayment of debt of the Group	4.0	4.0	–
Replenishment of the working capital of the Group	1.1	1.1	–
Total	5.1	5.1	–

Share Consolidation

On 23 July 2024, the Board proposed that every twenty (20) shares in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share. The Share Consolidation was approved by the shareholders at the special general meeting of the Company held on 30 August 2024 and the same became effective on 3 September 2024. Upon the Share Consolidation becoming effective, there were 94,914,545 consolidation shares in issue which were fully paid or credited as fully paid.

Details of the Share Consolidation were set out in the announcement of the Company dated 23 July 2024 and the circular of the Company dated 15 August 2024.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 March 2025, none of the Directors and chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2025, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, no person (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' REPORT

Competing Interest

During the Year and up to the date of this annual report, none of the Directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competed or might compete with the business of the Group, or have any other conflict of interests with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Save for those interests set out in note 27 to the consolidated financial statements of this annual report, there are no transactions, arrangements or contract of significance in relation to the Group's business, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted as at 31 March 2024 or at any time during the year ended 31 March 2025.

Controlling Shareholders' Interest in Contracts

No material interest, either directly, in any contract of significance (whether for the provision of services to the Group or not) between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries subsisted as at 31 March 2025 or any time during the year ended 31 March 2025.

Related Party Transactions

A summary of the related party transactions entered into by the Group during the year ended 31 March 2025 is contained in note 27 to the consolidated financial statements of this annual report in accordance with the applicable accounting standards adopted for preparing the Company's consolidated financial statements for the year ended 31 March 2025. Save as disclosed in the section headed "Discloseable and Connected Transaction in relation to the Provision of Financial Assistance" below, there were no other transactions which fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

Arrangements to Purchase Shares or Debentures

At no time during the year ended 31 March 2025 was the Company or its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Employees and Remuneration Policies

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 9 and 29 to the consolidated financial statements of this annual report.

As at 31 March 2025, the Group had 14 employees. The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Company also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Remuneration Committee is set up by the Board of formulate a remuneration policy for approval by the Board. The Company regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

The Company has adopted the share option scheme as incentive to eligible participants.

Major Customers and Suppliers

The information in respect of the Group's revenue attributable from the major customers and purchases attributable to the major suppliers during the year ended 31 March 2025 is as follows:

	Approximate percentage of the Group's total purchases
The largest supplier	90%
Five largest suppliers in aggregate	94%

No individual customer (31 March 2024: one) contributed over 10% of total revenue of the Group for the year ended 31 March 2025.

None of the Directors, their close associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued shares, had a beneficial interest in any of the Group's five largest suppliers and customers.

Other Borrowings

The Group did not have any borrowings during the year ended 31 March 2025.

Purchase, Sale or Redemption of Shares

The Company did not redeem any of its shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase, sell any such shares of the Company during the year ended 31 March 2025.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules.

Donations

During the Year, no charitable and other donations were made by the Group (31 March 2024: Nil).

Tax Relief

The Company is not aware of any relief on taxation available to the shareholders of the Company by reason of their holdings of the shares of the Company. If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of or dealing in, or exercising of any rights in relation to the shares of the Company, they are advised to consult their professional advisers.

Management Contract

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Year.

Permitted Indemnity

Subject to the applicable laws, every Director will be entitled to 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 incurred by him/her in the execution of his/her duties pursuant to the Bye-Laws. Such provisions were in force during the course of the year ended 31 March 2025 and remained in force as of the date of this report.

Equity-linked Agreements

No equity-linked agreements that will or may result in the Company issuing shares of the Company or that require the Company to enter into any agreements that will or may result in the Company issuing shares of the Company were entered into by the Company during the Year or subsisted as at 31 March 2025.

Compliance with the Corporate Governance Code

Particulars of the Company's principal corporate governance practices are set out in the Corporate Governance Report on pages 13 to 27 of this annual report.

The compliance officer of the Company is Mr. Xu Qiang whose biographical details are set out on page 12 of this annual report. The company secretary of the Company is Mr. Tse Tsz Him, an associate member of The Hong Kong Chartered Governance Institute.

Share Option Scheme

The Share Option Scheme was approved by the Shareholders on 14 July 2016 for attracting and retaining the best available personnel of the Group, and providing incentives or rewards to eligible persons of the Group for their contribution to the success of the Group's business. The Share Option Scheme was conditional on the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of share options granted under the Share Option Scheme.

Options granted under the Share Option Scheme will be valid and effective for a period as the Board may determine which shall not exceed ten years from the date of grant.

The aggregate number of shares of the Company which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.

The total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and other share option schemes must not, in aggregate, exceed 10% of the shares of the Company in issue as at the listing date (the "**Listing Date**") (i.e. 5 August 2016) (the "**Scheme Mandate Limit**") provided that options lapsed in accordance with the terms of the Share Option Scheme or other share option schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.

Eligible persons under the Share Option Scheme include employees (full-time or part-time) and other members of the Group, including any executive, non-executive and independent non-executive Directors, advisors and consultants of the Group, or any substantial shareholder of the Company, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to each eligible participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Any further grant which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue must be separately approved by our shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting, and the number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before the shareholders' approval.

Where any grant of Options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant: (a) representing in aggregate over 0.1% of the shares in issue; and (b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million, such further grant of options must be approved by the shareholders in general meeting of our Company. The proposed grantees, their respective associates and all core connected persons of our Company must abstain from voting at such general meeting.

A nominal consideration of HK$1 is payable by the grantee on acceptance of the grant of an option. The option may be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price of the shares in respect of which the notice is given together with the reasonable administration fee specified by the Company from time to time. Within 28 days after receipt of the notice and the remittance, the Company shall allot and issue the relevant shares, credited as fully paid, and a share certificate for the relevant shares so allotted to the grantee.

The subscription price for the shares subject to the options will be a price determined by the Board and shall be at least the highest of (i) the closing price of the shares as stated on the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading date; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options; and (iii) the nominal value of a share on the date of grant of the options.

The Share Option Scheme will remain in force for a period of ten years commencing on 14 July 2016. For more details, please refer to the section headed "Share Option Schemes – Post-IPO Share Option Scheme" in Appendix IV of the prospectus of the Company dated 27 July 2016.

No share options were granted under the Share Option Scheme since the Listing Date. Therefore, no Options were exercised or cancelled or lapsed during the year ended 31 March 2024 and there were no outstanding Option under the Share Option Scheme as at 31 March 2025.

The total number of shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 4,000,000 shares, being 3.53% of the total number of shares in issue as at the date of this annual report.

Review by Audit Committee

The Audit Committee consists of three members, namely Mr. Hui Hung Kwan, Mr. Bian Hongjiang and Mr. Chen Wenrui, all are independent non-executive Directors. Mr. Hui Hung Kwan is the chairman of the Audit Committee. It has reviewed with management the audited consolidated financial statements of the Company during the year ended 31 March 2025.

Change in Independent Auditor in the Preceding Three Years

McMillan Woods (Hong Kong) CPA Limited has been appointed as the independent auditor of the Company with effect from 3 April 2023 to fill the casual vacancy following the resignation of PricewaterhouseCoopers on 31 March 2023.

Independent Auditor

The consolidated financial statements for the year ended 31 March 2025 have been audited by McMillan Woods (Hong Kong) CPA Limited and a resolution for the re-appointment of McMillan Woods (Hong Kong) CPA Limited as Independent Auditor will be proposed at the forthcoming annual general meeting.

Changes in Director's and Chief Executive's Biographical Details under Rule 17.50A(1) of the GEM Listing Rules

Pursant to Rule 17.50A(1) of the GEM Listing Rules, the changes in the information of Directors subsequent to 31 March 2024 and up to the date of this annual report are as follows:

Mr. Yu Quansheng has resigned as an executive Director with effect from 17 September 2024.

Mr. Liu Guowei has resigned as executive Director and compliance officer of the Company with effect from 15 April 2025.

Ms. Wu Liyu has been appointed as the member of the Nomination Committee with effect from 27 June 2025.

Except as disclosed above, subsequent to 31 March 2024 and up to the date of this annual report, there were no other substantial changes to the Directors' information required to be disclosed pursuant to GEM Listing Rule 17.50A(1).

Publication of Information on Websites

This annual report is available for viewing on the website of Stock Exchange at www.hkexnews.hk and on the website of the Company at www.lifeconcepts.hk.

By order of the Board
Xu Qiang
Chairman, Chief Executive Officer and Executive Director

30 June 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About this Report

Life Concepts Holdings Limited (the "**Company**"), and its subsidiaries (collectively, the "**Group**", or "**we**") strives continuously to incorporate sustainability initiatives into daily operations and management. While sharing the vision to be the preferred choice of our stakeholders, the Group is committed to improving our environmental, social and governance ("**ESG**") performance by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

This ESG Report (the "**Report**") aims to share the Group's key sustainability performances and outline the Group's milestones on our sustainability journey during the year ended 31 March 2025 ("**2025**", or the "**Reporting Year**"). The environmental-related section of this Report focuses on the Group's catering services in Hong Kong, considering its revenue contribution and significant environmental impact. Within the catering service business, the Group suspended the operation of its restaurants during the year ended 31 March 2024 ("**2024**") and opened a new restaurant during 2025 for approximately 2 months. The social-related section of this Report includes all currently operating subsidiaries. We endeavour to provide a balanced, honest and transparent account of our performance. The Group will extend the scope of its disclosure whenever possible.

The Report has complied with the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Disclosure content of this Report has been reviewed and confirmed by the board of directors (the "**Board**").

Reporting Principles

Reporting Principles	Application
Materiality	To identify the material ESG-related issues to the Group, we conducted stakeholder engagement and materiality assessment to identify and prioritise material ESG issues in our business operations. The materiality of ESG issues was reviewed and confirmed by the Board. For further details, please refer to the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT".
Quantitative	Quantitative metrics are disclosed in this Report to keep track of and evaluate our ESG performance. We measure and report key performance indicators ("**KPIs**") across our environmental and social performance with the aid of a data monitoring system. The standards, methodologies and applicable assumptions used in the calculation of KPIs data were supplemented by explanatory notes.
Balance	This Report provides an unbiased disclosure on the Group's ESG performance by highlighting both achievements and challenges in ESG management.
Consistency	This Report is prepared according to the ESG Reporting Guide issued by the Stock Exchange to provide consistent and comparable disclosures. We would provide an explanation to any changes to the calculation methods or KPIs used, if any. Unless specified otherwise, the statistical methodologies used in this Report align with those of 2024.

Stakeholder Engagement

As a responsible business, we have the responsibility to build a thriving future where we can create long-term value for our stakeholders. The stakeholders of the Group include shareholders, investors, customers, employees, business partners, suppliers, regulators, industry practitioners, etc.

To understand the full spectrum of ESG aspects of the operation, we have engaged both the internal and external stakeholders about the Group's potential environmental and social impacts. We engaged our stakeholders through meetings, interviews, direct mail and staff performance appraisal interviews.

The overall performance of the Group is reported to the shareholders in the interim report and annual report on a yearly basis. The Group also provides opportunities for shareholders and the Board to communicate through general meetings. The Chairman of the Board and the Chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee or their designated representatives, answer shareholders' questions at annual general meetings.

Board Governance and Involvement

The Board is responsible for overseeing sustainable development for all operating companies under the Group, including the process used to identify, evaluate, prioritise, and manage material ESG-related issues. With the support of external ESG professionals, the Board possesses the necessary skills, experience, and expertise to oversee the Group's ESG strategies. ESG-related matters, including the progress made against ESG-related targets, are reviewed by the Board at least once annually. Additionally, with guidance from the Audit Committee, the Board establishes ESG management policies and objectives, prioritises material ESG issues, evaluates the Group's ESG performance, and approves ESG disclosures to enhance the Group's long-term sustainability.

The Audit Committee is delegated the responsibility by the Board for executing our corporate sustainability strategy and initiatives. Information and management on sustainability risks and performance are reported to the Board at least once annually. Relevant departments in the Group have functional responsibility for carrying out sustainable business practice in specific areas, collection and monitoring of ESG-related data.

The Group has developed its own corporate governance code (the "**CG Code**") according to the principles as set out in the Corporate Governance Code and prepared the Corporate Governance Report in accordance with Appendix C1 of the Listing Rules of the Stock Exchange. The CG code sets out the corporate governance principles applied by the Group and is constantly reviewed to ensure transparency, accountability and independence. For details, please refer to the Corporate Governance Report section within the 2025 annual report.

Materiality Assessment

In the hope of understanding the views and expectations of stakeholders on the Group's ESG performance effectively, we conduct the materiality assessment regularly. With reference to the Group's business development strategy and industry practices, the Group identified and determined a list of material ESG issues. The Group prepared a questionnaire based on the list and invited relevant stakeholders to rate the potential material issues according to the significance of the Group's impacts on the economy, environment, and people. The results of the survey were analysed to prioritise the materiality of different ESG issues as shown in the table below. We address sustainability challenges by integrating these material ESG issues into our business practices. The Group will continue to carry out materiality assessments to evaluate business risks, enhance the relevance of ESG reports, and effectively address stakeholders' expectations.

The summary of the Group's material ESG issues according to its relative importance is as follows:

Least Material

- Greenhouse gas ("**GHG**") emissions and energy conservation
- Climate Change

Material

- Air emissions
- Water management
- Waste management
- Natural resources and the environment
- Employment and labour practices
- Occupational health and safety
- Development and training
- Personal data privacy
- Anti-corruption
- Community investment

Most Material

- Supply chain management
- Service responsibility and quality management

Contact Us

We value your feedback regarding our overall sustainability practices. Please provide your comments by email to info@lifeconcepts.hk.

Environmental Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. During the Reporting Year, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Hong Kong in relation to air and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) and the Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong).

The Group is committed to creating a sustainable environment and has established relevant policies and actively implemented electricity saving, emission reduction, water saving and recycling initiatives. During the Reporting Year, we measured and managed our environmental performance in several aspects throughout our operations.

Air Emissions

Air pollution has become one of the major environmental problems in cities. The Group focuses on protecting the environment and is committed to improving such issue.

We have implemented the following measures to minimise air emissions and their effects:

- Exhaust system outlets were located at places with good ventilation and avoided any sensitive receptors wherever possible.

During the Reporting Year, the Group did not use any company vehicles or town gas, therefore, no air emissions were generated (2024: approximately 1.22 kg of nitrogen oxides ("**NO_x**") and 3.43 g of sulphur oxides ("**SO_x**") due to consumption of town gas).

GHG Emissions

The Group's GHG emissions were mainly energy indirect GHG emissions (Scope 2) from the purchased electricity. As the Group did not use company vehicles or town gas, no direct GHG emissions (Scope 1) were generated. The Group has set a target to reduce the GHG emissions by 3% by the year ending 31 March 2026 ("**2026**"), using 2024 as the baseline. During the Reporting Year, the Group's total GHG emissions (Scope 1 and 2) were approximately 9.7 tonnes of carbon dioxide equivalent ("**tCO_2e**") (2024: approximately 283.6 tCO_2e), decreasing significantly compared to 2024, primarily due to the disposal of restaurants in 2024 and limited operation of the new restaurant in 2025. The Group is currently on track to achieve its aforementioned target, and will continue to implement relevant measures to ensure it achieves the target. Relevant measures can be found in the Energy Conservation section of this Report.

The Group's GHG emissions were as follows:

GHG Emissions[1]	Unit	2024	2025
Scope 1 Emissions	tCO_2e	37.9	–
Scope 2 Emissions	tCO_2e	245.7	9.7
Total GHG Emissions (Scope 1 and 2)	tCO_2e	283.6	9.7
Total GHG Emissions Intensity[2]	tCO_2e/ HK$ million revenue ("**HK$'m revenue**")	23.65	1.49

Note(s):

1. GHG emission data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and "Sustainability Report 2024" published by HK Electric Investments and HK Electric Investments Limited.

2. The Group's revenue from the provision of catering services was approximately 6.511 million HKD for 2025 (2024: approximately 11.992 million HKD). The data will also be used for calculating other intensity data.

Waste Management

The Group works diligently in reducing waste produced from operations by minimising consumption and reusing/recycling materials wherever possible. Due to its business nature, the Group did not generate a significant amount of hazardous waste during the Reporting Year and thus, no related targets have been set. In case there is any hazardous waste generated, the Group is required to engage a certified waste collector for proper disposal, ensuring its compliance with relevant environmental laws and regulations.

The Group recognises the importance of non-hazardous waste reduction and material recycling. We have carried out guidelines for the management and disposal of non-hazardous waste within our operational boundaries. Our waste reduction measures include:

- Repair broken items to avoid waste disposal as far as possible;
- Use reusable containers, dishes, cups and coffee filters whenever possible;
- Reuse stationery and furniture when moving or renovating;
- Encourage double-sided printing and print only when necessary;
- Reuse single-sided printed paper and old envelopes;
- Reduce box files consumption by reusing old box files or applying electronic means for filing;
- Recycle the cartridges by manufacturer or government-assigned recyclers;
- Preserve food properly to prevent wastage; and
- Purchase/replace electrical appliances, electronic equipment and batteries only when necessary.

The Group has set a target to reduce the paper consumption by 10% by the year ending 31 March 2027 ("**2027**"), using the year ended 31 March 2022 ("**2022**") as baseline (0.9 tonnes). During the Reporting Year, non-hazardous waste data, including paper consumption amount, was not recorded due to the recent opening of the new restaurant (operational for approximately 2 months) (2024: approximately 0.8 tonnes of paper consumed). The Group will continue to expand the scope of data collection and disclose relevant information and data once available.

Energy Conservation

The Group is committed to implementing energy-saving initiatives and minimising its environmental impact across its operations. The Group educates its employees on energy-saving measures and encourages them to uphold their responsibility in daily operations.

To reduce our energy consumption, we have implemented the following measures:

- Affix a reminder to remind staff of switching the equipment and appliances off or to standby mode after use;
- Establish light zoning;
- Maintain proper room temperature (24-26 degrees Celsius);
- Regularly monitor electricity consumption and promptly report any abnormal usage; and
- Maintain the insulation of the refrigerator and/or cool water dispenser regularly.

The Group's energy consumption in 2025 mainly comes from the use of purchased electricity. The Group has set a target to reduce the electricity consumption by 3% by 2026, using 2024 as the baseline. During the Reporting Year, the Group's energy consumption was approximately 16,137.0 kilowatt hours ("**kWh**") (2024: approximately 412,123.1 kWh), decreasing significantly compared to 2024, primarily due to the disposal of restaurants in 2024 and limited operation of the new restaurant in 2025. The Group is thus on track to accomplish its aforementioned target.

The Group's energy consumption was as follows:

Energy Consumption	Unit	2024	2025
Town Gas Consumption[3]	Megajoules ("**MJ**")	628,931	–
Electricity Consumption	kWh	237,420.0	16,137.0
Total Energy Consumption	kWh	412,123.1	16,137.0
Energy Consumption Intensity	kWh/HK$'m revenue	34,366.50	2,478.42

Note(s):

3. The calculation of energy consumption data is based on the "Energy Statistics Manual" issued by the International Energy Agency.

Water Management

Water shortage and pollution have become global issues, which lead to health, food supply, ecological and other crises. To preserve the precious water resource, the Group strives to reduce water usage and conserve water resources in its daily operations. During the Reporting Year, the Group did not encounter any issues in sourcing water for business operations.

The Group has also kept an eye on abnormal water consumption. Any suspected leakage will be inspected and repaired promptly. The Group has set a target to reduce the water consumption by 3% by 2026, using 2024 as the baseline. During the Reporting Year, the Group's water consumption was approximately 244.1 cubic meters (2024: approximately 7,620.0 cubic meters), decreasing significantly compared to 2024, primarily due to the disposal of restaurants in 2024 and limited operation of the new restaurant in 2025. The Group is thus on track to accomplish its aforementioned target.

The Group's water consumption was as follows:

Water Consumption	Unit	2024	2025
Water Consumption	cubic meter	7,620.0	244.1
Water Consumption Intensity	cubic meter/ HK$'m revenue	635.42[4]	37.49

Note(s):

4. The figure is updated after internal review to reflect the actual situation.

Use of Packaging Materials

Due to the Group's business nature, we do not consume a significant amount of product packaging materials as we do not have any industrial production nor any manufacturing facilities.

Natural Resources and The Environment

While benefiting from the natural resources and environment, the Group should bear the responsibilities and fulfil the obligations of protecting them and making appropriate use. The Group has taken all related environmental risks into account during the planning of its business development. We are committed to applying industry best practices and complying with legislation, establishing and reviewing safety, security and environmental objectives and targets, using energy and materials efficiently and reducing waste and emissions and communicating our relevant environmental policies to all staff in order to minimise the impacts on the environment and natural resources.

Climate Change

The Group understands the importance of identifying and mitigating significant climate-related issues; therefore, the Group is committed to managing the climate-related risks which have impacted and may impact the Group's business activities. The Group has set up the risk management-related policy for identifying and mitigating different risks, including climate-related risks. The Board meets regularly and cooperates closely with key management to identify and evaluate climate-related risks and to formulate strategies to manage the identified risks.

Physical Risk

The increased frequency and severity of extreme weather such as typhoons, storms and heavy rains can disrupt the Group's operations by damaging the restaurants and delaying delivery from suppliers. To minimise the potential risks and hazards, the Group regularly maintains its facilities to make sure damage from extreme weather events is minimised. The Group has also established adverse weather guidance to protect our staff. The Group will continuously review the potential impact of climate change on our business annually and implement corresponding measures to reduce any potential risks.

Transition Risk

To support global decarbonisation efforts, stricter climate-related laws and regulations are being implemented, requiring listed companies to enhance climate-related disclosures in their ESG reports. This could increase the risk of claims and lawsuits for businesses that fail to comply, as well as affect corporate reputation. Additionally, as consumer awareness of climate change has grown, the Group may face market demand shifts and lose competitiveness if not actively adapt relevant sustainable practices.

To address it, the Group will continue identifying climate-related risks and opportunities, monitoring updates to environmental laws, and reporting regularly to the Board to ensure regulatory compliance and minimise operational impacts. The Group is also committed to reducing GHG emissions and energy consumption through various environmental initiatives, contributing to climate change mitigation.

Social Performance

Employment and Labour Practices

Employment Practices

As the key to achieving the Group's economic, environmental and social objectives, staff are among the Group's most valuable assets. The Group believes that creating a workplace that offers a strong sense of belonging will inspire the employees to strive for excellence.

The Group regularly reviews and enhances its employees' remuneration terms and benefits to attract and retain top-notch talent. In addition to protection endowed by the Employment Ordinance (Cap. 57 of the laws of Hong Kong), the Group offers competitive remuneration packages tailored to individual responsibilities, qualifications, experience, and performance. In alignment with local laws and regulations, the Group has formulated relevant policy, ensuring employees enjoy a wide range of other benefits, including birthday and special leaves, dental and medical benefits, duty meal and staff discount. The Group upholds the value of equal opportunities and diversity in terms of age, sex, nationality, disability and religion, in accordance with applicable anti-discrimination ordinances. Employees are encouraged to report any discriminatory practices to management.

During the Reporting Year, the Group was not aware of any material non-compliance at its operation locations with applicable employment-related laws and regulations that have a significant impact on the Group, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include, but are not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong), and the Labor Contract Law of the People's Republic of China ("**PRC**") and the Labor Law of the PRC.

As at 31 March 2025, the Group employed 14 staff in total (as at 31 March 2024: 28). The workforce statistics by geographical region, gender, age group, employment type and employee category are as follows:

Employee Number	Unit	As at 31 March 2025
Breakdown by Geographical Region		
Hong Kong	person	6
Mainland China	person	8
Breakdown by Gender		
Male	person	10
Female	person	4
Breakdown by Age Group		
Aged <30	person	3
Aged 30-50	person	10
Aged >50	person	1
Breakdown by Employment Type		
Part-time	person	–
Full-time	person	14
Breakdown by Employee Category		
Senior Level	person	6
Middle Level	person	5
General Level	person	3

During the Reporting Year, the Group recorded a turnover rate[5] of approximately 114%. The breakdown of turnover rate by geographical region, gender and age group is as below:

Turnover Rate	Unit	2025
By Geographical Region[5]		
Hong Kong	%	117
Mainland China	%	113
By Gender[5]		
Male	%	110
Female	%	125
By Age Group[5]		
Aged <30	%	100
Aged 30-50	%	120
Aged >50	%	100

Note(s):

5. The turnover rate (by category) = number of employees (by category) who left during the financial year ÷ number of employees as at the end of the financial year (by category).

Health and Safety

Ensuring the health and safety of our employees is one of our prime responsibilities. To reinforce the safety and health protection of employees in workplaces, the Group has implemented its occupational health and safety management system in accordance with relevant laws and regulations. In case of an accident, insurance is covered by our basic security package. During the Reporting Year, the Group was not aware of any material non-compliance at its operation locations with applicable employment-related laws and regulations that have a significant impact on the Group, relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), and the Labor Law of the PRC, the Work Safety Law of the PRC.

Reinforcing employees' safety awareness is of crucial importance, as prevention is always better than a cure. In addition to safety information and black-spot sharing during daily briefing, frontline staff are also provided with personal protective equipment based on their job nature. Relevant measures and procedures will be reviewed regularly to ensure their effectiveness.

During the Reporting Year, zero work days were lost due to work injury or occupational diseases (2024: Nil), and there were no work-related fatalities that occurred in each of the past three years, including the Reporting Year.

Development and Training

The Group conducts regular reviews on its training strategies to enable its talents to develop themselves to their fullest potential. Through training programmes, policies and measures, the Group expects to bring diversified development opportunities to each employee. Daily briefing session updates employees on the essential skill sets for operational needs, assuring that the customers are served with quality.

During the Reporting Year, the percentage of employees trained[6] of the Group was approximately 36% by offering a total of approximately 75.0 training hours to 5 employees. A summary of the Group's training data is as follows:

	Breakdown of Employees Trained[7]	Percentage of Employees Trained[6]	Average Training Hours[8]
Total	100%	36%	5.4
By Gender			
Male	80%	40%	6.0
Female	20%	25%	3.8
By Employee Category			
Senior Level	100%	83%	12.5

Note(s):

6. The percentage of employees trained (by category) is calculated by the number of employees trained (in the category) during the financial year ÷ total number of employees (in the category) at the end of the financial year × 100%.

7. Breakdown of employees trained is calculated by the number of employees trained in the category during the financial year ÷ total number of employees trained during the financial year × 100%.

8. The average training hours per employee (by category) is calculated by number of training hours (in the category) during the financial year ÷ number of employees (in the category) at the end of the financial year.

Labour Standards

The Group is devoted to upholding ethical labour standards and forbidding the employment of child labour and forced labour. Applicants are required to provide true and accurate personal information during the entire recruitment process. Recruiters will scrutinise such information, including identity documents and academic credentials, in order to avoid employing child labour. Moreover, overtime working of our employees is on a voluntary basis, which effectively protects their rights and interests. In case child labour or forced labour is discovered, the Group will immediately stop the work of the child labour or forced labour and provide the necessary assistance for the affected individuals. In order to prevent child labour and forced labour in our value chain, the Group also prevents engagement with suppliers and consultants with such records in their operations.

The Group strictly abides by relevant employment regulations. During the Reporting Year, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labor Law of the PRC, the Labor Contract Law of the PRC, the Provisions on the Special Protection on Juvenile Workers and the Law of the PRC on the Protection of Minors.

Operational Practices

Supply Chain Management

The Group is aware of the broader impact of the business operations on the supply chain. Addressing the sustainability risks in the supply chain is one of the Group's major ways of minimising potential negative environmental and social impacts of its procurement decisions.

Ensuring food safety has always been the Group's first and foremost commitment. In selecting suppliers, a rigorous mechanism with stringent criteria based on various standards is adopted to evaluate the hygiene, origin, supply performance, compliance with relevant laws and other sustainability aspects of potential suppliers. Upon selection, the Group arranges an on-site inspection of the production line. The Group conducts reviews on existing suppliers regularly and samples raw materials for third-party quality inspection when necessary.

The Group considers both environmental and social risks in its procurement and supplier selection process. Adopting environmentally friendly supply chain management presents an opportunity to reduce the carbon footprint and costs. Therefore, the Group prioritises suppliers that provide eco-friendly materials for daily operations and is gradually transitioning takeaway packaging to paper-based alternatives to minimise plastic usage. The Group strives to maintain ongoing communication with suppliers and remains committed to regularly monitoring its supply chain to uphold its environmental and social standards. Relevant policies and procedures are reviewed regularly to ensure their effectiveness.

During the Reporting Year, the number of suppliers was 34, among which 30 are located in Hong Kong, while 4 are located in areas outside Hong Kong. All of them are subject to the Group's supplier selection and review policies and procedures.

Service Responsibility and Quality Management

A high standard of service quality is upheld to maintain trust from customers. The Group's restaurant has strictly complied with Food Safety Ordinance (Cap. 612 of the laws of Hong Kong) and Food Business Regulations (Cap. 132X of the laws of Hong Kong). Not only has the Group kept a close eye on the suppliers, but best efforts have also been put forth on internal control. The Group's restaurants adopt quality control standards with high standards. To strive for zero food safety incidence, the frontline staff are required to adhere to standard operating guideline, through which good practices and detail procedures on personal hygiene, equipment cleanliness, proper waste and effluent disposal, and pest-free environment are communicated. A team of area managers are assigned to regularly inspect all restaurants to ensure food safety and hygiene. During the Reporting Year, the Group was not aware of any material non-compliance at its operation locations with applicable laws and regulations that have a significant impact on the Group, relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. The relevant laws and regulations include, but are not limited to, the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong), the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), the Trade Marks Ordinance (Cap 559 of the Laws of Hong Kong), the Patent Ordinance (Cap 514 of the Laws of Hong Kong), Advertisement Law of the PRC, Law of the PRC on Protection of Consumer Rights and Interests, Trademark Law of the PRC, Patent Law of the PRC and Copyright Law of the PRC.

The Group values and understands the importance of customers' comments in driving an outstanding dining experience. Multiple feedback channels, including customer service hotline, social media page, email and feedback form, have therefore been established to facilitate communication. During the Reporting Year, no material service-related complaints were received (2024: Nil). In case complaints are received, specific personnel will be appointed to follow up promptly and take appropriate action based on established policies and procedures for each case. As the Group is not engaged in production activities, the disclosure requirements regarding the percentage of sold or shipped products that required recall due to safety and health reasons, and product recall procedures are not applicable.

The Group respects and values the management of intellectual property rights. We assure that the Group's intellectual property rights and those of its customers will be protected and enforced with no misappropriation and is in line with our operation guidelines as well as industry best practices. The Group closely monitors and prevents trademark infringement (e.g., counterfeit products) in the market to safeguard its intellectual property rights.

Personal Data Privacy

According to the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong), the Group is responsible for protecting the privacy of individuals in relation to personal data accessed by the Group and for providing for incidental and connected matters. The Group has set up a membership programme for its restaurant, and the Group has its internal privacy policy to prevent customers' personal information from being misused. Dedicated staff are appointed to maintain customers' personal data. The management keeps the Group posted on the latest privacy protection requirements. The management will also attend workshops on personal data protection organised by relevant regulatory bodies for personal data as and when necessary. The Group regularly reviews relevant measures to ensure continued compliance and effectiveness.

During the Reporting Year, the Group did not record any personal data breach or leakage case (2024: Nil).

Network security

The Group has its internal information technology department to:

- Establish and monitor user account management procedures for creating, modifying and terminating user accounts and related user privileges;
- Manage software licence updates;
- Maintain a data backup policy to ascertain the completeness and accuracy of the data backup process; and
- Refine the firewall configuration to properly separate network segments between the internal network and the external networks from time to time.

During the Reporting Year, the Group did not record any significant network breakdown or data losses (2024: Nil).

Advertising and Labelling

Given the nature of our business, the Group engages in limited advertising activities and therefore faces no material advertising-related risks. Nevertheless, for all marketing communications promoting our products and services, we implement stringent controls and reviews to ensure full compliance with applicable advertising and labelling laws and regulations. All marketing materials must accurately represent the quality and content of the Group's products and services.

Anti-corruption

While service quality matters, the Group is also committed to maintaining the highest ethical standards and corporate culture of integrity and justice for preventing, detecting and reporting all types of fraud, bribery, extortion, and money laundering. The Group follows the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) enforced by the Independent Commission Against Corruption ("**ICAC**"). To demonstrate such commitment, the Group has set forth a whistle-blowing policy and relevant reporting procedures. Any employee may report suspected misconduct or malpractice in breach of applicable laws or the code of conduct to the Audit Committee. The Board or members of the Audit Committee intend to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unwarranted disciplinary actions, and unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated. The Chairman of the Audit Committee may request to convene Board meetings to investigate the reported incident promptly, fairly and confidentially. The Board may also decide whether to engage external consultants to handle the incident. Should the Group suspect any violations involving corruption or other criminal offences, we will report such matters to ICAC or other relevant authorities. All details and results of the investigation will only be shared with individuals on a need-to-know basis. The Group conducts regular reviews of its whistleblowing mechanisms to ensure their ongoing effectiveness.

To prevent corruption and malpractices in the workplace, practical guides, training materials and information packs published by ICAC are shared regularly with our employees and the Board for their self-learning.

The Group takes a zero-tolerance approach to bribery and corruption and is committed to doing business with integrity and in compliance with the laws and regulations in operating business. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Year (2024: Nil).

During the Reporting Year, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), Criminal Law of the PRC, The National Anti-Money Laundering Law of the PRC, and Company Law of the PRC.

Community Investment

To pursue sustainable development of the community, the Group adopts relevant policy and assesses and manages the social impact of our operations on the marketplace, while supporting initiatives that create effective and lasting benefits to communities. As a member of the society, the Group has always been enthusiastic about public welfare and voluntary work to bring positive impact to the community development.

During the Reporting Year, the Group mainly focused on business development and concentrated its resources on daily operations. As a result, the Group did not participate in community activities or make any donations during the Reporting Year. The Group attaches great importance to giving back to society and will continue to seek opportunities to participate in charity in the future.

ESG REPORTING GUIDE CONTENT INDEX

Disclosure, Aspects, General Disclosures and KPIs	Description	Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Performance
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and intensity.	Environmental Performance – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Environmental Performance – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Environmental Performance – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Performance – GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Performance – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Performance
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environmental Performance – Energy Conservation
KPI A2.2	Water consumption in total and intensity.	Environmental Performance – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Performance – Energy Conservation

Disclosure, Aspects, General Disclosures and KPIs	Description	Section
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Performance – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Environmental Performance – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Performance – Natural Resources and The Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Performance – Natural Resources and The Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Performance – Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Performance – Climate Change
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Performance – Employment Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance – Employment Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance – Employment Practices

Disclosure, Aspects, General Disclosures and KPIs	Description	Section
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social Performance – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance – Health and Safety
KPI B2.2	Lost days due to work injury.	Social Performance – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social Performance – Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Performance – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Social Performance – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance – Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social Performance – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Performance – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Performance – Labour Standards

Disclosure, Aspects, General Disclosures and KPIs	Description	Section
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social Performance – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social Performance – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social Performance – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social Performance – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social Performance – Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social Performance – Service Responsibility and Quality Management, Personal Data Privacy, Advertising and Labelling
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Performance – Service Responsibility and Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social Performance – Service Responsibility and Quality Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social Performance – Service Responsibility and Quality Management
KPI B6.4	Description of quality assurance process and recall procedures.	Social Performance – Service Responsibility and Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social Performance – Personal Data Privacy

Disclosure, Aspects, General Disclosures and KPIs	Description	Section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Social Performance – Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social Performance – Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social Performance – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social Performance – Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Performance – Community Investment
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Social Performance – Community Investment
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Social Performance – Community Investment

INDEPENDENT AUDITOR'S REPORT

McMillanWoods
Professionalism at the forefront

To the Shareholders of Life Concepts Holdings Limited
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Life Concepts Holdings Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 64 to 131, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 2025, 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 ("**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**") 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**"), and we 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 2.1 to the consolidated financial statements, which indicates that the Group had a net shareholders' deficit of HK$62,696,000 and its current liabilities exceeded its current assets by HK$23,497,000 as at 31 March 2025. These conditions, along with other matters as described in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about 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 those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of non-financial assets Refer to notes 14 and 15 to the consolidated financial statements. The Group had property, plant and equipment of HK$2,432,000 and right-of-use assets of HK$2,353,000 as at 31 March 2025, all from the catering operations segment. In accordance with HKAS 36 "Impairment of Assets", where an indication of impairment of these assets exists, the Group will estimate the recoverable amounts of the relevant assets, based on the higher of value-in-use (VIU) and fair value less costs of disposal (FVLCD). An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. Management determined that each restaurant under its restaurant operations and the provision of organic vegetables consulting services segment is a cash generating unit ("**CGU**") for the purpose of impairment assessment. The provision of organic vegetables consulting services segment is also loss making in its fourth year of operation. These conditions were considered as impairment indicators. Hence, the Group's management has performed impairment assessments on the relevant CGUs' property, plant and equipment, intangible assets and right-of use assets by assessing their recoverable amounts based on the higher of VIU and FVLCD. Management judgement was required to identify CGUs that have impairment indicators and determine the recoverable amount of property, plant and equipment and right-of-use assets. The determination of recoverable amount of each CGU involved the use of key assumptions in a discounted cash flow model, including projected revenue, gross profit margin, and discount rate. We identified the impairment assessment of non-financial assets as a key audit matter owing to the significant estimates made by the management in determining the recoverable amounts of the CGU. Although impairment losses were largely recognised in the prior year, management reassessed the recoverable amounts of remaining assets as at 31 March 2025 due to continued operating losses and recurring impairment indicators. During the year, no impairment was made for the remaining assets by the management.	Our procedures for assessing management's impairment assessment included: • Obtained an understanding of and evaluated management's process for preparing its impairment assessment, assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated, and evaluated management's prior years' experience and the critical judgements exercised in the assessment; • Assessed the valuation methodology adopted and assessed the valuation assumptions such as discount rates used by management in preparation of the discounted cash flow forecast for determining the recoverable amount; • Evaluated the key assumptions used in the cash flow forecast, including projected revenue, gross profit margin, by comparing to actual historical performance of the relevant CGUs, the business plans approved by management which reflected management's expectation as at 31 March 2025 on future operations, and industry research; • Tested the mathematical accuracy of the discounted cash flow models and the calculation of the impairment provisions based on the difference between carrying amount of the assets and the recoverable amount which is the higher of the VIU and FVLCD; • Evaluated the sensitivity analysis performed around the key assumptions to ascertain the extent to which adverse changes individually in those assumptions adopted, in order to assess the potential impact to the impairment assessment.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Measurement of guarantee liabilities Refer to notes 24 to the consolidated financial statements. As at 31 March 2025, the Group's guarantee liabilities amounted to approximately HK$31,040,000 was recognised. The implementation of HKFRS 9 requires the Group to make considerable judgements, assumptions, and interpretations of the standard and requires the use of numerous parameters and data inputs in the development of complex models to estimate the guarantee liabilities using the expected credit losses concept. Significant management judgments and assumptions primarily included choosing appropriate models and assumptions and determination of relevant key measurement parameters. The expected credit loss model under HKFRS 9 is a highly complex process and involved significant management judgments and interpretations, and accordingly, we identified this as a key audit matter.	Our procedures for assessing management's measurement of guarantee liabilities included: • Obtained an understanding of and evaluated management's process for preparing its measurement of guarantee liabilities, assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated, and evaluated management's critical judgements exercised in the assessment; • Understood and evaluated the relevant internal controls over the selection and approval of the accounting policies and expected credit loss model methodologies; • Reviewed the modelling methodology for measurement of guarantee liabilities, using the expected credit loss concept and assessed the reasonableness of the key parameter's calculations, judgements and assumptions in relation to the models. We examined the calculation for model measurement on selected samples and tested whether or not the measurement model reflects the modelling methodology documented by the management; • Reviewed the entry of key data inputs for the expected credit loss models on selected samples to assess their completeness and accuracy.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

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

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

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants

Wong Ka Bo, Jimmy
Audit Engagement Director
Practicing Certificate Number P07560

24/F., Siu On Centre, 188 Lockhart Road,
Wanchai, Hong Kong

30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	6	**7,394**	16,086
Cost of sales and inventories consumed		**(6,342)**	(11,947)
Employee benefit expenses	9	**(3,235)**	(3,735)
Depreciation of property, plant and equipment	14	**(184)**	(86)
Amortisation of right-of-use assets	15	**(899)**	(357)
Rental and related expenses	8(a)	**(950)**	(603)
Utilities and consumables		**(91)**	(181)
Impairment loss on non-financial assets		**–**	(8,682)
Net impairment losses on financial instruments and contract assets	3.1(b)	**(12)**	(1,361)
Other expenses	8(b)	**(6,830)**	(4,539)
Other gain/(loss), net	7	**26,969**	(5,764)
Gain on debt restructuring	27	**35,242**	–
Finance (cost)/income, net	10	**(1,647)**	1,850
Profit/(loss) before income tax		**49,415**	(19,319)
Income tax expense	11	**(129)**	(150)
Profit/(loss) for the year		**49,286**	(19,469)
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**445**	1,559
Total comprehensive income/(loss) for the year		**49,731**	(17,910)
Profit/(loss) attributable to:			
Owners of the Company		**49,668**	(19,558)
Non-controlling interests		**(382)**	89
Profit/(loss) for the year		**49,286**	(19,469)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**49,873**	(17,736)
Non-controlling interests	20	**(142)**	(174)
		49,731	(17,910)
			(Restated)
Profit/(loss) per share attributable to owners of the Company			
Basic and diluted	12	**0.46**	(0.21)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,432	11
Right-of-use assets	15	2,353	563
Rental and utilities deposits	17	–	129
Restricted bank and other deposits	18	67,567	66,214
Loan to a related party	27(c)	–	–
Contract assets	17	15,190	15,152
		87,542	82,069
Current assets			
Inventories	16	731	278
Trade and other receivables	17	34,433	31,654
Contract assets	17	5,145	6,496
Income tax recoverable		–	401
Cash and cash equivalents	18	171	1,343
		40,480	40,172
Total assets		128,022	122,241
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	17,674	14,791
Reserves	19	(85,205)	(137,493)
		(67,531)	(122,702)
Non-controlling interests	20	4,835	4,977
		(62,696)	(117,725)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	822	356
Provisions	21	–	819
Deferred tax liabilities	26	9,415	9,414
Amounts due to former directors	27(d)	76,135	–
Amounts due to director	27(e)	7,299	–
Amounts due to related parties	27(c)	33,070	–
		126,741	10,589
Current liabilities			
Trade and other payables	22	29,918	52,817
Contract liabilities	23	–	–
Lease liabilities	15	1,558	464
Amounts due to related parties	27(c)	1,430	44,427
Amounts due to former directors	27(d)	–	98,298
Guarantee liabilities	24	31,040	32,924
Current tax liabilities		31	447
		63,977	229,377
Total liabilities		190,718	239,966
Total equity and liabilities		128,022	122,241

The consolidated financial statements on pages 63 to 131 were approved and authorised for issue by the board of directors on 30 June 2025 and are signed on behalf by:

Xu Qiang
Director

Wu Liyu
Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company							
	Share capital HK$'000 (Note 20)	Share premium HK$'000 (Note 20)	Other reserve HK$'000 (Note 20)	Translation reserve HK$'000	Accumulated losses HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 31 March 2023	14,791	–	27,313	634	(147,704)	(104,966)	5,151	(99,815)
Loss for the year	–	–	–	–	(19,558)	(19,558)	89	(19,469)
Exchange differences on translation of foreign operations	–	–	–	1,822	–	1,822	(263)	1,559
Total comprehensive loss for the year	–	–	–	1,822	(19,558)	(17,736)	(174)	(17,910)
At 31 March 2024	14,791	–	27,313	2,456	(167,262)	(122,702)	4,977	(117,725)
Profit for the year	–	–	–	–	49,668	49,668	(382)	49,286
Exchange differences on translation of foreign operations	–	–	–	205	–	205	240	445
Total comprehensive loss for the year	–	–	–	205	49,668	49,873	(142)	49,731
Share placing (note i)	2,883	2,415	–	–	–	5,298	–	5,298
At 31 March 2025	17,674	2,415	27,313	2,661	(117,594)	(67,531)	4,835	(62,696)

Notes:

i. On 2 August 2024, placing of new Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the Company's annual general meeting held on 28 September 2023 was completed in accordance with the terms of the placing agreement dated 11 July 2024. An aggregate of 370,000,000 placing shares have been successfully placed to not less than six independent third parties at the placing price of HK$0.0144 per placing share, setting off the issuance cost of approximately HK$30,000 in total.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Cash flows from operating activities		
Profit/(loss) before income tax	**49,415**	(19,319)
Adjustments for:		
Depreciation of property, plant and equipment	**184**	86
Depreciation of right-of-use assets	**899**	357
Impairment of property, plant and equipment	**–**	169
Impairment of right-of-use assets	**–**	8,513
Impairment of non-current deposit	**–**	429
Net impairment losses on financial instruments and contract assets	**12**	1,361
(Gain)/loss on early lease termination	**(208)**	5,367
Provision for slow-moving inventories	**–**	399
Interest expense on lease liabilities	**135**	40
Interest expense on accrued loan referral expenses	**–**	265
Gain on dissolution of subsidiaries	**(26,763)**	–
Gain on debt restructuring	**(35,242)**	–
Other interest expenses	**2,164**	80
Finance income	**(739)**	(2,235)
Operating profit before changes in working capital	**(10,143)**	(4,488)
Changes in working capital:		
Change in inventories	**(453)**	(61)
Change in trade and other receivables	**(3,901)**	(6,098)
Change in contract assets	**1,205**	3,935
Change in guarantee liabilities	**(1,448)**	4,581
Change in trade and other payables	**4,294**	12,496
Change in contract liabilities	**–**	(390)
Net cash (used in)/generated from operations	**(10,446)**	9,975
Interest received	**739**	2,235
Net cash (used in)/generated from operating activities	**(9,707)**	12,210
Cash flows from investing activities		
Change in restricted bank and other deposits	**(2,589)**	834
Purchase of property, plant and equipment	**(2,605)**	–
Change in rental and utilities deposits	**129**	–
Net cash (used in)/generated from investing activities	**(5,065)**	834

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Cash flow from financing activities		
Repayment of loan from related parties	–	(13,417)
Repayment of lease liabilities	(1,059)	(389)
Advance from former directors	–	16
Advance from director	9,371	–
Interest paid	–	(40)
Net proceeds from share placing	5,298	–
Net cash generated from/(used in) financing activities	13,610	(13,830)
Net decrease in cash and cash equivalents	(1,162)	(786)
Cash and cash equivalents at the beginning of the financial year	1,343	2,214
Effect of exchange rate changes on cash and cash equivalents	(10)	(85)
Cash and cash equivalents at end of the year	171	1,343

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Life Concepts Holdings Limited (the "**Company**") was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda with limited liability upon the change of domicile of the Company from the Cayman Islands to Bermuda became effective on 6 September 2022. Its registered office has been changed to Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda, and its principal place of business is at Room 806, 8/F, Stelux House, 698 Prince Edward East, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are principally engaged in (i) catering operations, including operation of restaurants and trading of food and beverages; and (ii) provision of financial institution intermediation services. Prior to 11 October 2018, the ultimate controlling shareholders were Total Commitment Holdings Limited ("**Total Commitment (HK)**"), Ideal Winner Investments Limited, Minrish Limited ("**Minrish**"), Indo Gold Limited ("**Indo Gold**") and Mr. Jugdish Johnny Uttamchandani ("**Mr. Uttamchandani**") (hereinafter as the "**former controlling shareholders**"). On and after 11 October 2018, its immediate and ultimate holding company is Strong Day Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

The Company has had its shares listed on Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited on 5 August 2016 (the "**Listing**").

2 MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

As at 31 March 2025, the Group had a net shareholders' deficit of HK$62,696,000 and its current liabilities exceeded its current assets by HK$23,497,000 while it had cash and cash equivalents of approximately HK$171,000.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

The above conditions indicate the existence of material uncertainties which may cast a significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the Directors have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfil its financial obligations to continue as a going concern. The Group has plan and measures to improve its financial position and to alleviate its liquidity pressure, which include but not limited to the following:

1) The Company has obtained an extension of repayment for a non-interesting bearing borrowing from the former Chairman of the Company, Mr James Fu Bin Lu ("**Mr. Fu**") and his wife, Ms Li Qing Ni ("**Ms Li**") of approximately HK$98,286,000 and an extension of repayment for a non-interesting bearing borrowing from a related party, which is a non-controlling shareholder of a subsidiary of approximately HK$36,949,000 during the year. The extension of the debt repayments will be up to at least 12 months since 31 March 2025 and up to 31 July 2028.

2) To improve the financial position and to alleviate company liquidity pressure, a total of 370,000,000 Placing Shares have been successfully placed with the net proceeds amount of approximately HK$5.1 million. The Company intends to apply (i) approximately HK$4.0 million or 78.43% of net proceeds from the Placing towards repayment of debt of the Group; and (ii) approximately HK$1.1 million or 21.57% of net proceed from Placing towards replenishment of the working capital of the Group. For further details, please refer to the announcement of the Company dated 2 August 2024 for details.

3) The Company has obtained a Director facility of HK$30 million and utilised of approximately HK$9.2 million during the year in an unsecured and interest-free base for the use of the working capital and business expenses.

4) In regards to (1) to (3) of the above, the directors of the Group are negotiating with other lenders for the extension of repayments of its non-interest bearing borrowings. Furthermore, the directors of the Group are actively negotiating with external parties to obtain new sources of funding to finance the Group's working capital and improve the liquidity position.

5) The directors of the Group are working to revamp the Group's current business arrangement of the provision of financial intermediation services to cope with the implications of the relevant PRC regulations and based on their assessment, the directors do not expect there will be significant cash outflow arising from the potential non-compliance as well as in the course of revamping the business arrangement.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

The Directors have reviewed the Group's cash flow projections, which cover a period of not less than eighteen months from 31 March 2025. They are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements as and when they fall due within the next eighteen months from 31 March 2025. Accordingly, the Directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis. Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve its plans and measures, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the following:

1) whether the Group will be able to obtain additional capital from fund raising activities, if needed within the next twelve months from 31 March 2025, to finance the operations of the Group as and when needed; and

2) whether the Group will be successful in negotiating repayment extensions with other lenders and obtaining new sources of funding to finance the Group's operations and levitate its financial distress.

Should the Group be unable to achieve the above plans and measures such that it would not be able to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

(a) Amended standards adopted by the Group

In the current year, the Group has adopted the following new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024 as mentioned below. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(b) New standards, amendments to existing standards, interpretation and accounting guideline not yet adopted

The following HKFRS Accounting Standards in issue at 31 March 2025 have not been applied in the preparation of these consolidated financial statements since they were not yet effective for the annual period beginning on 1 April 2024:

Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

The Group is in the process of making an assessment of what the impact of these HKFRS Accounting Standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2.2 Subsidiaries

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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Subsidiaries (Continued)

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

2.3 Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Business combinations (Continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2.5 Separate financial statements

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

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

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

2.7 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 presentation currency.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Foreign currency translation (Continued)

(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 generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(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:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of total comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions), and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of 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 cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of lease term as follows:

- Office equipment — 4-5 years
- Furniture, fixtures and equipment — 4-5 years
- Leasehold improvements — Shorter of the remaining lease term or 5 years

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 (Note 2.10).

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

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.4. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Intangible assets (Continued)

(b) Intangible assets with definite useful life

Separately acquired cricket club operating rights and franchise and licensing rights are shown at historical cost. Historical cost for franchise and licensing rights includes upfront and fixed payments. Variable payments on franchise and licensing rights based on revenue are expensed when incurred. Patents and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

• Cricket club operating rights	4 years
• Franchise and licensing rights	4-10 years
• Patents	5 years
• Other intangible assets	4-5 years

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 of 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 inflows which are largely independent of the cash inflows from other assets or groups 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 period.

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

- those to be measured at amortised cost.

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial assets (Continued)

(b) Recognition and derecognition

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

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss 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 classified its debt instruments as financial assets at amortised costs.

- 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 gain, net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 18 for further details.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Financial guarantee contracts

For financial institutions where the Group provides financial guarantee to for specific loan agreements made by the financial institutions, the Group has obligation to fund the losses, if any, in accordance with the guarantee agreements although the Group does not have any legal title in those loans. The Group has no power to direct the activities of the financial institutions.

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

(a) Guarantee liabilities

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 "Financial Instruments"; and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 "Revenue from Contracts with Customers".

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

(b) Gains/(losses) from guarantee

In accordance with the principles of HKFRS 15, gains from guarantee are recognised over the term of the loans. Losses from guarantee are recognised when the amount of guarantee liability determined in accordance with the expected credit loss model is higher than the amortised balance. Aforesaid gains and losses from guarantee are recognised as guarantee service fees and impairment loss on financial instruments, respectively, on a gross basis for each reporting period.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the 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.

2.14 Inventories

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from invoice date and therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.11 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

2.16 Cash and cash equivalents

For the purpose of presentation in the 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.

2.17 Share capital

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

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The liabilities for goods and services are unsecured and are usually paid within 60 days and 2 to 365 days, respectively, of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

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

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

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Borrowing costs

Other borrowing costs are expensed in the period in which they are incurred.

2.21 Current and deferred income tax

The income tax expense 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 recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax are not recognised 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 balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Current and deferred income tax (Continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current other payables in the statement of financial position.

(b) Pension obligations

The Group participates in defined contribution plans and 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 expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when 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 present value.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Provisions

Provisions for legal claims, service warranties and make good obligations 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 can be 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold and services provided in the normal course of business, stated net of discounts.

Revenues are recognised when or as the control of the good is transferred to the customer or when service is provided to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time. Control of the good or service is transferred over time if the Group's performance:

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

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

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Revenue recognition (Continued)

If a contract involves multiple services, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus-margin.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The Group recognises revenue as follows:

(a) Provision of catering services

The Group provides catering services through the operation of restaurants and trading of food and beverages. Revenue from the operation of restaurants is recognised at a point in time upon the provision of food and beverages to customers. Payment of the transaction price is mostly due immediately at the point of providing food and beverages to customers. Customer deposit for corporate events is recognised as contract liability. Revenue from trading of food and beverages is recognised at a point in time when transfer of control, which generally coincides with the time when the goods are delivered to customers and the title has passed.

(b) Provision of organic vegetables consulting services

The Group provides consulting services in relation to organic vegetables research and development, plantation and sales. Revenue is recognised for such consulting services on a monthly basis based on a pre-determined percentage of customer's monthly revenue amount as agreed in contracts.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Revenue recognition (Continued)

(c) Provision of financial institutions intermediation services

In all arrangements where the Group is not the loan originator, the Group also generates non-interest service fees by facilitating transactions between borrowers and financial institutions. The Group determines that it is not the legal lender and legal borrower in the loan origination and repayment process. Therefore, the Group does not record loans receivable and payable arising from the loans.

The Group's services consist of:

- Upfront loan facilitation service: matching potential qualified borrowers to financial institutions and facilitating the execution of loan agreements between the parties;

- Post loan facilitation service: providing repayment processing services for the financial institutions over the loan term, including following up on late repayments;

- Guarantee service provided to financial institutions, if applicable.

The Group does not receive upfront payments from borrowers and financial institutions at loan inception but receives subsequent payments from financial institutions over the term of the loan. The total service fees are first allocated to the guarantee liabilities (Note 2.12) at fair value which meets the definition of a financial guarantee under HKFRS 9. The remaining amount is then allocated to upfront loan facilitation service and post loan facilitation service using best estimated selling price, as neither vendor specific objective evidence or third party evidence of selling price is available.

Upfront loan facilitation service fees are recognised at loan inception. When the cash received is not equal to the fee allocated to the upfront loan facilitation service, a "contract asset" or "contract liability" is recognised in the consolidated statement of financial position. Post loan facilitation service fees are recognised over the term of the loan, which approximates the pattern of when the underlying services are performed. Gains from guarantee are recognised ratably over the term of the loan.

The Group expects to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money.

2.25 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Earnings per share (Continued)

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.26 Leases as lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. 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 stand-alone prices.

In addition, the Group considered that refundable rental deposits are not lease payments, accordingly, such rental deposits are recognised as financial assets measured at amortised cost. The difference between nominal amount and discounted present value of the refundable deposits are included in the carrying amounts of right-of-use assets.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.26 Leases as lessee (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the Group (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

Variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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.

Payments associated with short-term leases (mainly equipments) and leases of low-value assets (mainly advertising boards and office furniture) are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Amendments to HKFRS 16 "COVID-19-related rent concessions" allow lessee to elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. Such practical expedient, which has been early adopted by the Group during the year ended 31 March 2020, applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.26 Leases as lessee (Continued)

Regarding the accounting for deferred tax impact in relation to right-of-use assets and lease liabilities, the Group considered right-of-use assets and lease liabilities separately. Deferred tax was recognised based on temporary difference arise separately from right of use assets and lease liabilities. Upon initial recognition of the right-of-use assets and lease liabilities, if any temporary differences arose, in which the transaction affects neither accounting profit nor taxable profit or tax loss, the Group applied initial recognition exemption to these temporary differences and did not recognise deferred tax. In such case, no deferred tax was recognised on subsequent changes to these temporary differences as initial recognition exemption still applies.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of plant and equipment and right-of-use assets are initially included in liabilities as deferred government grants and when such plant and equipment and right-of-use assets are built or purchased, the received government grants are netted off with carrying value of the related assets.

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

2.28 Interest income

Interest income is presented within "finance income, net" (Note 10) where it is earned from financial assets that are held for cash management purposes. 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).

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group is exposed to various kinds of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and operation risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument fluctuates because of the changes in foreign exchange rates.

The Group mainly operates in Mainland China and Hong Kong. Foreign exchange rate risk arises when recognised financial assets and liabilities are dominated in a currency that is not the entity's functional currency.

Most of the Group's transactions are denominated in HK$ and Renminbi ("RMB"). Since the majority of the transactions are denominated in each entity's own functional currency, the directors of the Company are of the opinion that the Group's exposure to foreign exchange rate risk is minimal in profit or loss. Accordingly, no foreign currency sensitivity analysis is presented.

(ii) Cash flow and fair value interest rate risk

The Group's fair value interest rate risk mainly arises from loan to a related party carried at fixed interest rate.

The Group's cash flow interest rate risk mainly arises from restricted bank deposits and banks deposits carried at floating interest rates.

The Group continues to monitor the exposure on cash flow interest rate risk and will consider hedging the interest rate exposure should the need arise.

At 31 March 2025, a 100 basis points (i.e. 1%) fall/rise in market interest rates for all currencies in which the Group had restricted bank and other deposits and bank deposits carried at variable rates would decrease/increase post-tax profit (2024: increase/decrease post-tax loss) by approximately HK$225,000 (2024: HK$225,000), mainly as a result of lower/higher interest income.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash at bank, restricted bank deposits, deposits, trade and other receivables, contract assets, loan to a related party, and advances to related parties. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

While restricted bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as the counterparties are of high credit quality with no history of default.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. For the provision of financial institution intermediation services, the Group has formulated a complete set of credit management processes and internal control mechanisms, so as to carry out whole process management of the business. Credit management procedures for loans facilitated by the Group comprise the processes of credit origination, credit review, credit approval, and monitoring. Risks arising from financial guarantees are similar to those associated with loans facilitated by the Group and held by the financial institutions. For other assets, in calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for current situation and forward-looking macroeconomic data.

The net impairment losses on financial instruments and contract assets as at 31 March 2025 and 2024 is summarized below:

	2025 HK$'000	2024 HK$'000
Movement in loss allowances:		
Contract assets (Note 17)	12	(3)
Derecognition due to early repayment (Note 17)	–	1,364
Net impairment losses on financial instruments and contract assets	12	1,361

(i) Trade receivables and contract assets

The Group applies the simplified approach to providing for expected credited losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In relation to the operation of restaurants, trade receivables mainly represent receivables from reputable and creditworthy financial institutions in relation to the payment settled by credit cards by customers of which the settlement is normally within 3 days from transaction date.

Trade receivables from the provision of interior design and fitting services and organic vegetables consulting services mainly represents receivables from corporate customers with no history of default and settlement is normally within 30 days from invoice date.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

Credit quality of counterparties is assessed based on their financial position, experience and other factors. There is no concentration of credit risk for trade receivables as they are from various counterparties.

The loss allowance as at 31 March 2025 was determined based on past due date for trade receivables and contract assets as follows:

	Current HK$'000	1 to 30 days past due HK$'000	31 to 90 days past due HK$'000	More than 90 days past due HK$'000	Total HK$'000
Expected loss rate	–	–	–	100%	
Gross carrying amount –					
Trade receivables	–	184	–	475	659
Loss allowance	–	–	–	475	475
Expected loss rate	0.07%	–	–	–	
Gross carrying amount –					
Contract assets	20,350	–	–	–	20,350
Loss allowance	15	–	–	–	15
Expected loss rate	100%	–	–	–	
Gross carrying amount –					
Loan to a related party	13,461	–	–	–	13,461
Advance to a related party	2,282	–	–	–	2,282
Loss allowance	15,743	–	–	–	15,743

The loss allowance as at 31 March 2024 was determined based on past due date for trade receivables and contract assets as follows:

	Current HK$'000	1 to 30 days past due HK$'000	31 to 90 days past due HK$'000	More than 90 days past due HK$'000	Total HK$'000
Expected loss rate	–	–	–	69.1%	
Gross carrying amount –					
Trade receivables	–	426	15	698	1,139
Loss allowance	–	–	–	482	482
Expected loss rate	0.01%	–	–	–	
Gross carrying amount –					
Contract assets	21,651	–	–	–	21,651
Loss allowance	3	–	–	–	3
Expected loss rate	100%	–	–	–	
Gross carrying amount –					
Loan to a related party	13,475	–	–	–	13,475
Advance to a related party	2,314	–	–	–	2,314
Loss allowance	15,789	–	–	–	15,789

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Deposits, other receivables, loan to a related party and advances to related parties

The directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at 31 March 2025 with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

- actual or expected significant changes in the operating results of the counterparty;

- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a loan or receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 365 days past due. Where financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for current situation and forward-looking macroeconomic data.

As at 31 March 2025 and 2024, management consider the net balances of deposits and other receivables as low credit risk as counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. The Group has assessed that the expected credit losses for these receivables are immaterial under 12 months expected losses method. Thus, the loss allowance provision recognised for the year for these balances is immaterial.

Loss allowance provision has been made for loan to a related party. Refer to Note 27 for details.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's policy is to maintain sufficient cash to meet its liquidity and working capital requirements.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises cash and cash equivalents (Note 18) on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
At 31 March 2025				
Trade and other payables and interest payables	29,918	–	–	29,918
Lease liabilities and interest payables	1,680	840	–	2,520
Amounts due to related parties	1,430	–	41,030	42,460
Amounts due to former directors	–	–	97,751	97,751
Amounts due to director	–	–	9,371	9,371
Guaranteed liabilities	31,040	–	–	31,040
	64,068	840	148,152	213,060
At 31 March 2024				
Trade and other payables and interest payables	49,291	–	–	49,291
Lease liabilities and interest payables	504	401	–	905
Amounts due to related parties	44,427	–	–	44,427
Amounts due to former directors	98,298	–	–	98,298
Guaranteed liabilities	32,924	–	–	32,924
	225,444	401	–	225,845

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by the aggregate of net debt and total deficit. Net debt is calculated as total lease liabilities (including "current and non-current lease liabilities" as shown in the consolidated statement of financial position), amounts due to former directors and loan from related parties (included within "amounts due to related parties" as shown in the consolidated statement of financial position), less cash and cash equivalents. Total deficit is calculated as "equity" as shown in the consolidated statement of financial position.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Continued)

The gearing ratios as at 31 March were as follows:

	2025 HK$'000	2024 HK$'000
Lease liabilities (Note 15)	**2,380**	820
Amounts due to former directors (Note 27(d))	**76,135**	98,298
Loans from related parties (Note 27(c))	**34,500**	36,949
Amounts due to director (Note 27(e))	**7,299**	–
Less: Cash and cash equivalents (Note 18)	**(171)**	(1,343)
Net debt	**120,143**	134,724
Total deficit and net debt	**57,447**	16,999
Gearing ratio	**209.1%**	792.5%

Gearing ratio increased due to reduction in total deficit and net debt during the year ended 31 March 2025.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different methods of valuation have been defined as follows:

- Quoted prices (unadjusted) in active markets for similar assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying values of the Group's current portion of financial assets and financial liabilities approximate to their fair values since the instruments are short-term in nature. The fair value of the non-current portion of financial assets and financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant. The carrying values of the Group's non-current portion of financial liabilities approximate to their fair values.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Offsetting financial assets and financial liabilities

There is no material offsetting, enforceable master netting arrangement and similar agreements as at 31 March 2025 and 2024.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Impairment of property, plant and equipment and right-of-use assets

The Group reviews property, plant and equipment and right-of-use assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount, and the asset's residual value, if any. In turn, measurement of an impairment loss requires a determination of recoverable amount, which is based on management's estimate with best information available. The Group derives the cash flow estimates from historical experience and internal business plans. To determine recoverable amount, the Group uses cash flow estimates discounted at an appropriate discount rate, quoted market prices when available and independent appraisals, as appropriate.

As at 31 March 2025, carrying amounts of property, plant and equipment and right-of-use assets of approximately HK$2,432,000 and HK$2,353,000, respectively, were related to the provision of financial intermediary services segment. Management of the Group considered the amounts are insignificant and thus, no impairment assessment was performed.

Impairment loss of approximately HK$Nil (2024: HK$8,682,000) for property, plant and equipment, right-of-use assets and intangible assets was recognised during the year ended 31 March 2025, resulting in the carrying amount being written down to its recoverable amount. Refer to Note 14 and 15 for further details.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS (CONTINUED)

(b) Current and deferred income tax

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

As at 31 March 2025, the Group recorded current tax liabilities of HK$31,000 (2024: HK$447,000) and deferred tax liabilities of HK$9,415,000 (2024: HK$9,414,000).

(c) Principal versus agent

When another party is involved in providing goods or services (including the trading of food and beverages) to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group as a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group as an agent). The Group is a principal if it controls the specified good or services before that good or services is transferred to a customer.

(d) Revenue recognition of provision of financial institution intermediation services

The Group considers the upfront loan facilitation services, post loan facilitation services and guarantee services as distinct performance obligations. However, the Group does not provide these services separately, and the third-party evidence of selling price does not exist either, as public information is not available regarding the amount of fees competitors charge for these services. As a result, the Group uses the expected-cost-plus-a-margin approach to determine its best estimate of selling prices of the different deliverables as the basis for allocation. When estimating the selling prices, the Group considers the cost related to such services, profit margin, customer demand, effect of competition, and other market factors, if applicable.

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS (CONTINUED)

(e) Measurement of expected credit loss allowances

The measurement of the expected credit loss ("**ECL**") allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

(i) Determining criteria for significant increase in credit risk;

- The financial instrument is considered to have experienced a significant increase in credit risk if the borrower is 90 days past due on its contractual payments (2023: 90 days past due).

- Using other warning list as supplement criteria such as fraudulent list.

(ii) Choosing appropriate models and assumptions for the measurement of ECL;

- ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the Probability for Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), or ECL=PD*LGD*EAD*discount rate.

- The calculation of PD and LGD starts with the Group's historical information. PD and LGD are calculated by type of asset/loan nature, internal risk grades and loan durations as appropriate.

- EAD is calculated based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

- The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(f) Measurement of guarantee liabilities

A guarantee liability is an expected compensation which will be paid in the future due to guarantee contracts. When measuring the guarantee liabilities, the Group needs to make a reasonable estimate of the amounts that the Group is required to pay in fulfilling the obligations under the guarantee contracts. Such estimates are determined based on the estimated loss rate of the loans, taking into account the underlying risk profile and historical loss record. Please refer to Note 2.12 for initial and subsequent measurement for guarantee liabilities.

As at 31 March 2025, the Group's guarantee liabilities amounted to HK$31,040,000 (2024: HK$32,924,000), as disclosed in Note 24 to the financial statements.

5 SEGMENT INFORMATION

The segment information reported to the Company's executive directors, being the chief operating decision maker ("**CODM**"), is being regularly reviewed in order to allocate resources to segments and to assess their performance is prepared under HKFRS Accounting Standards. The CODM reviews performance of provision of catering services, provision of financial institution intermediation services and provision of other services, which includes provision of interior design and fitting-out service and provision of organic vegetables consulting services, for resources allocation. Provision of catering services includes Italian style, Western style, Asian style and Chinese style restaurants which was previously separately presented.

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 March 2025 are as follow:

	Year ended 31 March 2025				
	Provision of catering services HK$'000	Provision of financial intermediation services HK$'000	Other services HK$'000	Elimination HK$'000	Total HK$'000
Revenue					
Total segment revenue	6,511	883	–	–	7,394
Inter-segment revenue	–	–	–	–	–
Revenue from external customers	6,511	883	–	–	7,394
Segment results	(3,054)	520	–	–	(2,534)
Unallocated employee benefit expenses					(1,464)
Unallocated rental and related expenses					(90)
Gain on debt restructuring					35,242
Gain on dissolution of subsidiaries					26,763
Unallocated other expenses					(8,502)
Profit before income tax					49,415
Income tax expense					(129)
Profit for the year					49,286

5 SEGMENT INFORMATION (CONTINUED)

At 31 March 2025

	As at 31 March 2025				
	Provision of catering services HK$'000	Provision of financial intermediation services HK$'000	Other services HK$'000	Elimination HK$'000	Total HK$'000
Segment assets	356,689	119,363	36,285	(384,315)	128,022
Elimination of inter-segment receivables	(350,094)	(6,434)	(27,787)	384,315	–
	6,595	112,929	8,498	–	128,022
Segment liabilities	(360,403)	(102,365)	(36,130)	384,315	(114,583)
Elimination of inter-segment payables	350,094	12,867	21,354	(384,315)	–
	(10,309)	(89,498)	(14,776)	–	(114,583)
Amount due to former directors					(76,135)
					(190,718)

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 March 2024 are as follow:

	Year ended 31 March 2024				
	Provision of catering services HK$'000	Provision of financial intermediation services HK$'000	Other services HK$'000	Elimination HK$'000	Total HK$'000
Revenue					
Total segment revenue	11,992	4,094	–	–	16,086
Inter-segment revenue	–	–	–	–	–
Revenue from external customers	11,992	4,094	–	–	16,086
Segment results	(15,042)	601	(69)	–	(14,510)
Unallocated employee benefit expenses					(2,335)
Unallocated other expenses					(2,474)
Loss before income tax					(19,319)
Income tax expense					(150)
Loss for the year					(19,469)

5 SEGMENT INFORMATION (CONTINUED)

At 31 March 2024

	As at 31 March 2024				
	Provision of catering services HK$'000	Provision of financial intermediation services HK$'000	Other services HK$'000	Elimination HK$'000	Total HK$'000
Segment assets	401,871	122,159	32,837	(434,626)	122,241
Elimination of inter-segment receivables	(399,936)	(6,522)	(28,168)	434,626	–
	1,935	115,637	4,669	–	122,241
Segment liabilities	(428,427)	(110,777)	(37,090)	434,626	(141,668)
Elimination of inter-segment payables	399,936	13,044	21,646	(434,626)	–
	(28,491)	(97,733)	(15,444)	–	(141,668)
Amount due to former directors					(98,298)
					(239,966)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment results represents the profit/loss earned by each segment without allocation of the common employee benefit expenses, depreciation and amortisation, rental and related expenses, utilities and consumables, gain on debt restructuring, gain on dissolution of subsidiaries, other expenses and finance income/(costs), net incurred. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. For the purposes of monitoring segment performances and allocating resources between segments, all assets and liabilities, other than amount due to former directors, are allocated to operating segments.

Inter-segment sales are charged at cost-plus approach.

Other information

The following is included in the measure of segment results and segment assets.

	Depreciation and amortisation		Impairment to non-current assets		Impairment losses on financial instruments and contract assets		(Gain)/loss on early lease termination	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Provision of catering services	–	–	–	9,111	–	–	(208)	5,367
Provision of financial intermediation services	–	–	–	–	12	1,361	–	–
Other services	184	86	–	–	–	–	–	–
	184	86	–	9,111	12	1,361	(208)	5,367

5 SEGMENT INFORMATION (CONTINUED)

Other information (Continued)

The unallocated depreciation and amortisation amounted to approximately Nil (2024: HK$Nil) for the year ended 31 March 2025.

Non-current assets included property, plant and equipment, right-of-use assets and intangible assets.

Geographical information

The geographical location is based on the location at which the services were rendered or the goods delivered.

The amount of revenue from external customers broken down by geographical location is as follows:

	2025 HK$'000	2024 HK$'000
Hong Kong	6,511	11,992
Mainland China	883	4,094
	7,394	16,086

The non-current assets, other than rental and utilities deposits, deposit for property, plant and equipment, restricted bank and other deposits and loan to a related party broken down by geographical location of the assets, is shown as below:

	2025 HK$'000	2024 HK$'000
Hong Kong	–	–
Mainland China	15,189	15,726
	15,189	15,726

Information about major customers

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

	2025 HK$'000	2024 HK$'000
Customer A – revenue generated from trading of food and beverages (included in provision of catering services)	–	11,418

No customers contributed more than 10% of the group's revenue during the year.

6 REVENUE

Disaggregation of revenue from contracts with customers

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers		
Provision of catering services	6,511	11,992
Provision of financial intermediation services		
– Post loan facilitation service fees	374	1,735
– Guarantee service fees	374	1,734
– Early redemption penalty and service charges	135	625
	883	4,094
	7,394	16,086
Timing of revenue recognition		
A point in time	6,646	12,617
Over time	748	3,469
	7,394	16,086

Performance obligations

Information about the Group's performance obligations is summarised below:

Provision of catering services

The performance obligation is satisfied at a point in time upon delivery of the products.

Provision of financial intermediation services

Post loan facilitation service fees – The performance obligation is satisfied over time as the services are provided throughout the loan period.

Guarantee service fees – The performance obligation is satisfied over time based on the continuous transfer of benefit to the customer throughout the guarantee period.

Early redemption penalty and service charges – The performance obligation is satisfied at a point in time when the early redemption event occurs and the related penalty or service is rendered.

All performance obligations for provision of catering services that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are part of contracts with an original expected duration of one year or less. Therefore, the Group has applied the practical expedient in paragraph 121 of HKFRS 15, which exempts the transaction prices allocated to such performance obligations from disclosure.

7 OTHER GAIN/(LOSS), NET

	2025 HK$'000	2024 HK$'000
Gain on dissolution of subsidiaries (note i)	26,763	–
Impairment on non-current deposit (note iii)	–	(429)
Gain/(loss) on early termination of lease (note ii)	208	(5,367)
Other	(2)	32
	26,969	(5,764)

Note:

(i) The Group dissolved Dining Concepts Management Limited and its subsidiaries during the year, resulting in an aggregate gain on dissolution of approximately HK$26,763,000.

(ii) During the year ended 31 March 2025, the Group received an early termination gain of approximately HK$208,000 from the early termination of leases located in the PRC. During the year ended 31 March 2024, the Group defaulted on certain lease payments arising from its Hong Kong restaurants. According to the contractual terms, the Group is liable for the remaining period of the lease term and the related rental deposits are forfeited. Thus, a loss on early termination of lease is recorded which represents (i) the difference between the minimum lease payments, which is recorded as other payable, and the carrying value of the lease liabilities of approximately HK$304,000 and (ii) the forfeited rental deposits of approximately HK$5,063,000.

(iii) During the year ended 31 March 2024, the Group has ceased all its Hong Kong restaurant operations and does not have concrete plans to invest additional resources into the restaurant operations. Accordingly, the non-current deposit paid for property, plant and equipment of approximately HK$429,000, which was initially invested for the Group's restaurant operations, were fully impaired during the year ended 31 March 2024.

8 EXPENSES BY NATURE

(a) Rental and related expenses

	2025 HK$'000	2024 HK$'000
Short-term leases expenses	950	600
Low-value leases expenses	–	3
	950	603

(b) Other expenses

	2025 HK$'000	2024 HK$'000
Advertising	–	24
Legal and professional fee	3,101	1,899
Travelling expenses	–	2
Auditors' remuneration		
– Audit services	1,000	1,000
– Non-audit services	–	–
Others	2,729	1,614
	6,830	4,539

9 EMPLOYEE BENEFIT EXPENSES

	2025 HK$'000	2024 HK$'000
Wages, salaries, bonuses and allowances	**3,149**	3,582
Pension cost – defined contribution scheme	**86**	153
	3,235	3,735

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 3 directors (2024: 2 directors) whose emoluments are reflected in the analysis shown in Note 29. The emoluments payable to the remaining 2 (2024: 3) individuals during the year are as follows:

	2025 HK$'000	2024 HK$'000
Wages, salaries, bonuses and allowances	**468**	702
Pension cost – defined contribution scheme	**16**	30
	484	732

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands		
Nil – HK$1,000,000	**2**	3

(b) Retirement benefits plans

The Group participates in a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

As stipulated by rules and regulations in Mainland China, the Group contributes to a state-sponsored retirement plan for its employees in Mainland China, which is a defined contribution plan. The Group and its employees contribute a certain percentage of the employees' basic wages/salary as specified by the local government, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees.

The total expense recognised in profit or loss of HK$86,000 (2024: HK$153,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

No forfeited contributions were utilised for the year ended 31 March 2025 (2024: Nil). Furthermore, no forfeited contributions were available at the year end to reduce future contribution (2024: Nil).

10 FINANCE (COST)/INCOME, NET

	2025 HK$'000	2024 HK$'000
Interest income from contract assets and loan receivables	733	2,226
Bank interest income	6	9
Finance income	739	2,235
Imputed interest charged (Note 27)	(2,164)	–
Interest expense on lease liabilities	(135)	(40)
Interest expense on accrued loan referral expenses	(87)	(265)
Other interest expenses	–	(80)
Finance costs	(2,386)	(385)
Finance (cost)/income, net	(1,647)	1,850

11 INCOME TAX EXPENSE

	2025 HK$'000	2024 HK$'000
Current tax		
Hong Kong profits tax	–	–
PRC Enterprise Income tax	–	–
	–	–
Deferred tax (Note 26)	(129)	(150)
Income tax expense	(129)	(150)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

11 INCOME TAX EXPENSE (CONTINUED)

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

	2025 HK$'000	2024 HK$'000
Profit/(loss) before income tax	**49,415**	(19,319)
Tax calculated at the applicable domestic tax rates	**8,153**	3,147
Effect of:		
Expenses not deductible for tax purpose	**179**	(2,759)
Income not taxable for tax purpose	**(10,230)**	–
Temporary differences not recognised	**4**	190
Tax losses not recognised	**1,765**	(878)
Under-provision in respect of prior years	**–**	–
One-off tax reduction by the IRD	**–**	150
Income tax expense for the year	**(129)**	(150)

12 PROFIT/(LOSS) PER SHARE

(a) Basic

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

	2025	2024
Profit/(loss) attributable to owners of the Company (HK$'000)	**49,668**	(19,558)
Weighted average number of ordinary shares in issue (thousands)	**107,180**	94,915 (restated)
Basic profit/(loss) per share (HK$)	**0.46**	(0.21) (restated)

On 3 September 2024, the Company implemented share consolidation and the weighted average number of ordinary share in issue used in the basic and diluted loss per share calculation for the year ended 31 March 2024 was adjusted retrospectively.

(b) Diluted

Diluted profit/(loss) per share presented is the same as the basic loss per share as there was no potentially dilutive ordinary share outstanding as at 31 March 2025 and 2024.

For the years ended 31 March 2024 and 2025, the weighted average number of ordinary shares used to calculate basic and diluted loss per share has been adjusted to reflect the consolidation of every twenty (20) issued and unissued ordinary shares with a par value of US$0.001 each into one (1) consolidated share with a par value of US$0.02 each, which took place on 3 September 2024, prior to the date of authorisation of the consolidated financial statements.

13 SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 were as follows:

Name of subsidiary	Place and date of incorporation	Issued and fully paid share capital	Proportion ownership interest held by the Company				Principal activities/place of operation
			Directly		Indirectly		
			2025	2024	2025	2024	
Dining Concepts Management Limited***	British Virgin Islands 21 February 2018	United States Dollar ("US$") 1	–	100%	–	–	Investment holding
Dining Concepts Limited***	Hong Kong 11 September 2002	HK$10,000	–	–	–	100%	Provision of catering management and design services in Hong Kong
Ace Trend Holdings Limited*** 順勢集團有限公司	Hong Kong 23 March 2017	HK$1	–	–	–	100%	Operating restaurant in Hong Kong
BBQ Restaurants Limited***	Hong Kong 9 March 2010	HK$1,000	–	–	–	100%	Operating restaurant in Hong Kong
BLT Restaurants (HK) Limited***	Hong Kong 10 September 2008	HK$500,000	–	–	–	100%	Operating restaurant in Hong Kong
BLT Burger (HK) Limited***	Hong Kong 27 July 2009	HK$500,000	–	–	–	100%	Operating restaurant in Hong Kong
Bombay Dreams (HK) Limited***	Hong Kong 26 July 2002	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong
DC Events Limited***	Hong Kong 1 December 2016	HK$10,000	–	–	–	100%	Organising promotional events for restaurants
Excel Team Restaurants Limited***	Hong Kong 14 January 2005	HK$1,000	–	–	–	100%	Operating restaurants in Hong Kong
Excel Team Trading Limited*** 卓榮貿易有限公司	Hong Kong 3 September 2003	HK$1,000	–	–	–	100%	Operating restaurant in Hong Kong
Fame Top Holdings Limited*** 銘高集團有限公司	Hong Kong 7 December 2011	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong
Global Profit Enterprise Limited***	Hong Kong 22 January 2007	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong
Great Grant Limited*** 瀚鈞有限公司	Hong Kong 28 November 2016	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong
Great Success International Trading Limited	Hong Kong 30 May 2005	HK$200,000	–	–	70%	70%	Trading of food and beverage

13 SUBSIDIARIES (CONTINUED)

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 were as follows: (Continued)

Name of subsidiary	Place and date of incorporation	Issued and fully paid share capital	Proportion ownership interest held by the Company				Principal activities/place of operation
			Directly		Indirectly		
			2025	2024	2025	2024	
Kowloon Cantons Cricket Company Limited***	Hong Kong 23 November 2016	HK$250,000	–	–	–	100%	Operating cricket club activities and promotion in Hong Kong
Lettuce Entertain You Limited***	Hong Kong 18 November 2005	HK$1,000	–	–	–	100%	Operating restaurant in Hong Kong
Max Prospect Holdings Limited*** 鴻昇集團有限公司	Hong Kong 18 November 2013	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong
Multi Million Way Limited*** 萬元威有限公司	Hong Kong 18 October 2010	HK$1,000,000	–	–	–	100%	Operating restaurant in Hong Kong
Profit Best Holdings Limited*** 澤成集團有限公司	Hong Kong 17 September 2009	HK$500,000	–	–	–	100%	Operating restaurant in Hong Kong
Rich Ever Limited*** 眾富有限公司	Hong Kong 24 December 2015	HK$300,000	–	–	–	100%	Operating restaurant in Hong Kong
Smart Joy Limited 卓喜有限公司***	Hong Kong 15 April 2010	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong
Spectrum Rise Limited*** 濤昇有限公司	Hong Kong 12 December 2014	HK$1	–	–	–	100%	Operating restaurant in Hong Kong
Strong Empire Limited***	Hong Kong 8 October 2015	HK$1,000,000	–	–	–	100%	Operating restaurant in Hong Kong
Trendy Move Limited*** 健海有限公司	Hong Kong 12 December 2014	HK$1	–	–	–	100%	Operating restaurant in Hong Kong
Wealthy Trade Limited*** 貿寶有限公司	Hong Kong 8 November 2013	HK$300,000	–	–	–	100%	Operating restaurant in Hong Kong
Wide Scope Holdings Limited*** 景宏集團有限公司	Hong Kong 28 May 2004	HK$1,000	–	–	–	100%	Operating restaurant in Hong Kong
Wider Team Holdings Limited*** 博滙集團有公司	Hong Kong 6 March 2017	HK$1,000,000	–	–	–	100%	Operating restaurant in Hong Kong
Winner Star Limited***	Hong Kong 18 December 2015	HK$10,000	–	–	–	100%	Operating restaurant in Hong Kong

13 SUBSIDIARIES (CONTINUED)

Particulars of the Company's principal subsidiaries as at 31 March 2025 and 2024 were as follows: (Continued)

Name of subsidiary	Place and date of incorporation	Issued and fully paid share capital	Proportion ownership interest held by the Company				Principal activities/place of operation
			Directly		Indirectly		
			2025	2024	2025	2024	
北京翰鋮建築工程有限公司*	Mainland China (domestic-owned enterprise), limited liability company 14 May 2019	Nil*	–	–	70%	70%	Providing interior design and fitting-out services in the PRC
Shanghai Aie Agriculture Technology Company Limited* 上海愛娥農業科技有限責任公司	Mainland China (domestic-owned enterprise), limited liability company 1 June 2017	RMB1,000,000	–	–	70%	70%	Providing organic vegetables consulting services in the PRC
成都中誠竣捷科技有限公司	Mainland China (domestic-owned enterprise), limited liability company 12 December 2019	RMB10,000,000	–	–	60%	60%	Providing financial institution intermediation services in the PRC (2020: Inactive)
呂朋朋(北京)餐飲管理有限公司*	Mainland China (domestic-owned enterprise), limited liability company 3 December 2020	RMB2,450,000	–	–	80%	80%	Operating restaurant in the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. None of the subsidiaries had issued any debt securities at the end of the year.

* No capital injection as at 31 March 2025 and 2024.

** Legal entity registered under PRC law.

*** The Group dissolved Dining Concepts Management Limited and its subsidiaries during the year.

14 PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
As at 31 March 2024				
Cost	1,599	6,437	16,675	24,711
Accumulated depreciation and impairment	(1,588)	(6,437)	(16,675)	(24,700)
Net book amount	11	–	–	11
Opening net book amount	11	–	–	11
Additions	13	531	2,061	2,605
Depreciation	(12)	(41)	(131)	(184)
Closing net book amount	12	490	1,930	2,432
As at 31 March 2025				
Cost	1,612	6,968	18,736	27,316
Accumulated depreciation and impairment	(1,600)	(6,478)	(16,806)	(24,884)
Net book amount	12	490	1,930	2,432

	Office equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
As at 31 March 2023				
Cost	**1,614**	**6,600**	**16,697**	**24,911**
Accumulated depreciation and impairment	**(1,525)**	**(6,441)**	**(16,674)**	**(24,640)**
Net book amount	**89**	**159**	**23**	**271**
Opening net book amount	**89**	**159**	**23**	**271**
Impairment	**–**	**(159)**	**(10)**	**(169)**
Depreciation	**(74)**	**–**	**(12)**	**(86)**
Exchange reserve	**(4)**	**–**	**(1)**	**(5)**
Closing net book amount	**11**	**–**	**–**	**11**
As at 31 March 2024				
Cost	**1,599**	**6,437**	**16,675**	**24,711**
Accumulated depreciation and impairment	**(1,588)**	**(6,437)**	**(16,675)**	**(24,700)**
Net book amount	**11**	**–**	**–**	**11**

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group had property, plant and equipment of approximately HK$Nil (2024: HK$11,000) and right-of-use assets of HK$Nil (2024: HK$563,000) as at 31 March 2025 all of which were attributable to the administrative support for the provision of financial intermediary services segment.

Each restaurant under its restaurant operations is a cash-generating unit ("**CGU**") for the purposes of impairment assessment. For CGUs with impairment indicators, the Group has performed impairment assessments on the relevant restaurant's property, plant and equipment and right-of-use assets by assessing their recoverable amounts based on the higher of value-in-use and fair value less cost of disposal. The recoverable amounts of the CGUs are determined based on value-in-use calculations, which are higher than the fair value less cost of disposal calculations.

During the year ended 31 March 2024, the restaurant operations continued to worsen as the Group had failed to pay lease liabilities in a timely manner. Management of the Group considered the resources available and foreseeable market conditions surrounding its restaurant operations are not optimistic. The operating costs of the restaurant operations have been reduced to the bare essentials and management of the Group does not have any concrete plans to expand the segment. It is not expected that the restaurant operations will generate any material income in the upcoming years. Thus, full impairment was provided for its material assets.

During the year ended 31 March 2025, provision for impairment of property, plant and equipment and right-of-use assets amounted to approximately HK$Nil (2024: HK$169,000) and HK$Nil (2024: HK$8,513,000), respectively, all of which were attributable to its restaurant operations (2024: attributable to its restaurant operations).

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

Right-of-use assets

	HK$'000
As at 31 March 2023	
Cost	18,668
Accumulated depreciation and impairment	(9,189)
Net book amount	9,479
Year ended 31 March 2024	
Opening net book amount	9,479
Impairment	(8,513)
Depreciation	(357)
Exchange difference	(46)
Closing net book amount	563
As at 31 March 2024	
Cost	1,779
Accumulated depreciation and impairment	(1,216)
Net book amount	563
Year ended 31 March 2025	
Opening net book amount	563
Addition	3,137
Depreciation	(899)
Disposals	(445)
Exchange difference	(3)
Closing net book amount	2,353
As at 31 March 2025	
Cost	3,137
Accumulated depreciation and impairment	(784)
Net book amount	2,353

Lease liabilities

	2025 HK$'000	2024 HK$'000
Current	**1,558**	464
Non-current	**822**	356
	2,380	820

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2025 HK$'000	2024 HK$'000
Depreciation of right-of-use assets	899	357
Interest expenses on lease liabilities	135	40
Expense relating to short-term leases	950	600
Expense relating to low-value leases	–	3

The total cash outflow for leases for the year ended 31 March 2025 was HK$2,009,000 (2024: HK$1,032,000).

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

The Group leases various offices and restaurants (2024: various offices). The rental contract for the office is for a fixed period 3 to 5 years (2024: 3 to 5 years), but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

During the year ended 31 March 2024, the Group defaulted on certain lease payments arising from its Hong Kong restaurants. According to the contractual terms, the Group is liable for the remaining period of the lease term. Full impairment has been made on the right-of-use assets, as upon the failure to repay lease payments, the Group returned the premise to the landlord. Accordingly, the cost and related accumulated depreciation and impairment of right-of-use assets had been written off. Lease liabilities were recorded at the undiscounted cash flow of the remaining lease payments and the difference between the carrying value as at the default date and the undiscounted cash flow of the remaining lease payments was recorded as a loss on early termination of lease liabilities. Subsequently, the related lease liabilities were reclassified to other payables.

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(d) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

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

Potential future cash outflows have not been included in the lease liability if it is not reasonably certain that the leases will be extended (or not terminated). After taking into account the above factors, the Group considered that it is reasonably certain for them to exercise the renewal options or not to exercise the termination options for all property leases.

16 INVENTORIES

	2025 HK$'000	2024 HK$'000
Food and beverages	731	278

Cost of inventories has been charged to "Cost of sales and inventories consumed" in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 March 2025 and 2024.

Provision of inventories arising from slow-moving inventories of approximately HK$Nil (2024: HK$399,000) has been recognised for the year ended 31 March 2025 and charged to "Cost of sales and inventories consumed". The Group's inventories were stated at lower of cost and net realisable value at the end of the respective reporting periods.

17 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Trade receivables	659	1,139
Other receivables and deposits	35,343	32,295
Contract assets	20,350	21,651
	56,352	55,085
Loss allowances	(1,584)	(1,654)
	54,768	53,431

Loss allowances movements for the year ended 31 March 2025 are as follows:

	Trade receivables HK$'000	Contract assets HK$'000	Other receivables HK$'000	Total HK$'000
Opening net book amount	482	3	1,169	1,654
Net (reversal of)/provision for impairment loss (Note 3.1(b))	–	12	–	12
Exchange difference	(7)	–	(75)	(82)
Ending net book amount	475	15	1,094	1,584

Loss allowances movements for the year ended 31 March 2024 are as follows:

	Trade receivables HK$'000	Contract assets HK$'000	Other receivables HK$'000	Total HK$'000
Opening net book amount	506	14	1,169	1,689
Written off	–	(1,000)	–	(1,000)
Net (reversal of)/provision for impairment loss (Note 3.1(b))	–	(3)	–	(3)
Derecognition due to early repayment (Note 3.1(b))	–	1,364	–	1,364
Exchange difference	(24)	(372)	–	(396)
Ending net book amount	482	3	1,169	1,654

17 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

Trade receivables from catering business are receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, for catering business, there is no credit period granted to customers, except for certain well-established corporate customers in which credit period of 20 to 30 days is granted by the Group. As at 31 March 2025, the ageing analysis at the gross trade receivables based on invoice date were as follows:

	2025 HK$'000	2024 HK$'000
0 – 30 days	184	426
31 to 90 days	–	15
Over 90 days	475	698
	659	1,139
Loss allowances	(475)	(482)
	184	657

Before accepting any new corporate customers, management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the trade receivables that are neither past due nor impaired are mainly from the reputable financial institutions.

As at 31 March 2025, included in the Group's trade receivables balances are debtors with aggregate carrying amount of HK$184,000 (2024: HK$657,000) which are past due as at the reporting date. Out of the past due balances, HK$Nil (2024: HK$175,000) has been past due 90 days or more and is not considered as default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each debtors.

17 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

	2025 HK$'000	2024 HK$'000
Other receivables and deposits:		
Prepayments for insurances, consumables and services	**3,478**	3,770
Prepayments for loan guarantee expenses	**13,878**	13,203
Advance to employees	**576**	747
Rental and utility deposits	**168**	197
Loan receivable	**5,914**	5,708
Others	**11,329**	8,670
Loss allowances	**(1,094)**	(1,169)
	34,249	31,126
Less: Other receivables and deposits-non-current portion	**–**	(129)
Other receivables and deposits-current portion	**34,249**	30,997

	2025 HK$'000	2024 HK$'000
Contract assets:		
Upfront loan facilitation service fees	**20,350**	21,651
Loss allowances	**(15)**	(3)
	20,335	21,648
Less: Contract assets-non-current portion	**(15,190)**	(15,152)
Contract assets-current portion	**5,145**	6,496

The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers contract assets to trade receivables upon achieving the specified milestones in the contracts. There are no past due as at the reporting date (2024: Nil).

18 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK AND OTHER DEPOSITS

	2025 HK$'000	2024 HK$'000
Cash at banks	**171**	1,343
Cash on hand	**–**	–
Cash and cash equivalents	**171**	1,343
Restricted bank and other deposits	**67,567**	66,214
	67,738	67,557

Restricted bank and other deposits represented variable rate deposits placed in banks, financial institutions or financial institution intermediation services companies pursuant to the Group's obligations under certain service agreements in relation to the provision of financial institution intermediation services of approximately HK$67,738,000. Apart from the balance of HK$14,032,000 which is non-interest bearing, the remaining restricted bank and other deposits carry interest ranging from 1.8% to 4.1% (2024: from 1.8% to 4.1%) per annum. The deposits will be released upon completion of milestones as stipulated under said service agreements, termination or expiry of the agreements which is expected to be beyond one year from the end of respective reporting periods. Accordingly, the amounts are included in non-current assets.

The Group's cash and cash equivalents comprise cash at bank which carry interest at prevailing market rate at 0.001% to 0.4% (2024: 0.001% to 0.4%) per annum.

The carrying amounts of cash and cash equivalents and restricted bank and other deposits are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**38**	179
RMB	**67,700**	67,378
Others	**–**	–
	67,738	67,557

Cash at banks and restricted bank deposits of the Group denominated in RMB of HK$1,956,000 (2024: HK$1,739,000) which are deposited with the banks in the PRC are not freely convertible into other currencies. The Group can apply to exchange RMB for other currencies through banks authorised to conduct foreign exchange business under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

19 SHARE CAPITAL AND RESERVES

(a) Share capital

	2025 HK$'000	2024 HK$'000
Authorised:		
5,000,000,000 ordinary shares of US$0.02 each (2024: 100,000,000,000 ordinary shares of US$0.001 each)	**778,000**	778,000

	2025 HK$'000	2024 HK$'000
Issued and fully paid:		
113,414,545 ordinary shares of US$0.02 each (2024: 1,898,290,908 ordinary shares of US$0.001 each)	**17,647**	14,791

The movements in authorised and issued share capital of the Company during the year were as follows:

	Authorised shares		Issued shares	
	No. of shares	Total HK$'000	No. of shares	Total HK$'000
At 1 April 2023, 31 March 2024 and 1 April 2024	100,000,000,000	778,000	1,898,290,908	14,791
Issue of new shares (note i)	–	–	370,000,000	2,883
Share Consolidation (note ii)	(95,000,000,000)	–	(2,154,876,363)	–
At 31 March 2025	5,000,000,000	778,000	113,414,545	17,674

Notes:

i. On 11 July 2024, the Company entered into a placing agreement with a third party placing agent, pursuant to which the placing agent, as the agent of the Company, agreed to place on a best effort basis up to 370,000,000 Placing Shares at placing price of HK$0.0144 (representing a discount of approximately 10.00% to the closing price of HK$0.016 per share on 11 July 2024). The placing was completed on 2 August 2024. A total of 370,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK$0.0144 per Placing Share pursuant to the terms and conditions of the Placing Agreement and the Supplemental Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees are professional, institutional or other investors (i) independent of; and (ii) not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are independent third parties.

ii. On 23 July 2024, the Board proposed that every twenty (20) shares in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share. The Share Consolidation was approved by the shareholders at the special general meeting of the Company held on 30 August 2024 and the same became effective on 3 September 2024. Details of the Share Consolidation were set out in the announcement of the Company dated 23 July 2024 and the circular of the Company dated 15 August 2024.

19 SHARE CAPITAL AND RESERVES (CONTINUED)

(b) Other reserve

Other reserve mainly represented waiver of loans from its related companies controlled by the former controlling shareholders, waiver of loan from one of the former controlling shareholders and amounts arising on the Group reorganisation underwent prior to the listing of the Company's shares on the Stock Exchange in 2016. Details were set out in the Company's prospectus dated 27 July 2016 (the "**Prospectus**").

20 NON-CONTROLLING INTERESTS ("NCI")

	2025 HK$'000	2024 HK$'000
NCI attributed to:		
成都中誠竣捷科技有限公司	**3,814**	3,728
Shanghai Aie Agriculture Technology Company Limited	**2,603**	2,603
Other insignificant non-wholly owned subsidiaries	**(1,582)**	(1,354)
Non-controlling interests	**4,835**	4,977

	2025 HK$'000	2024 HK$'000
Total comprehensive income/(loss) for the year attributed to NCI of:		
成都中誠竣捷科技有限公司	**86**	(54)
Shanghai Aie Agriculture Technology Company Limited	**–**	(192)
Other insignificant non-wholly owned subsidiaries	**(228)**	72
Total comprehensive loss attributable to NCI	**(142)**	(174)

20 NON-CONTROLLING INTERESTS ("NCI") (CONTINUED)

Set out below is summarised financial information for 成都中誠竣捷科技有限公司(" **中誠竣捷** ") for the year ended 31 March 2025 and Shanghai Aie Agriculture Technology Company Limited (上海愛娥農業科技有限公司) ("**Aie Company**") for both years that have non-controlling interests material to the Group.

	中誠竣捷		Aie Company	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Current				
Assets	**29,626**	28,705	**16,606**	16,606
Liabilities	**(92,206)**	(91,672)	**(7,931)**	(7,931)
Net current (liabilities)/assets	**(62,580)**	(62,967)	**8,675**	8,675
Non-current				
Assets	**81,824**	82,057	**–**	2
Liabilities	**(9,709)**	(9,770)	**–**	–
Net non-current assets/(liabilities)	**72,115**	72,287	**–**	2
Net assets	**9,535**	9,320	**8,675**	8,677
NCI %	**40%**	40%	**30%**	30%
Accumulated NCI	**3,814**	3,728	**2,603**	2,603

Summarised statement of profit or loss and other comprehensive income:

	中誠竣捷		Aie Company	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Revenue	**2,530**	4,095	**–**	–
Total comprehensive income/(loss) for the year	**215**	(90)	**(2)**	(640)
Total comprehensive income/(loss) for the year attributable to NCI	**86**	(54)	**–**	(192)

Summarised statement of cash flows:

	中誠竣捷		Aie Company	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Net cash used in operating activities	**(1,051)**	14,781	**–**	–
Net cash used in investing activities	**–**	–	**–**	–
Net cash used in from financing activities	**–**	(13,540)	**–**	–
Net decrease in cash and cash equivalents	**(1,051)**	1,241	**–**	–

21 PROVISIONS

	2025 HK$'000	2024 HK$'000
Opening net book amount	**819**	819
Closure of restaurant	**(819)**	–
Closing net book amount	**–**	819

The provision represents reinstatement provision which is expected that the majority of this provision will be utilised after one year upon maturity of lease agreements without renewal.

22 TRADE AND OTHER PAYABLES AND LOANS FROM THIRD PARTIES

	2025 HK$'000	2024 HK$'000
Trade payables to third parties (Note (a))	**1,473**	4,857
Accruals and other payables:		
Accrued staff salaries	**1,308**	3,526
Franchise and licensing fee payables	**2,353**	2,314
Payable for property, plant and equipment	**1,207**	500
Audit fee accrual	**1,000**	1,000
Payable for repair and maintenance	**–**	1,444
Payable for utilities and consumables	**–**	1,071
Payable for cleaning suppliers	**–**	606
Other tax payables	**–**	232
Accrued loan referral expenses	**–**	–
Other payables arising from defaults on lease liabilities (Note 15(c))	**–**	16,762
Others	**23,397**	20,505
	28,445	47,960
Trade and other payables	**29,918**	52,817

(a) Trade payables to third parties

At 31 March, the ageing analysis of the trade payables based on invoice date were are follows:

	2025 HK$'000	2024 HK$'000
0 – 60 days	**107**	582
Over 60 days	**1,366**	4,275
	1,366	4,857

The credit period on purchases of goods and services is about 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

23 CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Deposits from customers	–	–

Contract liabilities represent deposits from customers for unsatisfied performance obligations and are recognised as revenue when the Group performs its obligations under the contracts. At contract inception, performance obligation is expected to be satisfied within six months.

The following table shows how much of the revenue recognised in the current year relates to carried forward contract liabilities:

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	390

When the Group receives a deposit from a customer who makes a reservation before the provision of catering services will give rise to contract liabilities until services are provided.

24 GUARANTEE LIABILITIES

A summary of the Group's guarantee liabilities movement for the year ended 31 March 2025 is presented below:

	2025 HK$'000	2024 HK$'000
Opening net book value	**32,924**	27,119
(Decrease)/increase in guarantee liabilities, net	**(1,448)**	7,119
Exchange difference	**(436)**	(1,314)
Ending net book amount	**31,040**	32,924

25 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of net cash (used in)/generated from financing activities

The table below details changes in the Group's liabilities arising from a financing activity, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from a financing activity.

	Amount due to former directors HK$'000	Amount due to director HK$'000	Borrowings from related parties HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2023	100,342	–	60,791	17,728	178,861
Non cash item (note i)	(2,044)	–	(2,947)	(16,479)	(21,470)
Cash flow	–	–	(13,417)	(429)	(13,846)
At 31 March 2024	98,298	–	44,427	820	143,545
Non cash item	(22,163)	(2,072)	(9,927)	2,619	(31,543)
Cash flow	–	9,371	–	(1,059)	8,312
At 31 March 2025	76,135	7,299	34,500	2,380	120,314

Note: Included in the non cash items of lease liabilities for the year ended 31 March 2024 is approximately HK$16,458,000 which is reclassified to other payables upon the default of lease liabilities payments. Further details are disclosed in Note 15(c).

26 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset income tax recoverable against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movement of the net deferred tax liabilities is as follow:

	2025 HK$'000	2024 HK$'000
Opening net book amount	**(9,414)**	(9,736)
(Charged)/credited to profit or loss (Note 11)	**(129)**	(150)
Exchange difference	**130**	472
Closing net book amount	**(9,415)**	(9,414)

26 DEFERRED TAX LIABILITIES (CONTINUED)

The nature of items giving rise to the deferred tax assets/(liabilities), without taking into consideration of the offsetting of balances within the same jurisdiction are as follows:

	ECL allowances HK$'000	Fair value gain of intangible assets HK$'000	Others HK$'000	Total HK$'000
At 31 March 2022	7,569	(298)	(20,257)	(12,986)
Credited/(charged) to profit or loss (Note 11)	1,006	275	1,009	2,290
Exchange difference	(543)	23	1,480	960
At 31 March 2023	8,032	–	(17,768)	(9,736)
Credited/(charged) to profit or loss (Note 11)	340	–	(490)	(150)
Exchange difference	(398)	–	870	472
At 31 March 2024	7,974	–	(17,388)	(9,414)
Credited/(charged) to profit or loss (Note 11)	13	–	(142)	(129)
Exchange difference	(13)	–	141	128
As at 31 March 2025	7,974	–	(17,389)	(9,415)

At 31 March 2025, the Group has unrecognised deferred tax arising from tax losses of approximately HK$93,679,000 (2024: HK$82,982,000), of which HK$80,657,000 (2024: HK$70,957,000) will be carried forward indefinitely, available for offsetting against future profits. Tax losses of HK$13,022,000 and HK$12,025,000 will be expired in 2030 and 2029, respectively. In the opinion of the directors of the Company, no deferred tax asset was recognised due to the unpredictability of future profit streams.

At 31 March 2025, the Group has unrecognised deferred tax arising from deductible temporary differences of approximately HK$27,771,000 (2024: HK$27,747,000) arising from property, plant and equipment, intangible assets and loss allowances. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

27 RELATED PARTY TRANSACTIONS

(a) Significant transactions with related parties

Other than transactions with key management personnel as disclosed in note (b) in the below, there are no significant transactions with related parties during the years ended 31 March 2025 and 2024.

(b) Key management personnel compensation

Key management includes directors and senior management of the Group.

The directors of the Company and the five highest paid individuals (including directors and employees) are identified as key management members of the Group. Their compensation during the year are set out in Notes 9 and 29.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amounts due from/(to) related parties

Details of the amounts due from/(to) related parties are shown as follows:

	2025 HK$'000	2024 HK$'000
Advances to related parties (i)	**2,282**	2,314
Loss allowance	**(2,282)**	(2,314)
	–	–
Loan to a related party (ii)	**13,461**	13,646
Loss allowances	**(13,461)**	(13,646)
	–	–
Total amounts due from related parties	**–**	–
Borrowing from related parties (iii)		
At 1 January	**44,427**	60,791
Gain on debt restructuring (iii)	**(10,004)**	–
Imputed interest charged	**614**	–
Repayment	**–**	(13,417)
Exchange realignment	**(537)**	(2,947)
At 31 December	**34,500**	44,427
Less: Amount due within one year classified as current liabilities	**(1,430)**	–
Amount due after one year classified as non-current liabilities	**33,070**	44,427

Note:

(i) Within the balance includes interest receivable in relation to loan to a related party, a company controlled by a noncontrolling interest and the balance is non-trade in nature, unsecured and interest-free. During the year, a service income is recognised based on percentage agreed mutually. However, by considering recoverability from related party, loss allowance in relation to this balance amounted to HK$2,282,000 (2024: HK$2,314,000) as at 31 March 2025.

Loss allowance movement for the year ended 31 March 2025 is as follows:

	HK$'000
Opening net book amount	(2,314)
Exchange realignment	32
Ending net book amount	(2,282)

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amounts due from/(to) related parties (Continued)

Note: (Continued)

(ii) As at 31 March 2025 and 2024, the loan to a related party, a company controlled by a non-controlling interest, is interest bearing at 4.785% per annum and is denominated in RMB. The balance is secured by the trade receivables, certain plant and equipment, certain inventories and equity interest of the related party. The balance is repayable on maturity date at 30 June 2022. However, the balance is not yet repaid by the related party as at reporting date. Loss allowances in relation to this balance amounted to HK$13,461,000 (2024: HK$13,646,000) as at 31 March 2025.

Loss allowance movement for the year ended 31 March 2025 is as follows:

	HK$'000
Opening net book amount	(13,646)
Exchange realignment	185
Ending net book amount	(13,461)

(iii) The Company has obtained an extension of repayment for a non-interesting bearing borrowing from a related party, which is a non-controlling shareholder of a subsidiary, of approximately HK$36,949,000. The repayment date of the debt will extend to 31 July 2028.

The gain on debt restructuring is the difference between the amount of borrowing from related party and the present value of the borrowing. The present value is determined based on the present value of contractual future cash flows, discounted at 7.52% per annum. The discount rate is determined by reference to bond yields with similar credit ratings and maturities as the Company.

(d) Amounts due to former directors

Details of the amounts due to former directors are shown as follows:

	2025 HK$'000	2024 HK$'000
Borrowing from former directors (i)		
At 1 January	**98,298**	100,342
Gain on debt restructuring (i)	**(23,030)**	–
Imputed interest charged	**1,414**	–
Exchange realignment	**(547)**	(2,044)
At 31 December	**76,135**	98,298
Less: Amount due within one year classified as current liabilities	**–**	–
Amount due after one year classified as non-current liabilities	**76,135**	98,298

Note:

(i) The Company has obtained an extension of repayment for a non-interesting bearing borrowing from the former Chairman of the Company, Mr James Fu Bin Lu ("**Mr. Fu**") and his wife, Ms Li Qing Ni ("**Ms Li**") during the year of approximately HK$98,286,000. The repayment date of the debt will extend to 31 July 2028.

The gain on debt restructuring is the difference between the amount of borrowing from former directors and the present value of the borrowing. The present value is determined based on the present value of contractual future cash flows, discounted at 7.52% per annum. The discount rate is determined by reference to bond yields with similar credit ratings and maturities as the Company.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Amounts due to director

Details of the amounts due to former directors are shown as follows:

	2025 HK$'000	2024 HK$'000
Borrowing from director (i)		
At 1 January	–	–
Addition	9,371	–
Gain on debt restructuring (i)	(2,208)	–
Imputed interest charged	136	–
At 31 December	7,299	–
Less: Amount due within one year classified as current liabilities	–	–
Amount due after one year classified as non-current liabilities	7,299	–

Note:

(i) The Company has obtained a Director facilities and utilised of approximately HK$9.2 million during the year in an unsecured and interest-free base for the use of the working capital and business expenses.

The gain on debt restructuring is the difference between the amount of borrowing director and the present value of the borrowing. The present value is determined based on the present value of contractual future cash flows, discounted at 7.52% per annum. The discount rate is determined by reference to bond yields with similar credit ratings and maturities as the Company.

28 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

	2025 HK$'000	2024 HK$'000
ASSETS		
Non-current asset		
Investments in subsidiaries	100	100
Current assets		
Other receivables	4,080	117
Amount due from related party	35,319	36,455
Cash and cash equivalents	18	–
	39,417	36,572
Total assets	39,517	36,672
EQUITY		
Equity attributable to owners of the Company		
Share capital	17,674	14,791
Share premium	2,445	–
Reserves	(31,848)	(40,273)
Total deficit attributable to owners of the Company	(11,729)	(25,482)
LIABILITIES		
Non-current liability		
Amounts due to former directors	45,032	–
Amounts due to director	4,495	–
	49,527	–
Current liabilities		
Other payables	1,719	4,337
Amount due to a director	–	57,817
Total liabilities	51,246	62,154
Total equity and liabilities	39,517	36,672

Movement of the Company's reserves

	Share premium HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 31 March 2023	–	22,081	(47,831)	(25,750)
Loss and total comprehensive loss for the year	–	–	(14,523)	(14,523)
At 31 March 2024	–	22,081	(62,354)	(40,273)
Share placing	2,445	–	–	2,445
Profit and total comprehensive income for the year	–	–	8,425	8,425
At 31 March 2025	2,445	22,081	(53,929)	(29,403)

29 BENEFITS AND INTERESTS OF DIRECTORS

The directors' emoluments representing the remuneration paid or payable by the entities comprising the Group to the executive directors and non-executive directors of the Company are set out below:

	Director's fee HK$'000	Salaries HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Year ended 31 March 2025				
Executive directors:				
Xu Qiang	630	–	–	630
Liu Guowei	240	–	–	240
Wu Liyu	240	–	–	240
Yu Quansheng (resigned on 7 September 2024)	–	–	–	–
Independent non-executive director:				
Hui Hung Kwan	120	–	–	120
Bian Hongjiang	120	–	–	120
Chen Wenrui	120	–	–	120
	1,470	–	–	1,470

	Director's fee HK$'000	Salaries HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Year ended 31 March 2024				
Executive directors:				
Xu Qiang (Chairman, Chief Executive Officer) (appointed on 3 July 2023)	268	–	–	268
Liu Guowei (appointed on 4 August 2023)	158	–	–	158
Yu Quansheng (appointed on 5 January 2024)	57	–	–	57
Wu Liyu (appointed on 22 March 2024)	6	–	–	6
James Fu Bin Lu (resigned as Chairman and Chief Executive Officer on 3 July 2023 and as Executive Director on 12 July 2023)	–	–	–	–
Li Qing Ni (resigned on 12 July 2023)	–	–	–	–
Longn Hai (resigned on 3 July 2023)	–	–	–	–
Yu Qinglong (appointed on 9 June 2023 and resigned on 12 October 2023)	–	–	–	–
Li Junping (appointed on 4 August 2023 and resigned on 12 October 2023)	–	–	–	–
Non-executive director:				
Ng Yan Ka (appointed on 20 December 2023 and resigned on 13 March 2024)	28	–	–	28
Independent non-executive director:				
Hui Hung Kwan (appointed on 4 August 2023)	79	–	–	79
Bian Hongjiang (appointed on 4 August 2023)	79	–	–	79
Chen Wenrui (appointed on 4 August 2023)	79	–	–	79
Lu Cheng (resigned on 12 July 2023)	–	–	–	–
Kim Jin Tae (resigned on 12 July 2023	–	–	–	–
Shi Kangping (resigned on 12 July 2023)	–	–	–	–
	754	–	–	754

29 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

Notes:

(a) The executive director's emoluments shown above was for their services in connection with the management of the affairs of the Company and the Group.

(b) None of the directors received any other retirement benefits or termination benefits during the year ended 31 March 2025 (2024: Nil).

(c) During the year ended 31 March 2025, no consideration was provided to or receivable by third parties for making available directors' services (2024: Nil).

(d) Save as disclosed in Note 27, there were no loans, quasi-loan and other dealing arrangements in favor of directors, controlled bodies corporate by and connected entities with such directors as at 2025 (2024: Nil).

(e) Save as disclosed in Note 27(a), there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2025 (2024: Nil).

30 COMPLIANCE RISK

China Banking and Insurance Regulatory Commission（中國銀行保險監督管理委員會）, jointly with other regulatory authorities, issued the Circular on Issuing Supplementary Provisions on Supervision of Financing Guarantee Companies（關於印發融資擔保公司監督管理補充規定的通知）(the "**Circular**") on 24 October 2019 to further regulate certain financial guarantee activities. The Circular stated that institutions engaging in the provision of services, such as borrower referrals and credit assessments, to financial institutions shall not provide any financing guarantee arrangement, directly or indirectly (in a disguised manner), without prior approval from the competent regulatory agency. After the Group had engaged in the financial intermediation services business in Mainland China, the Group has performed a reassessment and acknowledged the requirements set forth in the Circular and the potential non-compliance under the current business arrangement for the guarantees provided to third-party lending institutions as part of the Group's financial intermediation services business in Mainland China (the "**Guarantee Arrangement**").

In view of the non-compliance risk to the requirements set forth in the Circular, the directors obtained external professional legal advices and were advised that if the PRC competent authorities conclude that the Group has contravened the relevant PRC laws, the Group's activity with Guarantee Arrangement may be banned or suspended from operations and imposed a fine of RMB500,000 to RMB1,000,000, and any illegal income will be confiscated. Moreover, the relevant clauses within the contracts with the lending institutions in relation to Guarantee Arrangement may be invalidated under PRC laws and became unenforceable.

Based on the external professional legal advices, taking into consideration of the current practice, related regulatory requirements and the environment underlying the financial intermediation services business in Mainland China, the directors considered that it is unlikely that the Group will be penalised by the competent regulatory agency for the Guarantee Arrangement and the potential adverse implications of the Guarantee Arrangement in the circumstances are not material.

The Group is working to revamp its current business arrangement of the financial intermediation services business in Mainland China in order to cope with the implications of the Circular by considering all feasible options. Based on their assessment, the directors do not expect there will be significant cash outflow arising from the potential non-compliance as well as in the course of revamping the business arrangement. The Group will pay close attention to market developments and will continue to monitor the impact to its operations and financial position.

FINANCIAL SUMMARY

Results

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**7,394**	16,086	61,358	162,832	214,325
Loss before taxation	**49,415**	(19,319)	(34,456)	(46,451)	(58,452)
Taxation	**(129)**	(150)	1,862	242	(8,889)
Loss for the year	**49,286**	(19,469)	(32,594)	(46,209)	(67,341)
Loss for the year attributable to					
Owners of the Company	**49,668**	(19,558)	(28,883)	(40,848)	(64,432)
Non-controlling interests	**(382)**	89	(3,711)	(5,361)	(2,909)
	49,286	(19,469)	(32,594)	(46,209)	(67,341)

Assets and liabilities

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**128,022**	122,241	139,252	150,809	251,134
Total liabilities	**(190,718)**	(239,966)	(239,067)	(261,224)	(311,088)
	(62,696)	(117,725)	(99,815)	(110,415)	(59,954)
Total equity attributable to					
Owners of the Company	**(67,531)**	(122,702)	(104,966)	(119,925)	(74,914)
Non-controlling interests	**4,835**	4,977	5,151	9,510	14,960
	(62,696)	(117,725)	(99,815)	(110,415)	(59,954)

The summary of the consolidated results of the Group for the years ended 31 March 2021, 2022, 2023 and 2024 and the consolidated assets and liabilities of the Group as at 31 March 2021, 2022, 2023 and 2024 have been extracted from the Annual Report, 2020/21, 2021/22, 2022/23 and 2023/24.

The summary above does not form part of the audited financial statements.