



Telecom Service One Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3997

2025/26

ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Directors

CHEUNG King Shek (*chairman*)
CHEUNG King Shan
CHEUNG King Chuen Bobby, *MH*

Executive Director

CHEUNG King Fung Sunny (*chief executive officer*)

Independent Non-executive Directors

FONG Ping, *BBS, JP*
KWOK Yuen Man Marisa
(*resigned with effect from 1 April 2025*)
TSO Ka Yi
WONG Wai Yee Daisy
(*appointed with effect from 12 June 2025*)

COMPANY SECRETARY

CHAN Yin Kwan
(*appointed with effect from 4 May 2026*)
LEE Wing Sze Connie
(*resigned with effect from 23 April 2026*)

BOARD COMMITTEES

Audit Committee

TSO Ka Yi (*chairman*)
FONG Ping, *BBS, JP*
KWOK Yuen Man Marisa
(*resigned with effect from 1 April 2025*)
WONG Wai Yee Daisy
(*appointed with effect from 12 June 2025*)

Remuneration Committee

FONG Ping, *BBS, JP* (*chairman*)
KWOK Yuen Man Marisa
(*resigned with effect from 1 April 2025*)
TSO Ka Yi
WONG Wai Yee Daisy
(*appointed with effect from 12 June 2025*)

Nomination Committee

KWOK Yuen Man Marisa
(*resigned with effect from 1 April 2025*)
WONG Wai Yee Daisy (*chairman*)
(*appointed with effect from 12 June 2025*)
FONG Ping, *BBS, JP*
TSO Ka Yi

AUTHORISED REPRESENTATIVES

CHEUNG King Fung Sunny
CHAN Yin Kwan
(*appointed with effect from 4 May 2026*)
LEE Wing Sze Connie
(*resigned with effect from 23 April 2026*)

COMPANY'S WEBSITE

www.tso.cc

AUDITOR

SHINEWING (HK) CPA Limited
Registered Public Interest Entity Auditor
17/F., Chubb Tower,
Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

REGISTERED OFFICE

P.O. Box 31119, Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205,
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit C, 3/F,
Sunshine Kowloon Bay Cargo Centre,
59 Tai Yip Street,
Kowloon Bay, Kowloon,
Hong Kong

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China Tower,
1 Garden Road,
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building,
1 Queen's Road Central,
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119,
Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
Grand Cayman,
KY1-1205,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

3997

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the audited annual results of Telecom Service One Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2026.

RESULTS

For the last fiscal year, the business has continued to face competition from evolving device technologies and changing consumer expectations regarding warranty, performance and after-sales support. For the year ending 31 March 2026, the Group recorded revenue of approximately HK\$49,789,000 (2025: HK\$44,223,000), representing an increase of approximately 12.6% compared to the year ended 31 March 2025 which was mainly due to the service fee generated from two new services contracts. The Group's gross profit for the year ended 31 March 2026 was approximately HK\$15,892,000 (2025: HK\$3,532,000). Due to the increase in services income, the loss for the year reduced to approximately HK\$5,601,000 (2025: HK\$13,405,000).

BUSINESS REVIEW

The Group is a well-established repair service provider in Hong Kong, principally engaged in the provision of repair and refurbishment services for mobile phones and other consumer electronic devices, as well as the sale of related accessories. Its customer base comprises corporate clients, telecommunications service providers and international service companies.

During the year under review, the operating environment remained competitive, with market demand influenced by evolving consumer behaviour and macroeconomic uncertainties. Consumers have increasingly extended the lifecycle of their devices as a cost management measure, which continued to underpin stable demand for repair, maintenance and refurbishment services. Notwithstanding the above, Hong Kong remains a highly connected and technologically advanced market. The ongoing rollout of 5G networks, together with the growing adoption of artificial intelligence-enabled applications, continued to reinforce the essential role of smartphones and personal electronic devices in daily life.

The industry continued to face keen competition, characterised by rapid technological developments and rising customer expectations in relation to warranty support, device performance and after-sales service quality. In response, the Group has focused on strengthening its technical capabilities, enhancing service efficiency and maintaining disciplined cost control. Benefiting from growth in service income and improved cost efficiency, the Group recorded an improvement in its operating performance during the year.

CHAIRMAN'S STATEMENT (CONTINUED)

PROSPECTS

Looking ahead, the operating environment in Hong Kong is expected to remain challenging amid ongoing economic adjustments. In recent years, consumer spending patterns have shifted, with an increasing number of residents travelling and spending in mainland China. Notwithstanding this trend, government initiatives aimed at stimulating local consumption are expected to provide support to the retail and services sectors. Meanwhile, the continued development of 5G networks and the increasing adoption of artificial intelligence-enabled functionalities are expected to further reinforce the importance of smartphones and other electronic devices in everyday life. The Group remains cautiously optimistic about the long-term demand for such devices and will continue to provide reliable repair and refurbishment services to meet evolving customer needs.

The Group will continue to strengthen its core operations by enhancing service quality, improving turnaround time and upgrading technical support capabilities. It will also maintain a prudent approach to cost management with a view to improving operational efficiency. In addition, the Group will actively explore business opportunities that are complementary to its existing expertise and service capabilities, with an aim to diversify its revenue streams and support sustainable long-term growth.

APPRECIATION

I would like to express my sincere gratitude to my fellow directors, management team and the entire Telecom Service One workforce for their dedication and contribution to the Group over the past year. Furthermore, I would also like to extend my gratitude to our valued customers, business partners, suppliers and shareholders for their continued trust and support.

Cheung King Shek

Chairman and Non-Executive Director

Hong Kong, 30 June 2026

CEO'S STATEMENT

OPERATION OVERVIEW

Over the past financial year, the operating environment remained challenging but showed signs of gradual adjustment. External factors, including higher financing costs in some markets, geopolitical uncertainties and softer global handset demand, continued to weigh on business sentiment and made customers more careful in their spending. In Hong Kong, competition in the retail and services sectors remained intense, and customers continued to look for good value and reliable service when making spending decisions.

Under this situation, the Group remained focused on its core strengths in repair and refurbishment services. Management continued to prioritise operational efficiency and service quality, with an aim to enable the Group to respond more effectively to customer requirements while enhancing overall operational resilience. The wider use of digital tools, together with ongoing development of 5G networks and AI-related applications, further reinforced the importance of smartphones and other personal electronic devices in daily life. These trends supported underlying demand for dependable repair, maintenance and refurbishment services.

In response to these conditions, the Group continued to refine its operating model, with particular attention to turnaround time, technical capability and service consistency. At the same time, the Group maintained a prudent approach to cost management and resource allocation, which contributed to the improvement in operating performance during the year. Looking ahead, the Group will remain cautiously optimistic, and will continue to adapt to evolving market dynamics and customer preferences, with a clear focus on delivering high-quality repair and refurbishment services to its customers.

FUTURE PROSPECTS

Looking forward, the global economic outlook remains uncertain and the operating environment in Hong Kong is expected to remain competitive. The Group will continue to respond carefully to changes in macroeconomic conditions and industry developments and will remain alert to potential risks and opportunities.

The Group will focus on strengthening its core business by enhancing service quality and optimising the utilisation of internal resources to improve operational efficiency. At the same time, the Group will continue to look for suitable value-added services and business opportunities that complement its existing capabilities, with the aim of broadening revenue streams in a measured way. The Group will maintain a prudent approach to cost management and resource allocation, with a view to building a more resilient and sustainable business model that can deliver stable, long-term returns for shareholders.

APPRECIATION

Being the Chief Executive Officer of the Group, I would like to extend my sincere gratitude to the management team and all members of Telecom Service One for their commitment and valuable contributions to the Group throughout the past year. I would also like to express my appreciation to our valued customers, business partners, suppliers and shareholders for their continued trust and support.

Cheung King Fung Sunny

Chief Executive Officer and Executive Director

Hong Kong, 30 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The mobile phone repair and refurbishment industry in Hong Kong operates within a highly connected market where smartphones are deeply embedded in daily life and the mobile devices are widely adopted across the community. Against this backdrop, demand for mobile phone and personal electronic device repair, maintenance and refurbishment services has remained resilient.

BUSINESS OVERVIEW

The Group is a well-established repair service provider in Hong Kong and is principally engaged in providing repair and refurbishment services for mobile phones and other consumer electronic devices as well as sales of related accessories. The Group places emphasis on service quality, turnaround time and technical capability to maintain its competitiveness in a price-sensitive market.

For the last fiscal year, the business continues to face competition from evolving device technologies and changing consumer expectations regarding warranty, performance and after-sales support. For the year ended 31 March 2026, the Group recorded revenue of approximately HK\$49,789,000 (2025: HK\$44,223,000), representing an increase of approximately 12.6% compared to the year ended 31 March 2025 which was mainly due to the service fee generated from new services contracts. The Group's gross profit for the year ended 31 March 2026 was approximately HK\$15,892,000 (2025: HK\$3,532,000). Due to the increase in services income, the loss for the year reduced to approximately HK\$5,601,000 (2025: HK\$13,405,000).

FINANCIAL REVIEW

Revenue

The Group's revenue comprises repairing service income and income from sales of accessories and provision of supportive services. Repairing service income for the year ended 31 March 2026 at approximately HK\$49,590,000 (2025: HK\$44,019,000), representing a year-on-year increase of approximately 12.7%. Revenue from sales of accessories and provision of supportive services for the year ended 31 March 2026 remains stable at approximately HK\$199,000 (2025: HK\$204,000).

Cost of Sales

The Group's cost of sales comprises mainly direct labour cost and parts cost. For the year ended 31 March 2026, cost of sales decreased by approximately 16.7% over the previous year to approximately HK\$33,897,000 from approximately HK\$40,691,000. The decrease in cost of sales was attributable to the decrease in both labour and parts cost.

The Group's cost of inventories sold was approximately HK\$9,927,000 (2025: HK\$12,470,000), representing a decrease of approximately 20.4% over the previous year. The decrease in cost of inventories sold was mainly attributable to the increase in refurbishment jobs that did not require parts.

Direct labour cost for the year ended 31 March 2026 was approximately HK\$23,970,000 (2025: HK\$28,221,000), representing a decrease of approximately 15.1%. The decrease was mainly due to the decrease in manpower.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other Income and Gains

Other income and gains for the year was approximately HK\$3,963,000 (2025: HK\$5,912,000). Other income mainly comprised management fee income, rental income, storage income, bank interest income together with gain on disposal of financial assets. The difference was mainly due to the absence of the gain on disposal of financial assets at fair value through profit or loss ("FVTPL") and the decrease in bank interest income during the year. Details of the other income and gains are set out in Note 9 to the consolidated financial statements.

Net Operating Expenses and Administrative Expenses

Other operating expenses, net comprises miscellaneous income and other operating expenses. Other operating expenses, net for the year ended 31 March 2026 were approximately HK\$4,706,000 (2025: HK\$4,706,000). Details of the other operating expenses, net are set out in Note 10 to the consolidated financial statements.

Administrative expenses for the year ended 31 March 2026 was approximately HK\$12,171,000 (2025: HK\$13,180,000), representing a decrease of approximately 7.7%. Administrative expenses comprise mainly depreciation, salaries, office rental and other office expenses. The decrease was mainly attributable to the decrease in depreciation and staff cost.

Income Tax

Income tax credit for the year ended 31 March 2026 was approximately HK\$181,000 (2025: HK\$106,000).

Loss for the Year

Loss for the year ended 31 March 2026 was approximately HK\$5,601,000 (2025: HK\$13,405,000). The loss decrease was mainly attributable to the combined effect of the following factors, (i) increase in gross profit to approximately HK\$15,892,000 (2025: HK\$3,532,000); (ii) since all the financial assets were disposed of in last year, there is no gain or loss on disposal of financial assets at FVTPL for the year ended 31 March 2026 (Gain on disposal of financial assets at FVTPL in 2025: HK\$1,448,000); (iii) decrease in administrative expenses to HK\$12,171,000 (2025: HK\$13,180,000) and (iv) increase in impairment losses on investment properties of approximately HK\$8,581,000 (2025: HK\$4,892,000).

As at 31 March 2026, the Group conducted a review of the carrying amounts of its investment properties and appointed an independent qualified professional valuer to determine their recoverable amounts. The valuation was performed with reference to recent comparable property transactions, prevailing market conditions, and current market rents and yields, while also considering the existing condition of the properties. Based on the valuation results, the Group recognised an impairment loss on its investment properties for the year ended 31 March 2026, primarily attributable to changes in market conditions and a decline in the expected future economic benefits of the properties.

INVESTMENTS IN FINANCIAL ASSETS

As at 31 March 2025, the Group had disposed all the financial assets and generated a gain on disposal of financial assets at FVTPL of approximately HK\$1,448,000. As at 31 March 2026, the Group did not hold any financial assets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group had current assets of approximately HK\$20,501,000 (2025: HK\$18,758,000) and current liabilities of approximately HK\$7,133,000 (2025: HK\$6,392,000).

At present, the Group generally finances its operations with internally generated cash flows. Net cash generated from operating activities for the year was approximately HK\$8,488,000. Net cash generated from investing activities was approximately HK\$4,000.

The Group maintained a healthy liquidity position as at 31 March 2026. Apart from providing working capital to support its business development, the Group also has available banking facilities to meet potential needs for business expansion and development. As at 31 March 2026, the Group has unutilised banking facilities of approximately HK\$10,200,000 available for further drawdown should it have any further capital needs. The Group had cash and cash equivalents of approximately HK\$8,615,000 as at 31 March 2026 (2025: HK\$5,702,000).

CONTINGENT LIABILITIES

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

FOREIGN CURRENCY RISK

The Group's business are in Hong Kong and are denominated in Hong Kong dollars and United States dollars. The Group currently does not has a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

DIVIDEND

At a meeting held on 30 June 2026, the Board has resolved not to declare any interim dividend for the year ended 31 March 2026 (2025: fourth quarter interim dividend of HK\$0.02 per share).

CAPITAL COMMITMENTS

As at 31 March 2026, the Group did not has any significant capital commitments (2025: nil).

CAPITAL STRUCTURE

There was no change in the capital structure during the year ended 31 March 2026.

The capital structure of the Group consists of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves. The management reviews the capital structure regularly. As part of the review, they consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the redemption of existing debt.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL ACQUISITIONS OR DISPOSALS AND SIGNIFICANT INVESTMENTS

The Group did not make any material acquisition or disposal of subsidiaries or associated companies during the year ended 31 March 2026 (2025: nil).

Save as disclosed in the paragraph headed “Investment in Financial Assets” above and the investment properties held, the Group did not has any significant investment held as at 31 March 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed 80 (2025: 93) full-time employees including management, administration, operation and technical staff. The employees’ remuneration, promotion and salary increments are assessed based on both individual’s and the Group’s performance, professional and working experience and by reference to prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

OUTLOOK

Looking ahead, the Group expects continuing opportunities from the steady replacement cycle of mobile devices and the increased consumer willingness to consider refurbished products. The Group will continue to strengthen operational efficiency, quality assurance and customer service while aligning its business development with Hong Kong’s broader sustainability direction. At the same time, the Group will proactively explore new business opportunities to refine its business model and diversify its operations, with the objective of broadening revenue streams and maximizing long-term value for Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS

Mr. CHEUNG King Shek, aged 74, was appointed as a Director in August 2012, appointed as chairman of the Company and re-designated as non-executive Director in April 2013, and is responsible for advising on overall strategic planning and management of the Group. Mr. Cheung King Shek has been a director of Telecom Service One Limited ("TSO", a wholly-owned subsidiary of the Company) since April 1987. He was appointed as a director of Telecom Digital Holdings Limited ("TDHL", stock code: 6033, a company listed on Main Board of the Stock Exchange) in November 2002, and was appointed as its chairman and re-designated as its executive director in March 2014. He joined TDHL group in 1981 and is responsible for the overall strategic planning and corporate policies. Mr. Cheung King Shek brings to TDHL group more than 45 years of experience in the telecommunications industry and has achieved a solid track record of achievements. Under his leadership and stewardship, TDHL group has grown to be a versatile service provider in the telecommunications industry. Mr. Cheung King Shek graduated with a bachelor's degree in commerce from the University of New South Wales in April 1976 and a master degree in business administration from the University of Melbourne in Australia in August 1981. Mr. Cheung King Shek is the chairman of Hong Kong Radio Paging Association Limited, and an honorary citizen of Swatow City. He is the elder brother of Mr. Cheung King Shan (non-executive Director), Mr. Cheung King Chuen Bobby (non-executive Director) and Mr. Cheung King Fung Sunny (chief executive officer and executive Director).

Mr. CHEUNG King Shan, aged 67, was appointed as a Director in August 2012 and re-designated as non-executive Director in April 2013 and is advising on marketing and sales strategies. Mr. Cheung King Shan has been a director of TSO since June 1999. He was appointed as a director of TDHL in November 2002, re-designated as its non-executive director in March 2014 and re-designated as its executive director on 8 September 2015, and is responsible for advising on sales and marketing and apps writing in relation to TDHL's information broadcasting services. Mr. Cheung King Shan joined TDHL group in 1985 and was responsible for the overall planning and formulation of the marketing and sales strategies in line with its sales and corporate targets, sales and marketing and special ad hoc projects. Mr. Cheung King Shan graduated from the Carleton University in Ottawa, Canada with a bachelor's degree in art in November 1983. He is the younger brother of Mr. Cheung King Shek (chairman and non-executive Director), and the elder brother of Mr. Cheung King Chuen Bobby (non-executive Director) and Mr. Cheung King Fung Sunny (chief executive officer and executive Director).

Mr. CHEUNG King Chuen Bobby, MH, aged 67, was appointed as a Director in August 2012 and re-designated as non-executive Director in April 2013 and is advising on administrative operation. Mr. Cheung King Chuen Bobby has been a director of TSO since April 1987. He was appointed as a director of TDHL in November 2002, re-designated as its non-executive director in March 2014 and re-designated as its executive director on 8 September 2015, and is responsible for advising on administration, human resources and special and ad hoc projects. He joined TDHL group in 1985 and was responsible for the formulation and implementation of its administrative policies as well as overseeing its administrative operation in human resources, legal and administration, property management and PRC projects. Mr. Cheung King Chuen Bobby obtained a bachelor degree in art in urban planning studies and a postgraduate diploma in urban planning implementation from the University of Westminster in London in 1983 and 1984 respectively. He is an honorary citizen of Swatow City and a school board member of Hong Kong & Kowloon Chiu Chow Public Association Secondary School. Mr. Cheung King Chuen Bobby is the younger brother of Mr. Cheung King Shek (chairman and non-executive Director) and Mr. Cheung King Shan (non-executive Director), and the elder brother of Mr. Cheung King Fung Sunny (chief executive officer and executive Director).

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

EXECUTIVE DIRECTOR

Mr. CHEUNG King Fung Sunny, aged 58, was appointed as a Director in August 2012, re-designated as executive Director in April 2013 and appointed as the chief executive officer of the Company in August 2014, and is primarily responsible for managing the Group's relationship with the customers and exploring new business opportunities for the Group. Mr. Cheung King Fung Sunny has been a director of TSO since June 1999. He was appointed as a director of TDHL in November 2002, re-designated as its executive director in March 2014 and appointed as its chief executive officer on 8 September 2015. He joined TDHL group in 1990 and is primarily responsible for overseeing the financial management, sales and marketing and special ad hoc projects, and played a major role in the growth of the sales volume and customer base of TDHL group. Mr. Cheung King Fung Sunny graduated from the University of Western Ontario in Canada with a bachelor's degree in administrative and commercial studies in October 1990. He is the Chairman of La Salle Foundation Limited. Mr. Cheung King Fung Sunny is the younger brother of Mr. Cheung King Shek (chairman and non-executive Director), Mr. Cheung King Shan (non-executive Director) and Mr. Cheung King Chuen Bobby (non-executive Director).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. FONG Ping, BBS, JP, aged 76, was appointed as an independent non-executive Director on 30 April 2013. He is also the chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company. Mr. Fong is currently a chairman of the board of directors of Canaan International Trading Limited and Hong Kong Isabelle Company Limited, which are engaged in the manufacturing and trading business. He has over 39 years of experience in garment and fashion industries. Mr. Fong has been appointed as a member of the standing committee on Young Offenders, a sub-committee of the Fight Crime Committee since 1 August 2020. He was also a member of Appeal Board established under the Betting Duty Ordinance for the period from 1 April 2016 to 1 April 2022. He completed secondary education in the People's Republic of China. He was an independent non-executive director of TC Orient Lighting Holdings Limited (stock code: 515) from 15 June 2012 to 16 October 2014, the shares of which are listed on the Main Board of the Stock Exchange.

Ms. WONG Wai Yee Daisy, aged 63, was appointed as an independent non-executive Director with effect from 12 June 2025. She is also the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company. Ms. Wong is currently a Board Member of the Hong Kong Young Women's Christian Association Hospitality Management Company Limited since September 2024, and serves on the Hostel Service Management Committee for The Cityview and The Harbourview of the Chinese Young Men's Christian Association of Hong Kong since September 2024. She is also an Audit Committee Member of The Hong Kong Anti-Cancer Society since August 2023, and a Hospital Governing Committee Member at Kwai Chung Hospital & Princess Margaret Hospital under the Hospital Authority since April 2022. Ms. Wong brings over 36 years of experience in human resources management. She joined Shangri-La Hotel (Kowloon) Limited as Executive Secretary of Human Resources in 1984 and rose to the position of Area Director of Human Resources (Hong Kong and Taiwan) before leaving in 2020. Ms. Wong completed her Hong Kong Higher Level Education at Shue Yan College in 1981 and was a Certified Human Resources Executive of The American Hotel & Lodging Association.

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. TSO Ka Yi, aged 62, was appointed as an independent non-executive Director on 15 January 2018. He is also the chairman of audit committee and a member of the nomination committee and remuneration committee of the Company. He was a director of Mandarin Kopitiam Management Limited, a company focuses on the franchise business of a Singaporean famous kopitiam brand “Killiney” in Hong Kong for the period from August 2016 to December 2021. From January 2011 to December 2013, he served as a chief financial officer of Mandarin International Limited, a master franchisee of “Killiney”. Afterwards, he was appointed as director of Mandarin International Limited from December 2013 to September 2017. He joined Ernst & Young Tax Services Limited as junior accountant in December 1990 and left the company as a senior manager in December 1999. Mr. Tso graduated from The Chinese University of Hong Kong with a Bachelor’s degree of Business Studies in 1987. In 2005, he also obtained a Master’s degree of Management and a Bachelor’s degree of Arts (Japan Studies) from Massey University in New Zealand. Mr. Tso is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

SENIOR MANAGEMENT

Mr. WAN Chun Cheong, aged 46, was appointed as general manager of TSO in February 2022 and is primarily responsible for client management and supervision of the daily operation of TSO. He joined TSO for over 24 years since January 2002. From December 2000 to January 2002, Mr. Wan was the senior technician of Hong Kong Communication & Equipment Limited which is principally engaged in the provision of mobile phones repair services. He has over 25 years of experience in mobile phones repair industries. Mr. Wan received his bachelor’s degree in business management (engineering) from Coventry University in London in 2011 and a master’s degree in business administration from The Hong Kong Polytechnic University in 2016.

Note: Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby and CHEUNG King Fung Sunny (collectively, the “Cheung Brothers”), each of them is a director of certain subsidiaries of the Company.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board” and “Directors”, respectively) is committed to high standards of corporate governance and recognizes that good governance is fundamental for safeguarding the interests of shareholders and other stakeholders, which in turn beneficial to the long-term success and sustainability of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group, sets the tone of corporate culture of the Company to ensure it aligns over all businesses across the Group.

Supported by the respective Board committees, the Board approves and monitor the Group’s overall corporate strategic direction and implementation of policies from time to time and when appropriate, with emphasis on the integrity of good corporate governance. Accordingly, the Company has adopted the principles and the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively) (as amended from time to time and as applicable) to ensure an effective corporate governance framework and cultivate robust governance culture across all business activities of the Group. Throughout the year ended 31 March 2026 (the “Reporting Period”), the Company complied with the code provisions as well as applied all the principles under the CG Code as in force during the Reporting Period, except the deviation as disclosed below.

According to the Code Provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the Reporting Period, the chief executive officer and chief financial officer of the Group, based on business needs and conditions, have provided and will continue to provide to all members of the Board with updates on any material changes to the performance, position and prospects of the Company from time to time, which is considered with sufficient details to provide the general updates of the Company to the Board and allow them to give a balanced and understandable assessment of the same to serve the purpose required by the Code Provision D.1.2 of CG Code and/or the respective Listing Rules.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises one executive Director, three non-executive Directors, and three independent non-executive Directors. The composition of the Board is as follows:

Non-executive Directors

Mr. CHEUNG King Shek (*chairman*)
Mr. CHEUNG King Shan
Mr. CHEUNG King Chuen Bobby, *MH*

Executive Director

Mr. CHEUNG King Fung Sunny (*chief executive officer*)

Independent Non-executive Directors

Mr. FONG Ping, *BBS, JP*
Ms. KWOK Yuen Man Marisa (*resigned with effect from 1 April 2025*)
Mr. TSO Ka Yi
Ms. WONG Wai Yee Daisy (*appointed with effect from 12 June 2025*)

CORPORATE GOVERNANCE REPORT (CONTINUED)

The biographical details of the Directors are set out on pages 11 to 13 of this annual report. Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby and CHEUNG King Fung Sunny are brothers. Save as aforesaid, none of the members of the Board is related to one another. An updated List of Directors and their Roles and Functions is available on both the websites of the Company and Stock Exchange.

The composition of the Board reflects the balance of skills, experience and diversity of perspectives appropriate to the Group's business. As at the Reporting Period and the date of this report, the Company has three independent non-executive Directors representing at least one-third of the Board. The independent non-executive Directors have exhibited ethics and integrity allowing them to bring independent and objective advices to the Board. The Directors collectively possesses a comprehensive and well-balanced mix of expertise enables the Board to enhance good corporate governance as well as valuable contributions to support the development of the Group's businesses. The Board's core skills mix includes (i) strategic planning and governance; (ii) leadership; (iii) industry knowledge and experience; (iv) accounting and finance; and (v) management and sustainability.

The Board has a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The Board considers that each of the independent non-executive Directors brings his own relevant expertise to the Board and able to make positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

The Board considered that the current composition of the Board performs a balanced mix of skills, experiences and diversity, to support a good corporate governance and management culture. The Directors has maintained their skills with proper professional development, including but not limited to industry training, compliance and corporate governance, internal control and risk management.

Ms. KWOK Yuen Man Marisa ("Ms. Kwok") resigned as an independent non-executive director, the chairman of nomination committee ("Nomination Committee"), members of audit committee ("Audit Committee") and the remuneration committee ("Remuneration Committee") of the Company, with effect from 1 April 2025. Following Ms. Kwok's resignation, the Board used its best endeavours to identify a suitable candidate to fill the vacancy and compliance with the relevant Listing Rules. With effect from 12 June 2025, Ms. WONG Wai Yee Daisy ("Ms. Wong") has been appointed as an independent non-executive Director, chairperson of Nomination Committee, members of each of the Audit Committee and Remuneration Committee. Mr. TSO Ka Yi ("Mr. Tso") was re-designated as the chairman of Nomination Committee from 1 April 2025 to 11 June 2025, and continued to serve as member of Nomination Committee starting 11 June 2025. As disclosed in Company's announcement dated 27 March 2025 and 12 June 2025, following the resignation of Ms. Kwok and up to the appointment of Ms. Wong, the Company does not meet the requirements of Rule 3.10(1), 3.21 and 13.92 under the Listing Rules. Apart from the above-mentioned, there was no other non-compliance of Rule 3.10(1), 3.21 and 13.92 under the Listing Rules during the year under review.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' Appointment, Re-election and Removal

The Company has set-up a formal, considered and transparent procedure for the appointment of new directors, and there are plans in place for orderly succession for appointments. All directors should be subject to re-election at regular intervals. All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 March 2026.

The executive Director has entered into a service agreement with the Company for an indefinite term commencing from April 2013 until termination in accordance with the provisions of the service agreement by either party giving to the other not less than three months' prior notice in writing, subject to the provisions on retirement by rotation as set out in the articles of association of the Company ("Articles of Association"). Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of two or three years, and is renewed automatically for successive 12-month periods, subject to the provisions on removal, retirement by rotation, vacation and termination as set out in the Articles of Association. Induction materials are provided to the newly appointed directors upon their appointment.

By virtue of Article 112 of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company ("AGM") and shall then be eligible for re-election.

At AGM, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation. All Directors, including those appointed for a specific term, are subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election, and the re-election of retiring Directors at general meetings is presented in separate resolutions.

Pursuant to the Code Provision B.2.3 of the CG Code, the re-election of each of those independent non-executive Directors who has served on the Board for more than nine years is subject to (i) a separate resolution to be approved by the shareholders at the relevant AGM; and (ii) further information being given to shareholders together with the notice of meeting and the reasons why the Board believes the relevant Director is still independent and should be re-elected. If all of the independent non-executive Directors of the Company have served more than nine years on the board, the issuer should make relevant disclosure with the length of tenure of each existing independent non-executive Directors on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the AGM, and appoint a new independent non-executive Director on the board at the forthcoming AGM.

A Director may be removed by an ordinary resolution of the Company before the expiration of his/her term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him/her and the Company) and the Company may by ordinary resolution appoint another in his/her place.

Independent Non-executive Directors

Three out of seven Directors are independent non-executive Directors, among the three independent non-executive Directors, Mr. Tso has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Company has received written confirmation from each of its existing independent non-executive Directors, namely, Mr. FONG Ping, Ms. WONG and Mr. TSO, confirming their independence as regards all the factors set out in Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent having regard to their annual independence confirmation. The independent non-executive Directors contribute independent judgment, professional knowledge and experience which are appropriate for the Board's deliberations.

Board's Independence

The Company has established the following mechanisms to ensure independent views and opinions are available to the Board:

(a) Composition of the Board and Board Committees

- (i) The Board endeavours to ensure the appointment of at least three and at least one-third being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time); and
- (ii) Board committees are composed of at least a majority of independent non-executive Directors to ensure that independent views are available.

(b) Independence Assessment

- (i) The Nomination Committee strictly adheres to the Nomination Policy and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive Directors;
- (ii) Each independent non-executive Director is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence; and
- (iii) The Nomination Committee is authorised to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement.

(c) Compensation

No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors as this may lead to bias in their decision making and affecting their objectivity and independence.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(d) Board Decision Making

- (i) independent non-executive Directors (so as to each individual Director) have separate and independent access to the Company's senior management, and are entitled to seek further information and documentation from management on the matters to be discussed at Board meetings. They may seek assistance from the company secretary of the Company (the "Company Secretary") and, where necessary, independent advice from external professional advisers at the Company's expense;
- (ii) independent non-executive Directors (so as to other Directors) shall not vote or be counted in the quorum on any Board resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest; and
- (iii) The chairman of the Board holds meeting at least annually with the independent non-executive Directors, without the presence of other Directors, to express their views on an open agenda.

The Board conducts review annually to monitor the implementation and effectiveness of the above mechanisms.

Chairman and Chief Executive Officer

Mr. CHEUNG King Shek serves as the chairman of the Company ("Chairman") and Mr. CHEUNG King Fung Sunny serves as the chief executive officer of the Company ("Chief Executive Officer"). The Chairman and the Chief Executive Officer have separate defined responsibilities. The Chairman is primarily responsible for the leadership of the Board, overseeing its functioning, ensuring that key issues are promptly addressed by the Board, providing strategic direction for the Group, and ensuring good corporate governance practices and procedures are established.

The Chief Executive Officer supports the Chairman in effectively managing the Group and is responsible for the management and operation of the Group, as well as fostering the effective implementation of corporate strategy and policies. The Chief Executive Officer is also responsible for ensuring the Board is provided with sufficient information and explanation regarding the Company's business.

Board Responsibility and Function

The Board is accountable to shareholders for the long-term sustainable success of the Company. It collectively determines the overall business plans and strategies of the Group, develops and implements the good corporate governance function, monitors the implementation of these policies and strategies, as well as shapes and oversees the corporate culture and sets the long-term strategic objectives of the Group. The Group has an independent management team, which is led by a team of senior executives with substantial experience and expertise in the Group's business. They are responsible for implementing the Company's policies and strategies.

The Board is responsible for performing the corporate governance function as set out in the CG Code. The details of the duties and responsibilities are set out below:

- (a) to develop and review the policies and practices on corporate governance of the Group;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

Delegation of Management Function

Day-to-day management, administration, and operation are delegated to the Company's management team, supported by department heads with their respective business functions. The management team reports to the Chief Executive Officer, who is responsible for managing the Group's businesses, overseeing and delivering operational performance as well as developing strategic operating plans that reflect the long-term objectives. Certain key matters and strategic decision are reserved for the Board's approval. When the Board delegates aspects of its management functions to the management team, it provides clear directions regarding the scope of management's authority, particularly in circumstances where management need to report back and obtain prior approval from the Board before making final decisions or entering into any commitments on behalf of the Company. The arrangements are reviewed from time to time appropriate to the Group's business.

Continuing Professional Development

All Directors participate in continuous professional development to ensure their contribution to the Board remains informed and relevant. The Company has the responsibility to provide or arrange suitable continuous trainings to the Directors with an aim to develop and refresh their knowledge and skills for a proper understanding of the Company's business, operations and governance policies and full awareness of their responsibilities under relevant laws, rules and regulations. Each newly appointed Director is provided with induction packages containing materials such as the duties and responsibilities of directors under the Listing rules and the Companies Ordinance. Ms. Wong Wai Yee Daisy obtained legal advice referred to Rule 3.09D of the Listing Rules on 12 June 2025, and confirmed that she understood her obligations as a Director of the Company.

All Directors confirmed that they have complied with the CG Code relating to the requirement of Directors' training. As at the Reporting Period, all the Directors have participated in continuous professional development and the relevant details are set out below:

According to the training records provided by the Directors to the Company, they participated in continuous professional development as at the year ended 31 March 2026 which included reading legal and regulatory updates, materials relating to the Company's businesses and the regular updates, journals and updates relating to economy, environment and social issues or director's duties and responsibilities provided by the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors	Reading Materials, Regulatory Updates and Other Relevant Materials
Non-executive Directors	
Mr. CHEUNG King Shek (<i>chairman</i>)	✓
Mr. CHEUNG King Shan	✓
Mr. CHEUNG King Chuen Bobby	✓
Executive Director	
Mr. CHEUNG King Fung Sunny (<i>chief executive officer</i>)	✓
Independent Non-executive Directors	
Mr. FONG Ping	✓
Ms. WONG Wai Yee Daisy	✓
Mr. TSO Ka Yi	✓

Directors' and Officers' Liabilities

The Company has arranged appropriate insurance covering liabilities arising from legal actions against the Directors that may result from corporate activities. The insurance coverage is reviewed on an annual basis.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code ("Model Code") for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules as the code of conduct of dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, all of the Directors have confirmed that they complied with the required standards set out in the Model Code throughout the Reporting Period.

Inside Information Policy

The inside information policy of the Company contains the guidelines to Directors, officers and all relevant employees (likely possessing the unpublished inside information) of the Group to ensure that the inside information under Part XIVA of the Securities and Futures Ordinance, Chapter 571, is disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations.

CONNECTED TRANSACTIONS

Details of the related party transactions are disclosed in Note 30 to the consolidated financial statements. During the Reporting Period, the Company has not entered into any connected transactions that are subject to the reporting and announcement requirement under Chapter 14A of the Listing Rules.

BOARD COMMITTEES

The Board established three board committees, namely the audit committee, remuneration committee and nomination committee (collectively the “Committees”), to delegate certain board functions. The Committees are provided with sufficient resources to discharge their respective duties. The role and responsibilities of the Committees are set out in their respective written terms of reference, which is subject to review from time to time.

Audit Committee

The Audit Committee was established on 2 May 2013 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the Company’s financial information, overseeing the Company’s financial reporting system, risk management and internal control systems, and relationship between the Company and its external auditor. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The Company has provided the Audit Committee with sufficient resources to perform its duties.

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. FONG Ping, Ms. WONG Wai Yee Daisy and Mr. TSO Ka Yi. Mr. TSO Ka Yi, the chairman of the Audit Committee, possesses the appropriate professional qualifications and expertise in accounting and related financial management as required by the Listing Rules.

The following is a summary of works performed by the Audit Committee during the Reporting Period:

- (a) To review the interim and annual financial statements, interim and annual reports and results announcement, and make recommendation to the Board for approval;
- (b) To review the Group’s financial controls, risk management and internal control systems;
- (c) To review the effectiveness of the Group’s internal audit function;
- (d) To review and approve the remuneration and the appointment and the terms of engagement of the external auditor;
- (e) To review the external auditor’s independence and objectivity, provision of non-audit service, and the effectiveness of audit process in accordance with applicable standards;
- (f) To discuss with external auditor and the management on possible accounting risks, and key audit matters reported by the external auditor;
- (g) To consider the independence of the external auditor and make recommendations to the Board on the re-appointment of the external auditor;
- (h) To review the continuing connected transactions and their annual caps;
- (i) To review the Company’s environmental, social and governance report and its related matters;
- (j) To review the adequacy of resources allocated to fulfill the environmental, social and governance strategies, goal and targets; and
- (k) To review the dividend policy of the Company and terms of reference of Audit Committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Remuneration Committee

The Remuneration Committee was established on 2 May 2013 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee include, among other things, to make recommendation to the Board on the overall remuneration policy and package relating to all Directors and senior management of the Group and to ensure that none of the Directors determines his/her own remuneration. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company. The Company has provided the Remuneration Committee with sufficient resources to perform its duties.

The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. FONG Ping, Ms. WONG Wai Yee Daisy and Mr. TSO Ka Yi. Mr. FONG Ping is the chairman of the Remuneration Committee.

The following is a summary of works performed by the Remuneration Committee during the Reporting Period:

- (a) To evaluate and make recommendation to the Board on the remuneration package of the executive Director with reference to market condition;
- (b) To review the Company's policies and package for the remuneration of the Directors and senior management for the approval by the Board;
- (c) To consider the bonus payment to certain Directors.

Remuneration Policy for Directors and Senior Management

The Directors and senior management of the Company receive compensation in the form of director's fees, salaries, benefits in kind and/or discretionary bonuses with reference to the amount paid by comparable companies, time commitment and the performance of the Group. The Group 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 Group regularly reviews and determines the remuneration and compensation packages of the Directors and senior management of the Company, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group. The remuneration package of each of the Directors is detailed in Note 14 to the consolidated financial statements.

Nomination Committee

The Nomination Committee was established on 2 May 2013 with written terms of reference in compliance with the CG Code. During the Reporting Period, the terms of reference was revised on 18 June 2025 to align with the new requirements of the CG Code. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee include, among other things, to (i) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to complement the Company's corporate strategy; (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) assess the independence of independent non-executive Directors; (iv) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive; (v) support the Company's regular evaluation of the Board's performance; (vi) assess Director's commitment and contribution to the Board, as well as their ability to discharge responsibilities effectively; and (vii) review the board diversity policy, and measurable objectives for implementing the board diversity policy and monitor the progress on achieving these objectives.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Nomination Committee currently comprises three independent non-executive Directors, namely, Mr. FONG Ping, Ms. WONG Wai Yee Daisy and Mr. TSO Ka Yi. Starting from 12 June 2025, the Nomination Committee was chaired by Ms. WONG Wai Yee Daisy, an independent non-executive Director. Mr. TSO Ka Yi has been re-designated as the chairman of the Nomination Committee from 1 April 2025 to 11 June 2025, and continued to serve as member of Nomination Committee starting 11 June 2025. The Company has provided the Nomination Committee with sufficient resources to perform its duties.

Following Ms. Wong's appointment on 12 June 2025 as a member of the Nomination Committee, the Nomination Committee has comprised at least one director of a different gender.

The following is a summary of works performed by the Nomination Committee during the Reporting Period:

- (a) To review and assess the independence of all independent non-executive Directors;
- (b) To make recommendation to the Board on the retiring Directors' eligibility for re-election at the AGM;
- (c) To review the structure, size, diversity, and composition of the Board and the senior management; and
- (d) To review the Board Diversity Policy and Nomination Policy of the Company.

Nomination Policy for election or re-election of Directors

The Board has adopted a nomination policy (the "Nomination Policy") which sets out the criteria and procedures for selection and nomination of Directors. The Company aims to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The Nomination Policy provides the transparency of the election or re-election process and ascertain the selection standards and measures are align with the objective and the needs of the Group. Qualified candidates will be proposed by the Nomination Committee to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications, skills and experience. Further details of the selection criteria are set out in the terms of reference of the Nomination Committee which is available on the websites of the Stock Exchange and the Company. The Board shall make the final decision on selection and recommendation of qualified candidates for directorship to the Shareholders.

During the year under review, having reviewed the policy, the Nomination Committee was satisfied that it was appropriate and effective, and had been properly implemented.

Board Diversity Policy

The Company recognizes that Board diversity is an essential element in attaining its strategic objectives and achieving sustainable development. The Board Diversity Policy has been in place since 7 November 2013 to guide the selection of candidates during nomination process. It sets out a range of measurable objectives regarding diversity perspectives, including, but not be limited to, gender, age, race, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board comprises members with experienced and diverse backgrounds appropriate to the Company's business model and specific needs, including sales and marketing, human resources, management, customer services and business operations, accounting, and business management. Gender diversity has been achieved by having one female Director out of a total of seven Board members. Having considered the Board structure and various factors, the Nomination Committee is satisfied that an appropriate balance of diversity on the Board is maintained.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year under review, having reviewed the policy, the Nomination Committee was satisfied that it was appropriate and effective, and had been properly implemented.

Gender Diversity

The Group is committed to cultivating a culture of diversity (including gender diversity) and inclusion within workplace. In particular, the Group is dedicated to achieving workforce diversity by fostering an inclusive workplace free from discrimination, including gender discrimination. Key initiatives include providing training to employees on preventing discrimination and harassment, ensuring equal opportunities in recruitment, promotion, development, and remuneration, and regularly reviewing gender equality within the Group. The Company places tremendous emphasis on gender diversity across all levels of the Group. As at 31 March 2026, the number of employees of the Group (including senior management) consisted of 78 male or 61.9% and 48 female or 38.1%, whereas there is one male representation in senior management. For more details relating to the Group's employment practices in diversity and social indicators, please refer to the relevant sections of the Environmental, Social, and Governance ("ESG") report as set out in page 30 to 59 of this annual report.

BOARD MEETINGS AND BOARD PRACTICES

The Directors may attend meetings in person or through electronic means in accordance with the Articles of Association. Relevant board minutes were recorded in sufficient detail of the matters considered and approved at the Board meetings.

The Board meets regularly at least four times a year at approximately quarterly intervals to discuss Company's affairs. During the year ended 31 March 2026, four regular Board meetings and two other Board meetings were held. Each Director actively participated in Board meetings either in person or via electronic platforms. At each meeting, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and are provided with adequate and accurate information in a timely manner. The Chairman encourages Directors to voice their opinion and be fully engaged in the Board's affairs.

At least 14 days' formal notice of all regular board meetings is given to all Directors, and all Directors are given the opportunity to include matters for discussion in the agenda. The agenda and Board papers are sent to all Directors at least three days in advance of every regular Board meetings. Adequate, reliable and timely information are provided to enable the Board to make informed decisions and to discharge its duties. All minutes of the Board meetings are kept at the company secretariat office. Copies are provided to Directors and the original minutes are available to all Directors for inspection. Minutes of all meetings of the Board and Board Committee are recorded in sufficient detail the matters considered and decisions reached.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Attendance Records of Board Meetings and Board Committees Meetings

The attendance records of each Director and each member of the three Board Committees at the relevant meetings held within the Reporting Period are set out below:

	Board	Board Committees		
		Audit Committee	Remuneration Committee	Nomination Committee
No. of meetings held during the Reporting Period	6	2	3	2
Meetings Attended/Eligible to Attend				
Non-executive Directors				
Mr. CHEUNG King Shek (<i>chairman</i>)	6/6	N/A	N/A	N/A
Mr. CHEUNG King Shan	6/6	N/A	N/A	N/A
Mr. CHEUNG King Chuen Bobby	6/6	N/A	N/A	N/A
Executive Director				
Mr. CHEUNG King Fung Sunny (<i>chief executive officer</i>)	6/6	N/A	N/A	N/A
Independent Non-executive Directors				
Mr. FONG Ping	6/6	2/2	3/3	2/2
Ms. WONG Wai Yee Daisy	5/5	2/2	3/3	1/1
Mr. TSO Ka Yi	6/6	2/2	3/3	2/2

General Meeting

One general meeting was held during the year under review. The following table shows the attendance record of each Director:

	2025 Annual General Meeting
No. of meetings held during the Reporting Period	1
Non-executive Directors	
Mr. CHEUNG King Shek (<i>chairman</i>)	1/1
Mr. CHEUNG King Shan	1/1
Mr. CHEUNG King Chuen Bobby	1/1
Executive Director	
Mr. CHEUNG King Fung Sunny (<i>chief executive officer</i>)	1/1
Independent Non-executive Directors	
Mr. FONG Ping	0/1
Ms. WONG Wai Yee Daisy	1/1
Mr. TSO Ka Yi	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months of the year-end and two months of the half-year end.

The responsibility of the Directors in relation to the consolidated financial statements is set out below. It should be read in conjunction with, and is distinct from, the independent Auditor's Report on pages 71 to 139 which acknowledges the reporting responsibilities of the Group's external auditor.

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the Reporting Period, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's Remuneration

The Company's external auditor is SHINEWING (HK) CPA Limited. The fees paid/payable to SHINEWING (HK) CPA Limited in respect of audit services for the year ended 31 March 2026 amounted to HK\$510,000 (2025: HK\$530,000), the non-audit services were HK\$120,000 (2025: HK\$130,000) paid/payable to SHINEWING (HK) CPA Limited and its affiliate firm. The non-audit services include service provided on the interim financial information and reviewing and reporting on Company's ESG by SHINEWING (HK) CPA Limited or its affiliate firm. The remuneration of the external auditor in respect of audit and non-audit services was reviewed by the Audit Committee.

COMPANY SECRETARY

Ms. LEE Wing Sze Connie ("Ms. Lee") resigned as the Company Secretary and an authorised representative of the Company (the "Authorised Representative") under Rules 3.28 and 3.05 of Listing Rules with effect from 23 April 2026.

Ms. CHAN Yin Kwan ("Ms. Chan") was appointed as the Company Secretary and the Authorised Representative on 4 May 2026. As disclosed in Company's announcements dated 23 April 2026 and 4 May 2026, following the resignation of Ms. Lee and up to the date of appointment of Ms. Chan, the Company did not meet the requirements of Rule 3.28 and 3.05 under the Listing Rules. Apart from the above-mentioned, there was no other non-compliance of Rule 3.28 and 3.05 under the Listing Rules during the year under review.

The Company Secretary assists the Board by ensuring good information flow and is accountable for ensuring that Board procedures are followed and that Board activities are effectively conducted. The Company Secretary is also responsible for advising the Board on governance matters, as well as facilitating the induction and professional development of Directors. Ms. Chan has fulfilled the specified qualifications and experience under Rule 3.28 of the Listing Rules and she has received no fewer than 15 hours of relevant professional training to update her skills and knowledge during the year under review.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management and internal control systems are fundamental components of good corporate governance. They are pivotal to the sustainable growth of the Group and to safeguarding the interests of stakeholders. The Board has overall responsibility for maintaining a sound and effective risk management and internal control system. The Audit Committee assists the Board in assessing the overall governance, financial reporting, risk management (including ESG risks) and internal control framework and in maintaining effective risk management and internal control systems covering all material controls, including financial, operational and compliance controls. The Group's internal audit function is performed by an external provider ("Internal Audit"), which conducts reviews at least annually on the effectiveness of the risk management and internal control system, and reports to the Audit Committee.

During the Reporting Period, the Internal Audit of the Company carried out internal control audits in respect of the risk areas such as business operation, financial system, company internal management, corporate governance, compliance controls, etc., and also head offices, business sectors and certain subsidiaries of the Group. The Internal Audit submits report on the effectiveness of the risk management and internal control system and significant risks to the Audit Committee at least annually. It is also considered that the resources, staff qualifications and experience and training programmes are adequate. The Audit Committee reviewed and evaluated the effectiveness of risk management and internal control systems of the Company and its subsidiaries by considering review results conducted by Internal Audit and with the assistance of the management team and the external auditor. Based on the results of the review, during the Reporting Period, the Company considered the risk management and internal control systems are effective and adequate.

Governance Policies

The Group places utmost importance on the ethical, personal and professional standards of the Directors and employees of the Group. The Code of Conduct is the central tool through which the Company sets expectations for employee behaviour, reflecting its strong commitment to upholding high standards of business integrity, honesty and transparency, including written guideline no less exacting than the Model Code for relevant employees in respect of their dealings in the Company's securities. The Company has also established anti-corruption policy, policy in bribery prevention, whistleblowing policy together with a system enables employees to raise concerns confidentially with the Audit Committee regarding possible improprieties in financial reporting, internal control or other matters related to the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to enhancing long-term shareholder value through regular communication with its shareholders. The Board is committed to facilitate constructive engagement with shareholders and to understand their views on matters affecting the Company, including governance and performance against the corporate strategy of the Group. The Company has adopted the Shareholders' Communication Policy to provide effective communication with shareholders and timely disclosure of material information, enabling them to exercise their rights in an informed manner.

Shareholders Communication Policy

Shareholders' Communication Policy was introduced with an aim of promoting effective communication and providing equal and timely access to balanced and understandable information about the Company to its shareholders and investors. The policy is reviewed annually to ensure its continued effectiveness.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Company has established multiple formal communication channels to maintain on-going dialogue with shareholders and the investment community at large. These include: (i) corporate communications containing all material information, financial information, and other information concerning the Group's activities and corporate matters, such as annual reports, interim reports, announcement, and other information, which are made available in timely manner on both the Company's and the Stock Exchange's websites; (ii) general meetings, providing a forum for shareholders to raise comments and exchange views with the Board; (iii) channels for shareholders to raise enquiries and concerns via the Company's website or by mail to the Company's principal place of business; and (iv) enquiries directed to the Company's branch share registrar in Hong Kong in respect of any share registration matters.

The Company endeavours to provide its shareholders with high standards of disclosure and transparency. It is committed to disclosing all material information about the Group as widely and as a timely manner as possible, through the publication of corporate communications including annual reports, interim reports, announcements, circulars, notices and other regulatory disclosures in compliance with the applicable regulatory requirements.

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote on their behalf if they are unable to attend. Chairman of the Board, the chairpersons of Board committees (or, in their absence, members of the Board committees) are invited to attend annual general meetings and be available to answer questions relevant to the business of the meetings. Representatives from external auditor are also invited to attend annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence. Appropriate steps are in place to promote effective communication and engagement with shareholders and that their views are communicated to the Board.

SHAREHOLDERS' RIGHTS

Set out below is a summary of procedures for shareholders to convene an extraordinary general meeting, propose a person for election as a director, and raise enquiries to the Board.

Convening a general meeting and put forward proposals at general meetings

Pursuant to Article 64 of the Articles of Association, one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company, having the right to vote at general meetings, may convene an extraordinary general meeting of the Company. The request shall be made in writing by depositing it at the Company's head office and principal place of business in Hong Kong, for the attention of the Board or the Company Secretary, for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition.

Shareholders' right to propose a person for election as a director

Shareholders shall have the right to propose a person (the "Candidate") for election as a director at the Company's general meeting. Please refer to the detailed procedures for such right and lodgement of a written notice (the "Written Notice") on the Company's website www.tso.cc. The Written Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of the publication of his/her personal information. The period for lodgment of the Written Notice shall commence on the day after the despatch of the notice of general meeting and end no later than 7 days prior to the date of such general meeting.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In order to ensure the shareholders to have sufficient time to receive and consider the proposal of election of the Candidate as a Director without adjourning the general meeting, shareholders are urged to submit and lodge the Written Notice as early as practicable preferably at least 15 business days prior to the date of the general meeting appointed for such election.

Procedures for directing shareholders' enquiries to the board

Enquiries and suggestions from shareholders or investors are welcomed. Shareholders may send written enquiries to the Board or the Company, addressed to the Company Secretary:

- (a) by mail to the Company's principal place of business at Flat C, 3/F, Sunshine Kowloon Bay Cargo Centre, 59 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong; or
- (b) by email at enquiry@tso.cc.

Shareholders should direct their questions regarding their shareholdings and share registrations to the Company's branch share registrar in Hong Kong, Union Registrar Limited. Shareholders may also send questions or requests through the Company's website at www.tso.cc.

DIVIDEND POLICY

The dividend policy of the Company (the "Dividend Policy") sets out guidelines for the Board to consider in determining the frequency, amount and form of any dividend in any financial year. In principle, the policy is designed to allow its shareholders to participate in the Company's profits whilst ensuring adequate reserves for future growth. The Company aims to deliver a sustainable dividend aligned with earnings improvement and long-term growth of the Company. The Company's decision on payment of dividend shall depend upon, among other things, business conditions, market conditions, the Group's business strategies and operations, financial conditions, the current and future liquidity position and capital requirements, and other factors that the Board deems appropriate. There is no predetermined dividend payout ratio, which may vary from year to year to be determined by the Board as considered appropriate. In addition, the recommendation for payment of final dividends must be approved by shareholders of the Company in general meetings. The declaration and payment of dividends by the Company are also subject to restrictions under the Articles of Association and the Companies Act of the Cayman Islands, it is confirmed that all dividend decisions made by the Board have been in accordance with the Dividend Policy.

CONSTITUTIONAL DOCUMENTS

During the year under review, the Company proposed to amend the then existing memorandum and articles of association of the Company in order to (i) reflect and align with the latest regulatory requirements, including the relevant requirements of the Listing Rules in connection with hybrid meetings and electronic voting requirements, treasury shares and the electronic dissemination of corporate communications by listed issuers; (ii) modernize and provide flexibility to the Company in relation to the conduct of general meetings; and (iii) make certain other housekeeping changes. The amended and restated memorandum and articles of association of the Company was adopted by way of a special resolution passed at the annual general meeting held on 25 September 2025. Details are set out in the Company's circular dated 15 August 2025. The amended and restated Memorandum and Articles of Association is available on the Company's website at www.tso.cc and on the Hong Kong Stock Exchange's website at www.hkexnews.hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THIS REPORT

Telecom Service One Holdings Limited (“Group” or “we”) is pleased to publish the Environmental, Social, and Governance (“ESG”) Report (“ESG Report”) for the reporting period from 1 April 2025 to 31 March 2026 (the “Year”). The ESG Report elaborates on the various works of the Group in fulfilling the principle of sustainable development and its performance in corporate social responsibilities during the Year. The Group will continue to strengthen its efforts in information collection to enhance the performance on environmental and social aspects, and to disclose related information in the future.

1.1 Scope of ESG Report

The Group is principally engaged in the provision of repair and refurbishment services for mobile phones and other personal electronic products, coupled with the sales of related accessories in Hong Kong. The ESG Report focuses on the environmental and social performance of the core business of the Group in Hong Kong during the Year. The disclosure of the key performance indicators (“KPIs”) in the Year covers all the entities of the Group in Hong Kong, including the Group’s head office, repair centres, and warehouse.

1.2 Reporting Framework

The ESG Report was prepared in accordance with the “Environmental, Social, and Governance Reporting Code” as set out in Appendix C2 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) and complies with the “Comply or Explain” provision therein. The ESG Report complies with the reporting principles set out in the Environmental, Social, and Governance Reporting Code.

1.3 Reporting Principles

The ESG Report adheres to the ESG Reporting Principles set out in the ESG Reporting Code, including materiality, quantitative, balance and consistency. Details are illustrated as follows:

Materiality

The ESG Report’s content is determined through stakeholder engagement and materiality assessment, involving the identification of ESG-related issues, collection and review of management and stakeholders’ opinions, evaluation of issue relevance and materiality, and preparation and validation of reported information. Key ESG matters prioritised in the Report address stakeholders’ concerns, as detailed in the “Materiality Assessment” section.

Quantitativeness

The Report includes quantitative environmental and social indicators to enable stakeholders to comprehensively understand the Group’s ESG performance. Information on calculation standards, methodologies, references, and data sources for these KPIs is provided where applicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Balance

The Group presents its ESG performance impartially in the Report, avoiding selective or misleading presentation. It highlights both positive trends and areas for improvement, ensuring stakeholders can objectively evaluate impacts and progress.

Consistency

To facilitate year-on-year comparison, the Group uses consistent reporting formats and KPI calculation methodologies. Any significant changes in information or methodologies are explained in the Report to ensure transparency and enable stakeholders to interpret data accurately.

1.4 Information and Feedback

Your opinions and feedback on the ESG Report will be highly valued by the Group. Should you have any advice or suggestions, please share your views with us via email at ESG_enquiry@tso.cc.

2. BOARD STATEMENT

The Group believes that good ESG governance strategies and practices are the keys to enhancing its investment value and bringing in long-term returns to its stakeholders. In order to better monitor and manage the Group's policies, measures, and work regarding ESG, the Board of Directors (the "Board") is responsible for the oversight of the Group's ESG-related issues, including setting up, assessing, and reviewing ESG-related goals and strategies, monitoring ESG performance, and reviewing the processes of stakeholder engagement. To ensure the operations and practices meet the Board's expectations and the Group's strategies, the Board delegates authority to supervisors and colleagues to help monitor the cooperation among different departments. Furthermore, training related to ESG, customer services, and product handling is provided every month to employees to enhance the quality of ESG-related matters.

The Board understands the importance of prioritising ESG issues of the Group. Therefore, it has assigned an independent consulting firm during the Year to conduct a materiality assessment on ESG issues. Internal stakeholder surveys have been carried out and industry-specific issues were considered by using materiality maps together with professional advice. Senior management has also participated in the engagement exercises and provided constructive feedback in determining the materiality of ESG issues. The Board is well-informed about the results and will keep reviewing the engagement channels of stakeholders to ensure effective communication between the Group and its stakeholders.

In order to further motivate the Group in pursuing a higher ESG-related standard, the Board will continue to keep track of the latest development of the ESG reporting requirements of the Hong Kong Stock Exchange and set various goals and targets for ESG performance with reference from the Group's most significant issues to its business and stakeholders whenever necessary. The Group also shares its progress in ESG with different stakeholders, most notably through the Group's annual ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

2.1 Corporate Culture

Corporate culture plays a critical role in defining the Group's approach towards sustainability development. The Group's values, beliefs, and practices can and will have a significant impact on the Group's ESG performance. By building a sustainability-centred corporate culture, the Group can foster innovation, collaboration, and commitment to continuous development and improvement. Also, the Group strives to incorporate sustainability ideas into all aspects of business, from supply chain management and product development to employee engagement and community development. By prioritising sustainability, the Group is better positioned to mitigate environmental risks, creating long-term values, and building sounding relations with stakeholders.

The Group understands that building a strong and supportive corporate culture is essential to attracting and retaining top-tier talents, establishing trust with our customers, and advantageous in creating long-term values for both the Group and our stakeholders. Thus, the Group is committed to fostering a culture that is aligned with our ESG commitments, and one that will reflect our core values of sustainability, employee engagement, and business integrity.

Focusing on employee's engagement and well-being is set to be an important aspect of our corporate culture and development principles. The Group recognises our employees as our most valuable assets, and are committed to providing them with a supportive and empowering working environment. The Group offers a variety of development programs and training for our employees, ensuring that our employees retain the skills and knowledge they need to be successful professionally and personally. Other than that, the Group is also committed to promoting diversity and equality in the workspace, as we believe that it would be advantageous in building a strong corporate culture and corporate success.

The Group takes compliance and business ethics responsibility seriously. The Group strives to build trust with our customers and stakeholders, thus outlining comprehensive programs to ensure the Group is always operating within the bounds of relevant laws and regulations. The Group also endeavors to be accountable and transparent in all our operations, and will communicate with our stakeholders regularly to better understand their concerns and priorities.

In conclusion, corporate culture is a critical element of our ESG performance at our telecommunications company. By fostering a culture that is aligned with our ESG commitments, we are confident that we can create long-term value for our stakeholders and contribute to a more sustainable future for all.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

3. MATERIALITY ASSESSMENT

The preparation of the ESG Report was supported by the employees across various departments, enabling us to have a thorough understanding of our current environmental and social development. The information that the Group gathered is a summary of the environmental and social initiatives carried out by the Group during the Year and acts as the basis for mapping out its short-term and long-term sustainable development strategies. Meanwhile, the Group strives to maintain supporting and trusting relationships with its stakeholders. Through diversified communication channels, the Group can effectively understand and respond to the expectations and requirements of different stakeholders.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Business partners	• Operation with integrity • Equal rivalry • Performance of contracts • Mutual benefits and win-win situations	• Review and appraisal meetings • Business communication • Discussion and exchange of opinions • Engagement and cooperation
Customers	• Outstanding products and services • Health and safety • Performance of contracts • Operational integrity	• Customer service centre and hotlines • Customer feedback survey • Social media platforms
Environmental regulatory authorities	• Compliance with emission regulations • Energy saving and emission reduction • Environmental protection	• Reporting
Employees	• Protection of rights • Remunerations and benefits • Career development • Humanity cares	• Employee mailbox • Training and workshop • Employee communication meetings
Government and Regulations	• Strict compliance with policies, laws, and regulations • Supporting local economic growth • Driving local employment • Tax payment in full and on time • Ensuring production and product safety	• Regular information reporting • Dedicated Report
Shareholders	• Returns • Compliance operation • Increasing company value • Transparent information and effective communication	• General meetings • Announcements and circulars • Email, telephone communication, and company website • Dedicated reports
Industry	• Establishment of industry standards	• Dedicated reports
Community and the Public	• Improve community environment • Participation in charity	• Company website • Social media platforms

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Given the relevance and validity of the ESG Report with the Group's environmental and social performance, the Group has conducted a materiality assessment to identify ESG issues that are material to the business of the Group and its stakeholders. The assessment is based on internal stakeholder surveys, the materiality maps provided by well-known external institutions¹, as well as the professional opinions from an independent consulting firm. During the Year, the Group has identified 9 material ESG-related issues, which are disclosed in detail in the ESG Report.

Material Issues	Corresponding Sections
Waste Management	Emission
Energy Consumption	Energy Management
Use of Raw Materials and Packaging Materials	Green Operation
Employment Compliance	Employment Guidelines
Diversity and Equal Opportunity	Employment Guidelines
Quality Management	Product and Service Quality
	Supply Chain Management
Customer Service Management	Product and Service Quality
Privacy and Data Security	Privacy Protection
Business Ethics	Anti-corruption

4. ENVIRONMENTAL PROTECTION

The Group spares no effort in improving its environmental performance and reducing its environmental impact. The Group does not engage in business activities that would cause notable impacts on the environment and natural resources. Nevertheless, the Group attaches great importance to implementing different policies on emissions and resource management in the business operation.

4.1 Emission

The Group recognises the importance of maintaining environmental sustainability in its daily operation and acts in strict compliance with local laws and regulations relating to emission control, including but not limited to the Law of the People's Republic of China on the prevention and Control of Atmospheric Pollution and did not violate laws and regulations that have a significant impact on the Group regarding exhaust and greenhouse gas (GHG) emissions.

Exhaust Emissions

As a service-based enterprise, the Group is not involved in any manufacturing process and does not own any vehicles. Therefore, the Group does not generate exhaust emissions that raise significant environmental issues. Moreover, no vehicles are being used by the Group, no vehicular exhaust emission is generated.

¹ The materiality map referenced in the materiality assessment included the ESG Industry Materiality Map produced respectively by Morgan Stanley Capital International (MSCI) and Sustainability Accounting Standards Board (SASB).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

GHG Emissions

The Group's GHG emissions are primarily classified into two scopes: (i) scope 2 includes indirect emissions from purchased electricity; and (ii) scope 3 includes indirect emissions from Methane gas generation at landfill due to disposal of paper waste.

Due to electricity and paper being the primary sources of GHG emissions, the Group has implemented various measures. For the lighting system, motion sensors are installed in infrequently used areas, and separate light switches for different zones are set. All employees must turn off department lights during lunch breaks and after work, and switch off lights in reception rooms, meeting rooms, and warehouses when unused. As for paper waste, the Group encourages reusing paper or double-sided printing, and collects paper documents like waste paper, posters, letters, and envelopes for recycling.

4.2 Waste Management

The Group strictly complies with the Solid Waste Pollution Prevention and Control Law of the People's Republic of China and other relevant regulations, and did not violate laws and regulations that have a significant impact on the Group regarding generation of non-hazardous and hazardous waste. The non-hazardous waste of the Group is composed of waste paper and general office waste. In order to reduce waste generation, the Group encourages suppliers to avoid using one-off packaging materials for shipping and suggests employees to reuse packaging materials, such as plastic bags. In addition, the Group collects unwanted or wasted portable chargers from employees, which will be transferred to qualified companies for handling to alleviate the negative impacts of the disposal of chargers on the environment. Other general waste is collected and processed by the property management office. The hazardous waste produced by the Group includes battery and electronic waste, such as malfunctioned mobile phones, parts, electronic products, and related accessories. The hazardous waste is collected and transferred to the corresponding suppliers for proper handling to avoid unwanted pollution and harm. When handling malfunctioned computers, the IT department will attempt to repair the units and computers will only be disposed by qualified companies when they are beyond repairs.

The Group is dedicated to waste reduction through the maximisation of recycling rates and the promotion of reuse practices in the workplace. For instance, the Group places three kinds of recycling bins in the head office, repair centres, and warehouse to collect waste paper, aluminium cans, and plastic bottles. Once collected, these materials are responsibly transferred to qualified recycling companies for proper recycling and subsequent reuse. In addition, the Group collaborates with electronics companies to facilitate the recycling of old computers and their electronic waste, including batteries. This partnership enables the proper disposal and recycling of electronic waste, thereby reducing its detrimental effects on the environment. As part of its commitment to sustainability, the Group also prioritises the use of recycled toner and ink cartridges, contributing to the reduction of resource consumption and waste generation in printer-related activities. During the Year, the Group organised a major operation to recycle and reuse the red packets to reduce waste paper waste.

The Group will continue to practice and improve its waste reduction policy, aiming to reduce the total waste generation in the near future and incoming years. By promoting a culture of environmental responsibility within its operations, the Group works towards creating a more sustainable future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

4.3 Use of Resources

Energy Management

The Group has set out an energy conservation target of utilising energy-saving devices to maximise energy efficiency. The Group employs multiple energy-saving initiatives to improve the working efficiency of and/or devices to reduce energy consumption. Internal policy on energy conservation has been established to guide employees. In order to reduce the use of air-conditioners, employees are required to switch off the air-conditioners when out for lunch breaks and after office hours. The temperature set for air conditioners is monitored by the administrative department, and employees are not allowed to adjust the temperature without permission. For computers, employees are encouraged to set them to automatic standby or sleep mode when not in use, and are reminded to switch off all unused electrical devices and lights before leaving the office. Additionally, the colleague responsible for locking the door after work needs to check whether all air-conditioners are turned off.

Moving forward, the Group remains steadfast in its commitment to practicing and enhancing its energy efficiency and environmental protection policy. With a clear objective of reducing total energy consumption, the Group will diligently work towards achieving this goal in the coming years. By implementing adopting sustainable practices, the Group aims to minimise its environmental impact and contribute to a greener future. The Group's unwavering dedication to energy efficiency and environmental protection will continue to drive its efforts towards a more sustainable operation.

Water Management

The Group strictly complies with Water Pollution Prevention and Control Law of the People's Republic of China and other provisions of local standards, and did not violate laws and regulations that have a significant impact on the Group regarding discharges into water and land. The Group advocates and achieved its water efficiency and water reduction targets in the workplace by implementing Policy on Environmental Protection and Resource Management and posting leaflets around the office to raise awareness of water efficiency among employees. The major type of wastewater generated by the Group is domestic sewage, which is directly discharged into the municipal drainage system. The Group encourages its employees to save water resource and avoid waste. Meanwhile, the Group has put effort to reduce water consumption and further minimise the domestic sewage generation, such as putting water-saving reminder labels in the toilet and using faucets with infrared sensors.

During the Year, the repair centres, warehouse, and head office of the Group are rented properties and the water charges are included in the management fee, thus the water consumption records are not available for disclosure. During the Year, there is no issue in sourcing water that is fit for such a purpose.

Packaging Materials

The Group primarily responsible for repairing mobile phone, with the main packaging materials including plastic. The Group has recognised the importance of promoting environmentally friendly practices and is committed to monitoring its suppliers to ensure the use of greener packaging resources. By actively monitoring its suppliers' adherence to green practices, the Group aims to drive positive change and minimise its environmental footprint.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

4.4 Green Operation

The Group emphasises employees' support and participation in the green operation, thus engaging measures are adopted to enhance employees' awareness of environmental protection. For instance, the Group puts up notices around the office to remind energy and water conservation, and remind employees to reduce the use of non-recyclable goods such as disposable wiping towels and paper.

The Group has implemented a range of measures to effectively reduce paper consumption, demonstrating its commitment to creating a greener and more environmentally responsible workplace. These include the use of recyclable paper, printing documents on both sides, recycling envelopes, setting printing quotas, employing smaller font sizes and adjusting line spacing for documents, reusing promotional brochures and packaging materials, and maximising the use of electronic channels for information dissemination. The Group also proactively encourages customers to be mindful of their paper usage by emphasising the importance of minimising packaging materials and promoting the utilisation of the Group's online platform for reservations to reduce the demand for printed materials. During the Year, the Group also launched a campaign to recycle and reuse red envelopes, in order to minimise paper waste as much as possible. These efforts not only contribute to a decrease in GHG emissions by reducing paper waste sent to landfills but also help mitigate the generation of hazardous waste associated with printer and ink usage.

4.5 Responding to Climate Change

In recent years, climate change has led to more frequent extreme weather events, bringing both significant risks and opportunities for environmental, social, and economic systems worldwide. Recognizing that proactive climate risk management is now essential, the Group has integrated climate change mitigation into its core strategic decision-making during the reporting period. In line with the climate-related disclosure requirements set out in Appendix C2 of the Listing Rules, we have systematically identified and disclosed our strategies and actions across four key areas: Governance, Strategy, Risk Management, and Metrics and Targets. We remain committed to advancing a sustainable, low-carbon future and contributing to a better environment for generations to come.

Governance

To ensure effective climate change management, the Group has established a dedicated climate change management system, with the Board of Directors acting as the highest decision-making body overseeing our sustainable development. The Board holds ultimate responsibility for maintaining the ESG governance framework, exercising deliberation, decision-making, management, and oversight over all sustainable development policies and strategies.

Climate-related issues are incorporated into the Board's regular meetings at least once a year. The Board is responsible to examine the Group's climate risks and opportunities, evaluate how effectively senior management is addressing climate impacts, track annual progress against climate targets, and adjust those targets when necessary to keep efforts on course. At the same time, when reviewing the Group's strategies, major transactions, risk management procedures, and policies, the Board proactively integrates climate-related risks and opportunities into its assessments and makes targeted judgments about the trade-offs involved.

To enhance the Board's competence and awareness regarding climate change, the Group actively promotes the continuous professional development of its directors. This is achieved through access to climate-related learning materials. These materials aim to deepen the board's insight into climate challenges, strengthen their responsiveness, and keep them updated on emerging climate-related risks, opportunities, and evolving trends.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Meanwhile, the Group has entrusted the execution of climate-related initiatives to its senior management. Their responsibilities include embedding climate risk considerations into the Group's broader risk management framework and operational systems. This structured approach enables early identification of potential risks, supports well-informed strategic choices, and fosters cross-departmental coordination to formulate and drive forward climate action plans.

With this clearly defined governance structure that assigns explicit climate responsibilities, the Group is better equipped to systematically tackle climate-induced challenges, thereby laying a solid groundwork for our long-term sustainable growth.

Strategy

The Group remains dedicated to enhancing its operational resilience in the face of climate change while advancing its position as an environmentally accountable organization. This year, we conducted our first comprehensive climate scenario analysis to better understand and address the potential impacts of climate change. This analysis covers physical risks, transition risks, as well as potential opportunities and challenges, and has carried out a detailed screening and assessment of these aspects.

- **Physical risks:** Risks arising from the direct environmental effects of climate change, including acute impacts from extreme weather events and chronic impacts from long-term climatic shifts that may affect asset integrity and operations.
- **Transition Risks:** Risks associated with the shift to a low-carbon economy, stemming from new regulations, technological advancements, legal actions, and changing market preferences that could present financial and operational challenges.

To conduct a thorough assessment of potential climate-related risks and opportunities during the Group's business development, we took into account variables such as global warming pathways, shifts in climate policy, and the timing of impact realization. This analysis covered both low- and high-emission scenarios and utilized scenario modeling assumptions and key parameters drawn from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 public release of the Network for Greening the Financial System (NGFS). The assessment was conducted across three time horizons: short-term (2030), medium-term (2040), and long-term (2050). These time frames reflect the Group's operational budgeting cycle and strategic business planning cycle, while also aligning with national "Dual Carbon" goals and the Hong Kong government's target of achieving carbon neutrality by 2050.

In the scenario analysis, we assume that there will be no changes to our mitigation policies and reporting scope within the anticipated impact range of risks. The table below outlines the selected climate scenario models, which include both low- and high-emission scenarios to facilitate a clearer understanding of the potential effects of climate change on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Methodology and scope

Scope Same as the reporting boundary, which covers our principal operating activities in Hong Kong.

Scenario Used IPCC for physical risks analysis:

- **SSP 1-2.6:** Global warming reaches 2.0°C, global transitions remain broadly aligned with historical trends. It is characterized by stringent regulations, resulting in severe transition risks for businesses, while physical risks remain notable.
- **SSP 5-8.5:** Global warming exceeds 4°C, with governments acting slowly and mitigation efforts stalled – coupled with a lack of climate policies across many jurisdictions – impacts will become far more extreme, exposing businesses to significantly greater physical risks, both immediate and long-term.

NGFS for transition risks analysis:

- **Net Zero 2050:** Strict climate policies are adopted early to curb global warming at 1.5°C and achieve global net-zero CO₂ emissions around 2050, driven by reduced energy demand and the development of low-carbon technologies.
- **Current Policies:** Only current policies remain in place, greenhouse gas emissions will continue to rise, pushing global warming above 3°C and resulting in severe physical risks.

Climate-related considerations are now embedded throughout our core business activities. These efforts span capital investments in repair centre and warehouse upgrades, measures to enhance supply chain resilience and business continuity, and adherence to emerging environmental and sustainability regulations. However, at this time, no distinct portion of these expenditures can be separately identified as directly linked to climate-related risks or opportunities. As a result, we are unable to provide quantified figures regarding the current or anticipated financial effects of these initiatives. Similarly, when it comes to cross-industry climate metrics, data collection remains fragmented across different operational units and is subject to considerable measurement uncertainty. Accordingly, obtaining such data in a reasonable and cost-efficient manner is not practicable at this stage.

Nevertheless, the Group has identified the principal financial implications arising from key climate risks and opportunities, and has presented detailed qualitative disclosures in the accompanying tables. We are also making steady progress in strengthening our internal data integration and modeling capabilities, with the aim of gradually improving the availability and quality of quantitative disclosures over time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The following 3 climate-related risks and opportunities have been identified from assessment and analysis under the selected high/low carbon scenarios and time horizon (2030-2050). Detailed qualitative assessment results for these risks and opportunities are presented in the tables below.

Types of Risk and Opportunities	Key Affected Area	Materiality Level ^{note 1}			Impact on Business	Impact on Financial Performance
		Short term	Medium Term	Long Term		
Physical Risks						
Acute	Extreme Weather Events	Our repair centres, head office, warehouse				Business model: - Temporary closure of repair centres and head office, disrupting service delivery and customer support - Delays in repair turnaround times due to staff unable to commute or sites inaccessible Value Chain: - Disruption to inbound logistics of spare parts and accessories from suppliers - Outbound delays for repaired devices and accessory shipments to customers Revenue loss: walk-in customer sales of accessories affected by store closures Increased cost: emergency logistics for spare parts; overtime pay to address the accumulation of pending repair orders
Transition Risks						
Change in Market Demand	Growing preference for sustainable and energy-efficient products and services	Our repair and refurbishment business				Business model: - Risk of losing customers to competitors offering eco-friendly repair services or certified refurbished devices - The need to train repair technicians on sustainable refurbishment practices and energy-efficient diagnostic tools Value Chain: - Increased demand for suppliers of certified green spare parts and sustainable packaging Revenue Shifts: Potential decline in demand for non-certified refurbished devices Higher Sourcing Costs: Premium for sustainable packaging, recycled accessories, or certified spare parts

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Types of Risk and Opportunities	Key Affected Area	Materiality Level ^{note 1}			Impact on Business	Impact on Financial Performance
		Short term	Medium Term	Long Term		
Opportunities Energy Efficiency & Operations	Adoption of energy-efficient equipment and practices in repair centres and warehouse	Our repair centres, warehouse, head office				Business model: - Reduced non-hazardous waste as a result of the Group's continuous efforts in various initiatives aimed at reducing, reusing, and recycling hazardous waste. Reduced electricity consumption through energy-efficient lighting system Value Chain: - Partnerships with green equipment and energy-efficient tool providers Efficiency and Savings: - Reduced electricity costs and increased efficiency in business operations Revenue Growth: - Potential government incentives or subsidies for energy-saving initiatives

¹ *Materiality Definitions –*
 : Handle through standard existing processes;
 : Need to be monitored consistently;
 : Require management strategy planning and implementation tracking.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Types of Risks	Mitigation Measures
Extreme The weather Events	- Develop and implement a business continuity plan for repair centres and warehouse, including typhoon and flood response procedures. - Enable remote customer support and online service booking to reduce dependency on walk-in operations during weather disruptions.
Change in Market Demand	- Introduce certified refurbished devices with warranty to attract environmentally conscious customers. - Provide appropriate staff training on sustainability to enhance customer engagement.

Types of Opportunities	Response Measures
Energy Efficiency & Operations	- Encourage the use of energy-efficient lighting to reduce electricity consumption. - Apply for government energy-saving subsidies or green operation incentives when applicable.

Although the Group has not yet developed a dedicated climate transition plan, we have implemented the mitigation measures previously described to address potential adverse climate impacts. These measures are supported by internal funding and existing human resources. To fully advance our decarbonisation and climate resilience efforts, the Group explicitly identified its material Scope 3 categories during the Year and established corresponding climate targets. During the reporting period, the Group did not incur any separately identifiable capital expenditure, financing, or investments specifically allocated to climate-related risks and opportunities. Furthermore, we have continued to apply the mitigation and response measures disclosed in the previous reporting period across all operating regions.

Despite our proactive measures, the execution of our climate resilience plans is subject to significant uncertainties. Such uncertainties include unpredictable developments in global and regional climate policies, shifting consumer preferences for sustainable products and solutions, the variable pace and severity of physical climate impacts, as well as the uncertain timing and stringency of future climate-related regulations. The Group remains confident in its ability to strategically and operationally adapt to climate change across all time horizons. This capacity is integrated into our ongoing strategic planning and operational management, allowing for timely adjustments to business priorities, processes, and value chain partnerships in response to evolving climate-related risks, regulatory developments, and market trends.

Moving forwards, we will keep track of developments in climate risks and related opportunities, review the performance of existing measures at regular intervals and adjust our climate strategies as appropriate. Climate-related targets will be defined according to operational performance, supported by clear objectives that facilitate the systematic execution of responsive measures. This approach will enhance our overall agility and resilience in addressing climate challenges.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Risk Management

The Group has fully embedded the identification, assessment, prioritization, and management of climate-related risks and opportunities into its overarching risk management framework. This integration ensures that climate considerations are woven into day-to-day operations, enabling effective responses to climate change challenges. As these processes are consistent with the Group's existing risk management structure, no significant changes were made to them during the year.

In carrying out these processes, the Group considers parameters such as asset location and type, historical exposure to extreme weather events, and energy consumption patterns. It draws on climate data from publicly available scenario sources, as well as internal data including utility consumption records and operational incident logs. A summary of the Group's climate risk and opportunity management process is provided below:

- 1. Identification** The Group collects stakeholder feedback, and conducts climate scenario analysis customized to the Group's operational environment and business characteristics. On this basis, the Group has developed a structured list of climate-related risks and opportunities, specifying both the physical and transition risks that impact its operations, along with the associated potential opportunities.
- 2. Evaluation** The Group undertakes a thorough assessment of how climate-related risks and opportunities could influence our business model, value chain, and financial performance, including an evaluation of their likelihood and potential magnitude.
- 3. Prioritisation** Based on the assessment results, the Group prioritizes the identified climate-related risks and opportunities according to their severity and urgency, placing particular emphasis on those characterized by high likelihood and significant potential impact.
- 4. Monitoring** Based on the results of risk and opportunity identification and assessment, the Group formulates response plans and strategies aimed at capturing potential opportunities. The effectiveness of these measures is regularly reviewed and monitored. In parallel, the results of the risk and opportunity identification, assessment, and management processes are reported to the Board on a periodic basis. This process strengthens the Board's oversight of risk and opportunity management and ensures that response measures and opportunity-capturing strategies are effectively implemented.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Metrics and Targets

In alignment with global climate commitments, the Group is dedicated to ensuring that its operations align with Hong Kong's regional decarbonization targets. To meet relevant climate framework requirements, we regularly assess our ESG performance metrics and have set specific reduction and management goals in line with current standards. While these targets are currently directional in nature, the targets were prepared, but have yet undergone independent third-party verification, nor have they been developed using a sector-specific decarbonisation methodology. The board conducts annual progress reviews to evaluate performance and determine whether adjustments are necessary. The board further commits to enhancing governance mechanisms for the setting, evaluation, and verification of these targets, thereby ensuring transparency and integrity throughout the Group's decarbonization journey.

In order to achieve quantifiable emissions reductions, the Group is placing priority on meaningful decarbonization efforts, primarily through enhancing energy efficiency and optimizing operations. At this stage, we have no plans to use carbon credits for offsetting purposes. However, we continue to track the evolution of carbon credit markets and relevant regulatory frameworks, and stand ready to adopt such instruments as a complementary approach to support our long-term carbon neutrality goals when circumstances are suitable.

Given the nature of our business, the Group does not operate in a high-emission industry. Our greenhouse gas emissions are primarily generated from office electricity consumption. Since our business scope has remained relatively stable, it is difficult to quantify a specific percentage reduction target for the future. For the above reasons, the Company has set qualitative environmental targets, rather than quantitative ones, at this stage.

Carbon Reduction Targets for the Group:

Category of Target	Description
GHG Emission	Actively maintain and gradually reduce the Scope 2 greenhouse gas emission.
Energy Management	Actively maintain, or gradually reduce electricity and water consumption according to the resource conservation measures of the group.
Waste Management	Actively maintain, or gradually reduce waste generation in accordance with the Group's reduce methods.

The Group conducted greenhouse gas (GHG) identification, assessment, and verification during the Year to effectively manage its emissions. Scope 2 emission is calculated in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*. Concurrently, in line with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*, we have assessed Scope 3 GHG emission categories this year. Based on the review and analysis of our business operations, and after considering factors such as emission scale, data availability, and stakeholder concerns, the Group ultimately identified one key category closely related to our activities as the focus for Scope 3 GHG accounting, which is Category 5: Waste generated in operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

During the Year, the summary of GHG emissions of the Group is illustrated as below:

GHG Emissions	Unit	2025/26	2024/25
Total GHG Emissions ⁽¹⁾	tCO ₂ e	121	107
Total GHG Emissions intensity	tCO ₂ e/employee	0.96	0.77
Scope 1 – Direct emissions	tCO ₂ e	0	0
Scope 2 – Energy indirect emissions ⁽²⁾	tCO ₂ e	117	101
Scope 3 – Other indirect emissions ⁽³⁾	tCO ₂ e	4	6

Notes:

1. The Group's GHG inventory includes carbon dioxide and methane. For the ease of reading and understanding, the GHG emissions data is presented in carbon dioxide equivalent (CO₂e). The calculation of GHG emissions is based on the reporting requirements of Appendix 2 "Reporting Guidance on Environmental KPIs" to "How to prepare an ESG Report" issued by the Stock Exchange.
2. Scope 2 energy indirect emissions include indirect GHG emissions from purchased electricity by the Group during the Year. The emission factors used for calculating the GHG emissions of purchased electricity are provided by the CLP Power Hong Kong Limited.
3. Scope 3 other indirect emissions covers other indirect emissions outside the Group, including methane gas generation at landfill due to the disposal of paper waste. The emission factors used for calculating GHG emissions of paper waste are sourced from the "Reporting Guidance on Environmental KPIs" issued by Hong Kong Stock Exchange.
4. The Group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's authority to enforce operational policies across its business activities, which more accurately reflects its actual responsibilities in carbon emission management, helps strengthen GHG emission monitoring and governance, and ensures that accounting outcomes align with its sustainability goals.

Currently, carbon pricing has not yet been incorporated into our decision-making processes. Furthermore, consistence with its existing remuneration policy and industry-specific characteristics, the Group has not yet integrated sustainability performance into incentive and reward mechanisms for executives and employees.

Looking ahead, the Group will continue to track developments in carbon pricing mechanisms and climate-related performance indicators. Once these conditions mature further and become more aligned with our operational circumstances, we will assess the practicality of integrating such factors into our strategic decision-making and compensation policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

5. EMPLOYMENT AND LABOUR PRACTICES

The Group believes that its competitive strengths are attributed to its experience and capabilities of employees. The Group attaches great importance to the rights and interests of employees and complies with laws and regulations regarding employment and labour standard. The Group shall invest in employees and provides them with sounding career opportunities to strengthen its business and employees' development.

5.1 Employment Guidelines

The Group complies with the relevant labour laws and regulations, including but not limited to the Employment Ordinance, Employees' Compensation Ordinance, and Mandatory Provident Fund Schemes Ordinance regarding compensation, benefits, dismissal, working hours, and rest periods. The Group respects every employee and treats them equally with a zero-tolerance approach towards any form of discrimination on the grounds of gender, race, region, and any lawfully protected characteristics. The non-discriminatory approach applies to all employment activities and human resource-related matters, including recruitment, promotion, transfer, reward provision, and training. If any unfair treatment is discovered, the concerned employees should report the incident to their supervisors. Much effort is also given by the Group to safeguard the legitimate rights and interests of employees and cater to the developmental needs of employees.

Before employment is offered to an applicant, the Human Resources Department will verify his or her age by checking the identification documents to prevent wrongful employment of child labour. If such unfortunate wrongful employment is discovered, the Group would investigate the cases thoroughly and dismiss related employees immediately. Details of employment such as job duties, working hours, and monthly salary are clearly stated in the employment agreement to prevent forced labour. When a resignation is tendered by an employee, the Human Resources Department will arrange an exit interview for the employee to better understand his or her reason for quitting. The Group is determined to constantly improve the quality of the management through the analysis of exit survey results.

5.2 Salary and Benefits

A comprehensive performance appraisal system has been developed to regularly assess employees' performance, it is based on employees' working abilities and performance, abilities of organisation and management, team spirit, creativity, problem-solving skills, interpersonal skills, as well as presentation and communication skills, etc. For senior management, leadership and management skills are also taken into consideration. The results of the performance appraisal would act as the reference for salary adjustment and promotion.

Overtime working is not encouraged by the Group but on a voluntary basis as approved by the employee's supervisor. The overtime work is compensated by holidays or additional payment. Apart from statutory holidays, all employees are entitled to sick leave, annual leave, marriage leave, compassionate leave, and maternity leave. The Group makes contributions to Mandatory Provident Fund Schemes for full-time employees. Employees are also entitled to a discretionary bonus, medical insurance, and labour insurance offered by the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

In addition, the Group is committed to fostering a work-life balance culture and promoting a healthy lifestyle among its employees. To achieve this, the Group will organise a diverse range of events on a regular basis, aimed at enhancing employees' sense of belonging and fostering cohesion within the organisation. The Human Resources department will gather various employees benefits to offer our employees, ensuring their well-being and job satisfaction. During the Year, the Group secured benefits and discounts for employees covering electronics and seasonal goods, while also organising a House FiftyEight Winter Solstice Live Band Dinner Party and a Spring Festival Gala event. By prioritising work-life balance and creating a supportive environment, the Group aims to cultivate a positive and harmonious workplace for its employees.

5.3 Health and Safety

The Group upholds occupational health and safety in strict compliance with relevant laws and regulations, including but not limited to the Occupational Safety and Health Ordinance. In order to create a safe and healthy workplace for employees, the Group has prohibited smoking in the workplace and organised regular office cleaning.

The Group also established emergency procedures as a reference for employees if accidents ever occurred. Employees shall wear uniforms when they enter the working area, whereas all visitors shall wear protective clothing such as clothe and shoe covers. The Group has also handed out safety leaflets published by the Occupational Safety and Health Council in the workplace, such as the Safe Manual Handling, Electrical Safety, Fire Prevention, and Emergency Response Plan. The Group has distributed leaflets covering correct work postures, office safety, forklift operation, and flu prevention. The materials also emphasise manual handling safety (e.g., proper lifting and using footstools), workplace hazard control (e.g., floor maintenance and cable management), equipment safety (e.g., shredder operation), and emergency preparedness (e.g., fire safety) to reduce injury risks and promote hygiene. In addition, the Group also organised employees to participate in fire safety lectures and drills this year, as well as conducted comprehensive inspections of fire safety facilities and equipment.

In the past three years, no work-related fatalities were reported to the Group, and there were no lost days due to work injuries during the Year.

5.4 Development and Training

It is our strong belief that human capital is the most prominent resource of an enterprise. Therefore, the Group is committed to organising internal training and encouraging employees to attend external seminars, to enrich their knowledge in discharging duties and enhance working efficiency.

New employees are required to attend orientation and skills training. The skills training includes brand-oriented training ranging from device repair to software skills for back-end employees to increase professional skills, and training on services scope and customer service skills training for front-end employees to increase service quality. Existing managers and employees in designated posts are provided with professional training programmes, covering topics such as administration and inspection skills. The Group shall keep abreast of the market trends to review and organise up-to-date training programmes.

6. OPERATING PRACTICES

As the Group is principally engaged in the provision of repair and refurbishment services for mobile phones and other personal electronic products, as well as the sales of related accessories, its success highly depends on the quality of services and customer satisfaction. We aim to provide the best quality of services for the customers through proper operating practices and managements.

6.1 Supply Chain Management

Procurement decisions are made based on inventory levels and movement, expected sales, lead time of the products, and other factors. The Group has implemented a supplier approval procedure to manage all suppliers and has developed new supplier assessment procedures. To fulfil environmental and social responsibility, we always take environmental and social risks into account. The Group emphasises the implementation of effective measures by suppliers to mitigate the risks of work-related accidents and illnesses, such as providing appropriate equipment for their employees engaged in high-risk tasks. Additionally, the Group places importance on suppliers having comprehensive emergency response measures in place, including regular fire drills, safety drills, and clearly defined escape routes. Compliance with local and international laws and regulations concerning anti-bribery, anti-corruption, and other unethical business practices is a fundamental requirement for suppliers. Furthermore, the Group expects suppliers to have robust anti-corruption policies and sound whistle-blowing channels, strengthening transparency and accountability of the cooperation. These criteria contribute to the Group's objective of fostering a responsible and ethical supply chain.

Building on these principles, the Group has established specific processes for supplier selection. For new suppliers, a thorough evaluation is conducted, focusing on their performance in environmental protection, employee management, and social governance. Approved suppliers are then included in the Group's approved supplier list for handling and selection. Existing suppliers undergo annual performance reviews, with only those maintaining satisfactory product quality or services being accepted and recorded as approved suppliers. The procurement process involves selecting a supplier from the approved list, with the General Manager's approval required for all procurement orders. Should any non-conformity products be identified from a supplier, consideration is given to removing them from the approved supplier list. By integrating these practices, the Group ensures that its supply chain operates in line with its commitment to responsible and ethical sourcing.

Furthermore, criteria such as provision of environmentally friendly products and services are considered during procurement whenever feasible. Suppliers are expected to adhere to national, regional, and industry-specific environmental standards regarding the responsible use of production materials. Our preference lies with eco-friendly products that demonstrate energy efficiency or are made from recyclable materials, as opposed to those that do not meet these criteria. Additionally, we prioritise selecting local suppliers or those in close proximity to reduce travel costs and minimise carbon footprints. By adhering to these principles, we aim to support sustainable practices and reduce environmental impact throughout our supply chain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

6.2 Product and Service Quality

The Group is committed to providing customers with reliable services and products. For product quality assurance, the Group has developed an incoming inspection requirement, which stipulates all consumables to be inspected and recorded. For non-conforming products, the Group would isolate the product to prevent any misuse. The Group will then notify the respective suppliers and return the non-conforming products to be followed upon completion of the repair work, the quality of products will be examined by at least two inspectors to ensure the quality meets our standards. For any defective products reported by the end-user, the Group shall inspect the product and determine the handling methods, such as re-working and repairs. During the Year, there was no product recall due to concerns over safety and health-related reasons.

The Group values effective communication with customers and collects comments and feedback from customers through customer services hotlines. In order to enhance customer satisfaction, customers' complaints are all transferred to suppliers for handling promptly and efficiently. The Group has established a corrective action and risk management procedure to handle complaints. All complaints shall be investigated to conclude the cause and provide solutions to fix the problem and take the remedy and corrective actions when required. During the Year, the Group did not receive any complaints related to our products and service quality.

The advertising and promotional activities carried out by the Group are fully governed by relevant laws and regulations, including but not limited to the Trade Descriptions Ordinance. The Group monitors the advertising content to ensure that all advertising contents are clear, true, and free from any false and misleading product descriptions.

6.3 Privacy Protection

The Group attaches great importance to privacy protection and strictly complies with relevant laws and regulations, including but not limited to the Personal Data (Privacy) Ordinance. Employees are required to keep customer information in strict confidence, sign a non-disclosure agreement upon employment, and wipe any personal data on the phone in the presence of the customer before proceeding to repair. Since customer information is necessary for the repair service, the customers will be fully informed about the collection and use of their personal information with consent obtained from the customers. In order to safeguard the privacy of our customers, the Group has implemented a comprehensive security plan within our warehouse. This includes the installation of a 24-hour monitoring CCTV system, an alarm system, and a door access control mechanism. The managers are responsible for assigning access rights and closely monitoring all activities taking place in the warehouse to maintain data security.

Apart from protecting customers' privacy, employees are prohibited to disclose any information about the employment terms, product specifications, and business strategies of the Group, and/or any of its dealings, transactions, affairs, and/or any other confidential information to any individual, firm or third party both during and after their employment. Without obtaining consent from the Group, downloading or making copies of confidential information from the Group's computers is also strictly prohibited.

6.4 Protecting Intellectual Property

The Group respects intellectual property and strictly complies with relevant laws and regulations, including but not limited to the Copyright Ordinance. The Group would only install authorised software, and employees are required to seek permission from the Group before installing any software.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

6.5 Anti-corruption

The Group is determined to maintain a fair and competitive market and promote sustainable development in the industry. The Group strictly abides by laws and regulations on anti-corruption, including but not limited to the Prevention of Bribery Ordinance, the Group has implemented internal guidelines regarding anti-bribery measures and the declaration of interests, the Group also ensures smooth channels for reporting corruption incidents and provides protection for whistleblowers. Additionally, a comprehensive code of conduct has been developed to govern the ethics and behaviors of all employees. Employees are forbidden from receiving any benefits from suppliers, customers, and parties related to the Group. For gifts or cash valued over HKD50, employees must declare them to governing personnel and the department. The Group strictly prohibits employees from accepting any illegal rebates. In case of unavoidable potential conflicts of interest, employees are required to make a declaration. Any employees in breach of the codes will face disciplinary actions, including warning letters and dismissal. Suspected corruption or other criminal offenses must be reported to departmental managers and relevant authorities. Anti-corruption training will be provided to employees as needed, in line with the Prevention of Bribery Ordinance.

During the Year, the Group is not aware of any legal action against the Group and its employees regarding corruption.

7. COMMUNITY INVESTMENT

The Group is committed to serving the community and creating positive social impact. Over the years, we have promoted social welfare by actively participating in charitable activities and encouraging employees to engage in various volunteer services, demonstrating our dedication to contributing to the development and betterment of the communities where we operate. We recognise that communities are the cornerstone of our lives and work, and firmly believe that investing in and supporting community projects can bring positive changes to residents. Through active community investment, we aim to create lasting positive impacts, empower local stakeholders, and foster a shared sense of prosperity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

8. KEY PERFORMANCE INDICATORS

The KPIs data for the Group's head office, repair centres, and warehouse in Hong Kong are as follows:

Environmental Indicators	2025/26	2024/25
Waste		
Total hazardous waste produced (kg)	2,967 ^(Note 4)	45
Hazardous waste produced per working day per centre (kg/employee)	23.55	0.32
Total non-hazardous waste produced ^(Note 1) (tonnes)	25	29
Non-hazardous waste produced per employee (tonnes/employee)	0.20	0.21
Use of Resources		
Total energy consumption ^(Note 2) (MWh)	307	267
Energy consumption per employee (MWh/employee)	2.44	1.92
Use of Packaging Materials		
Total plastics used ^(Note 3) (kg)	1,049	1,062
Plastics used per product (kg/piece of product)	0.69	0.45

Notes:

1. The non-hazardous waste generated by the Group, which included only general office garbage, was estimated based on its daily operation situation.
2. Calculated based on the actual energy consumption record of the Group.
3. Calculated based on the actual packaging materials record of the Group.
4. The increased in hazard waste recorded this year was mainly due to returning the defective items (PlayStation) from the past 3-5 years. The return just got approved during the 2025/26 financial year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Social Indicators	2025/26	2024/25
Number of Employees		
By gender		
Male	78	87
Female	48	52
By age group		
Below age 30	33	34
Age 30 to 50	57	68
Above age 50	36	37
By geographic region		
Hong Kong	126	139
By employment type		
Full-time	76	89
Part-time	50	50
Turnover Rate (Note 1)		
By gender		
Male	73%	116%
Female	48%	111%
By age group		
Below age 30	122%	179%
Age 30 to 50	48%	78%
Above age 50	36%	64%
By geographic region		
Hong Kong	63%	114%
Average Hours of Training per Employee and Percentage of Employees Who Received Training		
By gender		
Male	3 (74%)	3 (62%)
Female	2 (42%)	2 (35%)
By employee category		
Junior	3 (57%)	3 (20%)
Middle	4 (92%)	5 (73%)
Senior	2 (22%)	4 (69%)
Part-time	2 (66%)	1 (30%)
Number of suppliers		
By geographic region		
Hong Kong	66	63
Mainland China	3	2
Overseas (Note 2)	1	2

Notes:

1. Most of the resigned employees are part-time employees for 2025/26.
2. Overseas supplier includes Seoul of Korea.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

9. APPENDIX: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORTING CODE

ESG Indicators	Summary	Sections	Page Number
Environment			
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 to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL PROTECTION Emission Green Operation	34-35, 37
KPI A1.1	The types of emissions and respective emissions data.	KEY PERFORMANCE INDICATORS	51-52
KPI A1.2	Repealed 1 January 2025	—	—
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	KEY PERFORMANCE INDICATORS	51-52
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	KEY PERFORMANCE INDICATORS	51-52
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION Responding to Climate Change	37-42
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 PROTECTION Emission	34-35

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG Indicators	Summary	Sections	Page Number
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	ENVIRONMENTAL PROTECTION Energy Management Green Operation	36-37
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	KEY PERFORMANCE INDICATORS	51-52
KPI A2.2	Water consumption in total and intensity.	–	Water consumption data is not provided by the Group in the Year.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION Energy Management	36
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 are taken to achieve them.	ENVIRONMENTAL PROTECTION Green Operation	37
KPI A2.5	The total packaging material used for finished products and, if applicable, with reference to per unit produced.	KEY PERFORMANCE INDICATORS	51-52
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL PROTECTION Green Operation Responding to Climate Change	37-42
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION Green Operation Responding to Climate Change	37-42
Part D Climate Change	(i) Governance (ii) Strategy (iii) Risk Management (iv) Metrics and Targets	ENVIRONMENTAL PROTECTION Responding to Climate Change	37-42

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG Indicators	Summary	Sections	Page Number
A4 Climate Change			
General Disclosure	Repealed 1 January 2025	–	–
KPI A4.1	Repealed 1 January 2025	–	–
Social			
Employment and Labour Practices			
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 related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	EMPLOYMENT AND LABOUR PRACTICES Employment Guidelines Salary and Benefits	46-47
KPI B1.1	Total workforce by gender, employment type, age group, and geographical region.	KEY PERFORMANCE INDICATORS	51-52
KPI B1.2	Employee turnover rate by gender, age group, and geographical region.	KEY PERFORMANCE INDICATORS	51-52

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG Indicators	Summary	Sections	Page Number
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 relative to providing a safe working environment and protecting employees from occupational hazards.	EMPLOYMENT AND LABOUR PRACTICES Health and Safety	47
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	EMPLOYMENT AND LABOUR PRACTICES Health and Safety	47
KPI B2.2	Lost days due to work injury.	EMPLOYMENT AND LABOUR PRACTICES Health and Safety	47
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	EMPLOYMENT AND LABOUR PRACTICES Health and Safety	47
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	EMPLOYMENT AND LABOUR PRACTICES Development and Training	47
KPI B3.1	The percentage of employees trained by gender and employee category.	KEY PERFORMANCE INDICATORS	51-52
KPI B3.2	The average training hours completed per employee by gender and employee category.	KEY PERFORMANCE INDICATORS	51-52

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG Indicators	Summary	Sections	Page Number
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 relative to preventing child and forced labour.	EMPLOYMENT AND LABOUR PRACTICES Employment Guidelines	46
KPI B4.1	Description of measures to review employment practices to avoid the child and forced labour.	EMPLOYMENT AND LABOUR PRACTICES Employment Guidelines	46
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	EMPLOYMENT AND LABOUR PRACTICES Employment Guidelines	46
Operating Practices			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	OPERATING PRACTICES Supply Chain Management	48
KPI B5.1	The number of suppliers by geographical region.	KEY PERFORMANCE INDICATORS	51-52
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.	OPERATING PRACTICES Supply Chain Management	48
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	OPERATING PRACTICES Supply Chain Management	48
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	OPERATING PRACTICES Supply Chain Management	48

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG Indicators	Summary	Sections	Page Number
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 related to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress.	OPERATING PRACTICES Product and Service Quality Privacy Protection Protecting Intellectual Property	49
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	OPERATING PRACTICES Product and Service Quality	49
KPI B6.2	The number of products and service-related complaints received and how they are dealt with.	OPERATING PRACTICES Product and Service Quality	49
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	OPERATING PRACTICES Protecting Intellectual Property	49
KPI B6.4	Description of quality assurance process and recall procedures.	OPERATING PRACTICES Product and Service Quality	49
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	OPERATING PRACTICES Privacy Protection	49

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG Indicators	Summary	Sections	Page Number
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 related to the prevention of bribery, extortion, fraud, and money laundering.	OPERATING PRACTICES Anti-corruption	50
KPI B7.1	The 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.	OPERATING PRACTICES Anti-corruption	50
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	OPERATING PRACTICES Anti-corruption	50
KPI B7.3	Description of anti-corruption training provided to directors and staff.	OPERATING PRACTICES Anti-corruption	No anti-corruption training has been provided by the Group in the Year.
Community			
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	COMMUNITY INVESTMENT	50
KPI B8.1	Focus areas of contribution.	COMMUNITY INVESTMENT	50
KPI B8.2	Resources contributed to the focus area.	COMMUNITY INVESTMENT	The Group did not contribute any resources this Year to the focus area.

REPORT OF THE DIRECTORS

The Board is pleased to present its annual report together with the audited consolidated financial statements for the year ended 31 March 2026 (the “Financial Year”).

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries during the year under review were providing repair and refurbishment services for mobile phones and other consumer electronic devices as well as sales of related accessories for corporate customers, telecommunications services providers and global services companies. Details of the principal activities of the subsidiaries of the Company are set out in Note 33 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group’s performance during the Financial Year, particulars of important events affecting the Group that have occurred since the end of the Financial Year (if any) as well as and an indication of likely future development in the Group’s business, are provided in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” (“MD&A”) which set out on pages 4 to 5 and pages 7 to 10 of this annual report. Description of the principal risks and uncertainties that the Group may be facing are set out in the Principal Risks and Uncertainties section of this Report of the Directors on pages 60 to 61 of this annual report. An analysis of the Group’s performance using financial key performance indicators is provided in the Financial Summary on pages 140 of this annual report. Discussions on the Group’s environmental, social and governance (“ESG”), compliance with relevant laws and regulations which have a significant impact on the Group, and key relationships with its employees, customers and suppliers and other stakeholders are provided on pages 61 to 62 of this Report of the Directors, as well as relevant sections in the Corporate Governance Report and ESG Report which set out on pages 14 to 29 and pages 30 to 59 of this annual report. The above discussions form an integral part of this Report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group’s financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group’s businesses. To the best of knowledge and belief, the Directors consider that the following are the key risks and uncertainties identified by the Group as at the date of this report.

1. Market Risk

Due to market competition, the Group operates in markets and industries where the regulatory environment promotes competition and consumer protection, such as, most of the electronic devices’ suppliers provide after-sales services support to protect their consumer.

2. Technology Risk

2.1 Technology Trends

Technology processes are becoming increasingly critical to the success of organisations objectives, the Company operates requiring for the innovation leads.

2.2 Cyber-security Threat

The Group relies on a sound IT infrastructure and operating environment in supporting all aspects of its business operation, including handling of customer data, personal information and other sensitive commercial data which are susceptible to cyber-security threats.

REPORT OF THE DIRECTORS (CONTINUED)

3. Regulatory and Legal Risk

The Group operates in markets and industries requiring compliance with legal and regulatory standards in various jurisdictions, such as telecommunications, financial investments etc. which exist the risk of non-compliance with Laws and Regulations.

4. Strategic Risk

The current business model envisages growth, whether by way of organic growth or through new business amalgamation or strategic investments, in phone devices maintenances and/or technology sectors.

5. Financial Risk

For financial risk, please refer to the financial risk section under Note 6(b) to the consolidated financial statements.

FINANCIAL STATEMENTS AND APPROPRIATIONS

The Group's financial performance and the financial position of the Group for the Financial Year are set out in the consolidated financial statements on pages 75 to 80 of this annual report.

DIVIDEND

The Board resolved not to declare a fourth quarter interim dividend for the year ended 31 March 2026. There was no other quarter interim dividend declared for the Financial Year, whereas a second quarter interim dividend of HK\$0.02 per share and a forth quarter interim dividend of HK\$0.02 per share were declared for the year ended 31 March 2025.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 140.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The ESG Report of the Company for the year ended 31 March 2025 is set out on pages 30 to 59 of this annual report which elaborates on the various works of the Group in fulfilling the principle of sustainable development and its performance in social responsibilities. The Group is committed to achieve the development of sustainability of communities. An environmental policy has been adopted by the Group for implementation of environmental friendly measures and practices in the operation of the Group's businesses. The Group adheres to the principles of Recycling and Reducing and implements green office practices, e.g. using recycled paper, setting up recycling bins, and double-sided printing and copying.

The Group will review the environmental policy from time to time and will consider implementing further environmental friendly measures and practices in the operation of the Group's businesses.

REPORT OF THE DIRECTORS (CONTINUED)

COMPLIANCE WITH LAWS AND REGULATIONS

During the Financial Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

In relation to human resources, the Group is committed to complying with the requirements of the ordinances relating to disability, sex, family status and race discrimination, as well as the Employment Ordinance, the Minimum Wage Ordinance and ordinances relating to occupational safety of employees of the Group, so as to safeguard the interests and well-being of its employees.

On the corporate level, the Group complies with the latest requirements under the Companies Law under the laws of Cayman Islands, the Listing Rules, the Companies Ordinance and the SFO under the laws of Hong Kong for, among other things, the disclosure of information and corporate governance, and the Group has adopted the required standard of dealings set out in Model Code as the code of conduct regarding securities transactions by the Directors.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognise that employees, customers, suppliers and business partners are the keys to the sustainable development of the Group, as well as, the Group understands the importance of maintaining good relationship can fulfill its immediate and long-term goals. During the Financial Year, there was no material and significant dispute between the Group and its customers and/or suppliers.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2026, the Group's top five customers accounted for approximately 68.5% of the revenue. The top five suppliers accounted for approximately 100% of the cost of inventories recognised as expenses for the year. In addition, the Group's largest customer accounted for approximately 25.6% of the revenue and the Group's largest supplier accounted for approximately 65.4% of the cost of inventories recognised as expenses for the Financial Year.

For the year ended 31 March 2026, Telecom Digital Services Limited ("TDS"), a connected person of the Company, was the fifth largest customer of the Group. The revenue attributable to TDS amounted to approximately HK\$1,100,000, representing approximately 2.2% of the Group's revenue for the year ended 31 March 2026.

Save as disclosed above, none of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the number of the shares in issue) had any interest in the Group's five largest customers or suppliers for the year ended 31 March 2026.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the "AGM") will be held on Thursday, 27 August 2026. The notice of the AGM will be despatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

CLOSURE OF REGISTER OF MEMBERS FOR AGM

In order to determine the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 24 August 2026 to 27 August 2026, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on 21 August 2026. Shareholders whose names are recorded in the register of members of the Company on 27 August 2026 are entitled to attend and vote at the AGM.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Financial Year are set out in the consolidated statement of changes in equity and in Note 32 to the consolidated financial statements respectively.

As at the Financial Year, the Company's reserves available for distribution to shareholders amounted to approximately HK\$46,864,000 (2025: HK\$46,744,000), as calculated in accordance with the Companies Act of the Cayman Islands.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group are set out in Notes 17 and 19 to the consolidated financial statements respectively.

SHARE CAPITAL

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

SHARE OPTION SCHEME

The Company and its subsidiaries have no share schemes during the Financial Year.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 33 to the consolidated financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The Directors who held office during the Reporting Period were:

Non-executive Directors

Mr. CHEUNG King Shek (*chairman*)

Mr. CHEUNG King Shan

Mr. CHEUNG King Chuen Bobby, *MH*

Executive Directors

Mr. CHEUNG King Fung Sunny (*chief executive officer*)

Independent Non-executive Directors

Mr. FONG Ping, *BBS, JP*

Ms. KWOK Yuen Man Marisa (*resigned with effect from 1 April 2025*)

Mr. TSO Ka Yi

Ms. WONG Wai Yee Daisy (*appointed with effect from 12 June 2025*)

Pursuant to Article 108(a) of the Articles of Association, Messrs. CHEUNG King Fung Sunny, CHEUNG King Shan, and TSO Ka Yi will retire and being eligible, will offer themselves for re-election at the forthcoming AGM.

As at 31 March 2026, no Director proposed for re-election at the forthcoming AGM had a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received a written confirmation from each of the existing independent non-executive Director confirming his/her independence as regards the factors under Rule 3.13 of the Listing Rules. The Company considers that all the existing independent non-executive Directors are independent having regard to their annual independence confirmation, and at least one of them has appropriate professional qualifications or accounting or related financial management expertise in accordance with Rule 3.10(2) of the Listing Rules.

The biographical details of the Directors are set out on pages 11 to 13 of this annual report.

DIRECTORS' SERVICE AGREEMENTS AND APPOINTMENT LETTERS

The executive Director has entered into a service agreement with the Company for an indefinite term commencing from 30 April 2013 until termination by not less than three months' notice in writing to the other party and subject to the provisions on retirement by rotation as set out in the Articles of Association and early termination provisions contained therein.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of two or three years, and is renewed automatically for successive 12-month periods, subject to the provisions on removal, retirement by rotation, vacation and termination as set out in the Articles of Association.

Save as disclosed above, none of the Directors (including those proposed for re-election at the AGM) has or is proposed to have a service agreement or an appointment letter with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 30 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, or its holding companies, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted as at 31 March 2026 or at any time during the Financial Year.

DEED OF NON-COMPETITION

In accordance with the non-competition undertakings set out in the deed of non-competition dated 10 May 2013 ("Deed of Non-competition") entered into by the controlling shareholders of the Company regarding certain non-competition undertakings given by the controlling shareholders in favour of the Company (for itself and for the benefit of each of the members of the Group) that, save and except the exceptional circumstances, the controlling shareholders have undertaken to the Company that they shall not carry on any business which is in competition with the business of the Group, the principal terms of which are set out in the paragraph headed "Deed of Non-competition" under the section headed "Relationship with Controlling Shareholders and Telecom Digital Group" of the prospectus of the Company dated 23 May 2013.

The Company has received an annual declaration from the controlling shareholders of the Company, namely KW Cheung Family Holdings Limited ("KWCFH"), East-Asia Pacific Limited ("East-Asia"), Amazing Gain Limited ("Amazing Gain"), Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby and CHEUNG King Fung Sunny (the "Cheung Brothers") (collectively, the "Controlling Shareholders") confirming that they complied with the Deed of Non-competition for the year ended 31 March 2026. The Controlling Shareholders also confirmed in the said annual declaration that none of them had any interest in a business, other than business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group for the year ended 31 March 2026.

The following corporate governance measures have been adopted to monitor the compliance of the non-competition undertakings during the year ended 31 March 2026:

- (i) The Controlling Shareholders provided written confirmation that they have complied with the undertakings for the year ended 31 March 2026.
- (ii) The Controlling Shareholders also confirmed that none of them had any interest in a business, other than business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group for the year ended 31 March 2026.
- (iii) The independent non-executive Directors have reviewed the annual declaration of the Controlling Shareholders referring to (i) and (ii) above as part of their annual review process.
- (iv) The Company, as part of its business planning and development function, constantly monitors the trend of and business opportunities in the market in which the Group operates, and is familiar with the existing and potential players and competitors in the market. The Company is not aware of any situation which indicates that any of the Controlling Shareholders have breached the undertakings for the year ended 31 March 2026.

In view of the above, the independent non-executive Directors are satisfied that the undertakings were complied with by the Controlling Shareholders for the year ended 31 March 2026.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2026, none of the Directors or their respective close associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out on pages 11 to 13 of this annual report.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in Note 14 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2026, the interests and short positions of the Directors and chief executives 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), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code were as follows:

(a) Long Position in the Ordinary Shares of the Company

Name of Director(s)	Capacity/Nature of interest	Number of issued Shares held	Percentage of the issued share capital ^{Note A}
CHEUNG King Shek	Beneficial owner	6,528,000	5.09%
	Beneficiary of a trust ^{Note B}	66,000,000	51.43%
	Joint holder ^{Note C}	1,742,000	1.36%
CHEUNG King Shan	Beneficial owner	7,008,000	5.46%
	Beneficiary of a trust ^{Note B}	66,000,000	51.43%
	Joint holder ^{Note C}	1,742,000	1.36%
CHEUNG King Chuen Bobby	Beneficial owner	6,748,000	5.26%
	Beneficiary of a trust ^{Note B}	66,000,000	51.43%
	Joint holder ^{Note C}	1,742,000	1.36%
CHEUNG King Fung Sunny	Beneficial owner	7,602,000	5.92%
	Beneficiary of a trust ^{Note B}	66,000,000	51.43%
	Joint holder ^{Note C}	1,742,000	1.36%

REPORT OF THE DIRECTORS (CONTINUED)

(b) Long position in the shares of associated corporations

KWCFH is one of the controlling shareholders of the Company and the Group's holding company. The companies listed in the table below (apart from KWCFH) are subsidiaries of KWCFH. Therefore, KWCFH and the rest of the companies listed in the table below are associated corporations of the Company under the SFO. Each of the Cheung Brothers is deemed to have interests in the said associated corporations under the SFO.

Name of associated corporations	Capacity	Number of shares/ Amount of share capital	Approximate percentage of interests
KW Cheung Family Holdings Limited	Beneficiary of a trust <i>Note B</i>	100	100%
Amazing Gain Limited	Beneficiary of a trust <i>Note B</i>	100	100%
East-Asia Pacific Limited ("East-Asia")	Beneficiary of a trust <i>Note B</i>	6	100%
CKK Properties Holding Limited	Beneficiary of a trust <i>Note B</i>	1	100%
Telecom Service Limited	Beneficiary of a trust <i>Note B</i>	2,000,000	100%
H. K. Magnetric Company Limited	Beneficiary of a trust <i>Note B</i>	50,000	100%
Longable Limited	Beneficiary of a trust <i>Note B</i>	1	100%
Oceanic Rich Limited	Beneficiary of a trust <i>Note B</i>	10,000	100%
Glossy Investment Limited	Beneficiary of a trust <i>Note B</i>	10,000	100%
Glossy Enterprises Limited	Beneficiary of a trust <i>Note B</i>	10,000	100%
Txtcom Limited	Beneficiary of a trust <i>Note B</i>	100	100%
Telecom Properties Investment Limited	Beneficiary of a trust <i>Note B</i>	24	100%
Telecom Digital Limited (incorporated in Macau)	Beneficiary of a trust <i>Note B</i>	MOP100,000	100%
Hellomoto Limited	Beneficiary of a trust <i>Note B</i>	1,000	100%
Marina Trading Inc.	Beneficiary of a trust <i>Note B</i>	1	100%
Telecom Digital Limited	Beneficiary of a trust <i>Note B</i>	2	100%
Silicon Creation Limited	Beneficiary of a trust <i>Note B</i>	100	100%
Kung Wing Enterprises Limited	Beneficiary of a trust <i>Note B</i>	1,000,000	100%
東莞恭榮房地產管理服務有限公司	Beneficiary of a trust <i>Note B</i>	US\$1,500,000	100%

Note A: The calculation is based on 128,342,000 Shares (total issued shares of the Company) as at 31 March 2026.

Note B: 66,000,000 ordinary shares of the Company (representing approximately 51.43% of the issued Shares) were held by East-Asia, East-Asia is a wholly-owned subsidiary of Amazing Gain. The sole shareholder of Amazing Gain is KWCFH, whose entire issued share capital is held by HSBC International Trustee Limited as trustee of the KW Cheung Family Trust. The Cheung Brothers are the beneficiary owners and directors of the KW Cheung Family Trust, and the directors of each of the East-Asia, Amazing Gain and KWCFH. Therefore, each of the Cheung Brothers is deemed to be interested in the shares of the Companies (shown in the table above) under the SFO.

Note C: 1,742,000 ordinary shares of the Company (representing approximately 1.36% of the issued Shares) were held by the Cheung Brothers. Therefore, each of the Cheung Brothers is deemed to be interested in the shares of jointly held.

Save as disclosed above, as at 31 March 2026, none of the Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code.

REPORT OF THE DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2026, the following persons (other than a Director or the chief executive of the Company)/entities had interests and short positions in the shares and underlying shares as recorded in the register of interests of the substantial shareholders required to be kept by the Company pursuant to Section 336 of the SFO (the "Substantial Shareholders' Register"), or to be disclosed under the Part XV of the SFO and the Listing Rules:

Long Position

Name of substantial shareholders	Capacity/Nature of interest	Number of shares held	Approximate percentage of shares in issue ^{Note A}
East-Asia Pacific Limited ^{Note B}	Beneficial owner	66,000,000	51.43%
Amazing Gain Limited ^{Note B}	Interest of controlled corporation	66,000,000	51.43%
KW Cheung Family Holdings Limited ^{Note B}	Interest of controlled corporation	66,000,000	51.43%
HSBC International Trustee Limited ^{Note B}	Trustee (other than a bare trustee)	66,000,000	51.43%
Ms. TANG Fung Yin Anita ^{Note D}	Interest of spouse	74,750,000	58.24%
Ms. YEUNG Ho Ki ^{Note D}	Interest of spouse	75,344,000	58.71%

Note D: Ms. TANG Fung Yin Anita and Ms. YEUNG Ho Ki, spouse of Messrs. CHEUNG King Shan and Mr. CHEUNG King Fung Sunny respectively, are deemed to be interested in the Shares held by Messrs. CHEUNG King Shan and Mr. CHEUNG King Fung Sunny, respectively, under the SFO.

Save as disclosed above, as at 31 March 2026, the Directors were not aware of any persons (other than Directors or chief executives of the Company) who/entities which had any interests and short positions in the shares and underlying Shares, which were recorded in the Substantial Shareholders' Register, or to be disclosed under the Part XV of the SFO and the Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Cap. 622)) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has also arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACTS

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

DONATION

There is no donation made by the Group during the Financial Year (2025: nil).

EQUITY-LINKED AGREEMENT

Save as disclosed elsewhere in this report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Financial Year or subsisted at the end of the Financial Year.

EVENTS AFTER THE REPORTING PERIOD

Except for disclosed elsewhere in this report, there were no significant events after the Financial Year.

ACQUISITIONS AND DISPOSALS

Save as disclosed in the sections headed MD&A on pages 7 to 10 of this annual report, the Company did not undertake any material acquisitions and disposal of subsidiaries and associates during the Financial Year.

CONNECTED TRANSACTIONS

During the Financial Year, the Company has not entered into any connected transactions that are subject to the reporting and announcement requirement under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Save for the transactions disclosed in Note 30 to the consolidated financial statements, none of the related party transactions disclosed in Note 30 to the consolidated financial statements constituted a one-off connected transaction or Continuing Connected Transaction under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements for all the one-off connected transactions or continuing connected transactions (as the case may be) in accordance with Chapter 14A of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Financial Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

REPORT OF THE DIRECTORS (CONTINUED)

CORPORATE GOVERNANCE

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 14 to 29 of this annual report. The Directors believe the long-term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of the long-term objectives.

LEGAL PROCEEDINGS

As at 31 March 2026, none of the members of the Group was involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.

SUFFICIENCY OF PUBLIC FLOAT

As at 31 March 2026 and up to the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with Rule 13.32B of the Listing Rules and maintained its public float at the level of at least 25 per cent of its total issued shares.

RETIREMENT BENEFITS PLANS

Particulars of retirement benefits plans of the Group as at 31 March 2026 are set out in Note 28 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

There is no outstanding bank loans or other borrowings of the Group as at 31 March 2026 (2025: Nil).

FIVE YEARS FINANCIAL SUMMARY

An analysis of the results and of the assets and liabilities of the Group using financial key performance indicators is set out in the five years financial summary on page 140 of this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 March 2026 have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company will be proposed at the upcoming AGM.

By Order of the Board
CHEUNG King Shek
Chairman

Hong Kong, 30 June 2026

INDEPENDENT AUDITOR'S REPORT



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF TELECOM SERVICE ONE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Telecom Service One Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 75 to 139, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

EXPECTED CREDIT LOSS ("ECL") OF TRADE RECEIVABLES

Refer to Note 21 to the consolidated financial statements and the accounting policies on pages 86 to 92.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2026, the Group has outstanding trade receivables of HK\$6,589,000. No ECL was recognised as at 31 March 2026. Management performed periodic assessment on the ECL of the trade receivables and the sufficiency of provision for impairment based on information including ageing of the trade receivables, historical settlement records, expected timing and amount of realisation of outstanding balances, and ongoing trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the ECL. We have identified assessment of ECL of trade receivables as a key audit matter because the assessment of trade receivables under the ECL model involved the use of significant degree of management judgement and may be subject to management bias.	Our audit procedures were designed to review the management's assessment of ECL model and challenge the reasonableness of the methods and assumptions used to estimate ECL of trade receivables. We have assessed the elements of the ECL model which affect by judgements and estimates, including the credit risk characteristic, the ageing of trade receivables and forward-looking information. We have assessed the reasonableness of management's loss allowance which was based on provision matrix. We have examined the information used by management to form such judgements, including evaluating whether the historical loss rates in the past years are appropriately adjusted based on forward-looking factors and examining the actual losses recorded and assessing whether there was an indication of management bias when recognising loss allowances.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

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

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

As part of an audit in accordance with HKSA's, we exercise professional 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 of the Company.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Leung Pui Sze.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Leung Pui Sze

Practising Certificate Number: P07957

Hong Kong

30 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
Revenue	7	49,789	44,223
Cost of sales		(33,897)	(40,691)
Gross profit		15,892	3,532
Other income and gains	9	3,963	5,912
Other operating expenses, net	10	(4,706)	(4,706)
Administrative expenses		(12,171)	(13,180)
Impairment losses on investment properties	19	(8,581)	(4,892)
Finance costs	11	(179)	(177)
Loss before tax		(5,782)	(13,511)
Income tax credit	12	181	106
Loss for the year	13	(5,601)	(13,405)
Other comprehensive income (expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement of long service payment obligations		17	(331)
Total comprehensive expense for the year		(5,584)	(13,736)
Loss per share (HK\$)			
Basic and diluted	16	(0.0436)	(0.1044)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	17	405	1,181
Right-of-use asset	18	3,877	1,479
Investment properties	19	29,100	39,500
Deferred tax asset	25	1,232	939
Rental deposit	21	456	–
		35,070	43,099
Current assets			
Inventories	20	1,072	1,413
Trade and other receivables	21	10,551	11,386
Amounts due from related companies	30a	51	48
Pledged bank deposit	22	212	209
Bank balances and cash	22	8,615	5,702
		20,501	18,758
Current liabilities			
Trade and other payables	23	4,296	4,636
Lease liability	18	2,584	1,600
Tax payable		184	82
Amounts due to related companies	30b	69	74
		7,133	6,392
Net current assets		13,368	12,366
Total assets less current liabilities		48,438	55,465

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2026

	NOTES	2026 HK\$'000	2025 HK\$'000
Non-current liabilities			
Lease liability	18	1,351	–
Other payables	23	–	208
Long service payment obligations	24	806	826
		2,157	1,034
Net assets		46,281	54,431
Capital and reserves			
Share capital	26	12,834	12,834
Reserves		33,447	41,597
Total equity		46,281	54,431

The consolidated financial statements on pages 75 to 139 were approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Cheung King Shek
Director

Cheung King Fung Sunny
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
1 April 2024	12,834	36,900	70	(26)	20,956	70,734
Loss for the year	–	–	–	–	(13,405)	(13,405)
Remeasurement of long service payment obligations	–	–	–	–	(331)	(331)
Total comprehensive expense for the year	–	–	–	–	(13,736)	(13,736)
Dividends recognised as distribution (Note 15)	–	(2,567)	–	–	–	(2,567)
At 31 March 2025 and 1 April 2025	12,834	34,333	70	(26)	7,220	54,431
Loss for the year	–	–	–	–	(5,601)	(5,601)
Remeasurement of long service payment obligations	–	–	–	–	17	17
Total comprehensive expense for the year	–	–	–	–	(5,584)	(5,584)
Dividends recognised as distribution (Note 15)	–	(2,566)	–	–	–	(2,566)
At 31 March 2026	12,834	31,767	70	(26)	1,636	46,281

Note:

During the year ended 31 March 2014, Telecom Service One Holdings Limited (the "Company") acquired 100% of equity interest in Telecom Service One (Macau) Limited ("TSO Macau") from East-Asia Pacific Limited, the immediate holding company of the Company. The acquisition was accounted for using merger accounting. Other reserve represents the difference between the issued share capital of TSO Macau and the consideration paid for acquiring it.

In addition, other reserve represents the difference between the nominal value of the issued capital of Telecom Service One Investment Limited ("TSO BVI") and its subsidiaries acquired pursuant to a group reorganisation over the consideration paid by the Company during the year ended 31 March 2013.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
OPERATING ACTIVITIES		
Loss before tax	(5,782)	(13,511)
Adjustments for:		
Allowance for inventories	158	241
Bank interest income	(59)	(291)
Impairment losses on investment properties	8,581	4,892
Depreciation of property, plant and equipment	828	1,025
Depreciation of right-of-use asset	2,771	2,959
Depreciation of investment properties	1,819	2,008
Finance costs	179	177
Gain on disposal of financial assets at FVTPL	—	(1,448)
Long service payment obligations	81	143
Written off of inventories	46	122
Reversal of allowance for inventories	(15)	(11)
Operating cash flows before movements in working capital	8,607	(3,694)
Decrease in inventories	152	2,640
Decrease in trade and other receivables	379	3,049
(Increase) decrease in amounts due from related companies	(3)	23
Decrease in trade and other payables	(548)	(2,543)
Decrease in amounts due to related companies	(5)	(8)
Payments for long service payment obligations	(84)	(83)
Cash generated from (used in) operations	8,498	(616)
Hong Kong Profits Tax paid	(10)	(252)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	8,488	(868)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(52)	(58)
Proceeds from disposal of financial assets at FVTPL	—	10,432
Placement of pledged bank deposit	(3)	(6)
Interest received	59	291
NET CASH GENERATED FROM INVESTING ACTIVITIES	4	10,659

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
FINANCING ACTIVITIES		
Other borrowing raised	1,000	–
Repayment of other borrowing	(1,000)	–
Repayment of bank borrowing	–	(2,200)
Repayment of lease liability	(2,834)	(2,956)
Interest paid on lease liability	(151)	(154)
Interest paid on bank borrowing	–	(23)
Interest paid on other borrowing	(28)	–
Dividends paid	(2,566)	(2,567)
NET CASH USED IN FINANCING ACTIVITIES	(5,579)	(7,900)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,913	1,891
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,702	3,811
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	8,615	5,702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL

Telecom Service One Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 3 August 2012 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 3997). The address of the registered office of the Company is Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. The principal place of business of the Company is at Unit C, 3/F, Sunshine Kowloon Bay Cargo Centre, 59 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong.

The Directors consider the immediate holding company and ultimate holding company are East-Asia Pacific Limited and KW Cheung Family Holdings Limited respectively, which were incorporated in the British Virgin Islands (the “BVI”). The Group has been under the control and beneficially owned by KW Cheung Family Trust, Mr. CHEUNG King Shek, Mr. CHEUNG King Shan, Mr. CHEUNG King Chuen Bobby and Mr. CHEUNG King Fung Sunny (the “Cheung Brothers”).

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in Note 33.

The functional currency of the Company is Hong Kong dollars (“HK\$”) while the functional currencies for certain subsidiaries are Macau Patacas (“MOP”). For the purpose of presenting the consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) adopted HK\$ as its presentation currency which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to an HKFRS Accounting Standard

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning on 1 April 2025:

Amendments to HKAS 21

Lack of Exchangeability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

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

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

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

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

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

New and amendments to HKFRS Accounting Standards issued but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Annual Improvements to HKFRS Accounting Standards – Volume 11

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7.

- HKFRS 7 Financial Instruments: Disclosures: The amendments remove an obsolete reference to paragraph 27A and update the wordings in paragraph B38 of HKFRS 7 regarding “unobservable inputs” to be consistent with HKFRS 13. The amendments to the accompanying guidance on implementing HKFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7, as well as update the wordings in paragraph IG14 of HKFRS 7 regarding “fair value” consistent with other standards. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- HKFRS 9 Financial Instruments: The amendments address a conflict between HKFRS 9 and HKFRS 15 over the initial measurement of trade receivables, and how a lessee accounts for the derecognition of a lease liability under HKFRS 9. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- HKFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as de facto agents. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- HKAS 7 Statement of Cash Flows: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

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

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

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

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

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are property held to earn rentals and/or for capital appreciation.

Owned investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

If an investment property becomes an owner-occupied property when there is a change in use, as evidenced by commencement of owner-occupation, the carrying amount of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an item of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash, as defined above.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other income and gains" line item (Note 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the 'loss on changes in fair value of financial assets at FVTPL' line item. Fair value is determined in the manner described in note 6(c).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated by using a provision matrix based on the credit risk characteristic and the ageing of trade receivables. The Group considers the historical credit loss rates in the past years and adjusted for forward-looking factors and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group considers that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 6 months past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment loss on property, plant and equipment, right-of-use asset and investment properties

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and investment properties to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of property, plant and equipment, right-of-use asset and investment properties are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

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

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

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

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

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

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

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

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties and discounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

The Group recognised revenue from the following major sources:

- provision of repairing service; and
- sales of accessories and provision of supportive services

Provision of repairing services

Revenue from provision of repairing services is recognised at the point when the services were rendered.

Sale of accessories

Revenue from sale of accessories is recognised at the point when the control of the accessories is transferred to the customers (generally on delivery of the accessories).

Provision of supportive services

Revenue from provision of supportive services is recognised at the point when the services were rendered.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Other income

Handling income, management fee income and storage income are recognised at the point when services are rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

For contracts entered into or modified on or after the date of initial application of HKFRS 16, the Group assesses whether a contract is or contains a lease, at inception of the contract or modification date. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The Group presents lease liability as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) when a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use asset

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Right-of-use asset (Continued)

Right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liability. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use asset as a separate line item in the consolidated statement of financial position.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Employee benefits

Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and other defined contribution retirement schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits (Continued)

Employment Ordinance long service payments

For long service payment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in consolidated statement of financial position with a charge or credit recognised in other comprehensive income in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Components of defined benefit costs are service cost in profit or loss; net interest on the net long service payment liability or asset in profit or loss; and remeasurements of net long service payment liability or asset in other comprehensive income.

Foreign currencies

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

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

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

On the deregistration of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

All borrowing costs recognised in profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use asset and the related lease liability, the Group first determines whether the tax deductions are attributable to the right-of-use asset or the lease liability.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

For leasing transactions in which the tax deductions are attributable to the lease liability, the Group applies HKAS 12 requirements to the lease liability separately. The Group recognises a deferred tax asset related to lease liability to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

Fair value measurement

When measuring fair value except for the Group's net realisable value of inventories and value in use of property, plant and equipment, right-of-use asset and investment properties for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

- Level 1 – Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Estimated allowance for inventories

The management of the Group reviews an ageing analysis at the end of the reporting period and makes allowance for obsolete and slow-moving items identified that are no longer suitable for sale or use. The Group makes allowance for inventories based on the assessment of the net realisable value. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 March 2026, the carrying amount of inventories of the Group was HK\$1,072,000 (2025: HK\$1,413,000), net of allowance for inventories of HK\$399,000 (2025: HK\$434,000).

Impairment of trade receivables

The Group uses judgement in making assumptions and selecting the inputs to the ECL model, based on the ageing of trade receivables as well as the Group's historical loss rates and forward-looking factors at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. The ECL on trade receivables is assessed collectively by using a provision matrix with appropriate groupings. As at 31 March 2026, the carrying amount of trade receivables of the Group was HK\$6,589,000 (2025: HK\$7,502,000). No impairment loss provision was recognised as at 31 March 2026 (2025: nil).

Impairment assessment of property, plant and equipment and right-of-use asset

Property, plant and equipment and right-of-use asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment assessment of property, plant and equipment and right-of-use asset (Continued)

As at 31 March 2026, the carrying amounts of property, plant and equipment and right-of-use asset were approximately HK\$405,000 (2025: HK\$1,181,000) and HK\$3,877,000 (2025: HK\$1,479,000) respectively. No impairment loss provision was recognised as at 31 March 2026 (2025: nil).

Details of the impairment of property, plant and equipment and right-of-use asset are disclosed in Notes 17 and 18.

Impairment assessment of investment properties

The Group determines whether the investment properties are impaired whenever there is indication of impairment presented. The impairment loss for investment properties are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of investment properties have been determined based on higher of the fair value less costs of disposal and value-in-use calculations. These calculations require the use of judgements and estimations.

As at 31 March 2026, the carrying amounts of approximately HK\$29,100,000 (2025: HK\$39,500,000), net of accumulated impairment loss of HK\$18,166,000 (2025: HK\$9,585,000).

Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The determination of the useful lives involves management's estimation. The Group assesses annually the useful lives of the property, plant and equipment and investment properties and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

As at 31 March 2026, there were no changes on the estimated useful lives after performing annual assessment and the related depreciation of the property, plant and equipment and investment properties with carrying amounts of HK\$405,000 (2025: HK\$1,181,000) and HK\$29,100,000 (2025: HK\$39,500,000) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of pledged bank deposit and bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, issue of new shares as well as the issuance of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2026 HK\$'000	2025 HK\$'000
Financial assets		
At amortised cost	19,061	17,195
Financial liabilities		
At amortised cost	3,625	4,178

(b) Financial risk management objectives and policies

The Group's major financial instruments include rent deposit, trade and other receivables, amounts due from related companies, pledged bank deposit, bank balances and cash, trade and other payables and amounts due to related companies. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk

Currency risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. During the year ended 31 March 2026, 13% (2025: 15%) of the Group's sales and 32% (2025: 20%) of total net purchase are denominated in United States dollars ("US\$") which is different from the functional currencies of the group entities carrying out the transactions.

Also, certain trade and other receivables, bank balances and cash and trade and other payables are denominated in US\$ which are currencies other than the functional currencies of the relevant group entities. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
US\$	5,263	8,218	421	258

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The Group is mainly exposed to US\$.

No sensitivity analysis was prepared for US\$ as the financial assets and liabilities denominated in US\$ are mainly held by the subsidiaries with HK\$ as the functional currency and HK\$ is pegged to US\$.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged bank deposit for the years ended 31 March 2026 and 2025. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances carried at prevailing market rates.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market rates arising from the Group's bank balances denominated in HK\$, US\$, RMB and MOP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the net exposure to interest rates for non-derivative instruments at the end of reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 50 basis points (2025: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2025: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2026 would increase/decrease by HK\$32,000 (2025: HK\$2,000).

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. At the end of each reporting period, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from bank balances and cash, trade and other receivables and amounts due from related companies.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed by using a provision matrix based on credit risk characteristic and the ageing of trade receivables. The Group considers the historical loss rates in the past years and adjusts for forward-looking factors in calculating the expected credit loss rates. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other receivables and deposits and amounts due from related companies, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Management considered amounts due from related companies to be low credit risk and thus the impairment provision recognised during the year was limited to 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increase in credit risk on other financial instruments of the debtor

The Group's exposure to credit risk

In order to minimise credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of trade debts at the end of each reporting period to ensure that adequate credit losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk (Continued)

The Group's exposure to credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2)	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk (Continued)

The Group's exposure to credit risk (Continued)

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk by credit risk rating grades.

			As at 31 March 2026			As at 31 March 2025		
	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Trade receivables	N/A	Lifetime ECL (simplified approach)	6,589	–	6,589	7,502	–	7,502
Other receivables	Performing	12-month ECL	141	–	141	127	–	127
Deposits	Performing	12-month ECL	3,453	–	3,453	3,607	–	3,607
Amounts due from related companies	Performing	12-month ECL	51	–	51	48	–	48
Pledged bank deposit	(Note)	12-month ECL	212	–	212	209	–	209
Bank balances and cash	(Note)	12-month ECL	8,615	–	8,615	5,702	–	5,702

Note: The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 46% (2025: 41%) of the total trade receivables at 31 March 2026 was due from the Group's largest customer.

The Group has concentration of credit risk as 81% (2025: 95%) of the total trade receivables at 31 March 2026 was due from the Group's five largest customers.

The Group's concentration of credit risk by geographical locations is in Hong Kong, which accounted for 100% of the total trade receivables as at 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk

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

The following table details the Group's contractual maturity for its non-derivative financial liabilities and lease liability. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity date for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flow. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

	At 31 March 2026				
	Within one year or on demand HK\$'000	After one year but within two years HK\$'000	After two years but within five years HK\$'000	Total contractual undiscounted cash flows HK\$'000	Carrying amount HK\$'000
Trade and other payables	3,556	–	–	3,556	3,556
Amounts due to related companies	69	–	–	69	69
	3,625	–	–	3,625	3,625
Lease liability	2,737	1,368	–	4,105	3,935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

	At 31 March 2025				Carrying amount HK\$'000
	Within one year or on demand HK\$'000	After one year but within two years HK\$'000	After two years but within five years HK\$'000	Total contractual undiscounted cash flows HK\$'000	
Trade and other payables	3,896	–	–	3,896	3,896
Amount due to a related company	74	–	–	74	74
Other payables	–	208	–	208	208
	3,970	208	–	4,178	4,178
Lease liability	1,617	–	–	1,617	1,600

(c) Fair value

Financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of current financial assets and financial liabilities recorded at amortised cost using the effective interest rate method in the consolidated financial statements approximate to their fair values due to their immediate or short-term maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

7. REVENUE

Revenue represents the amounts received or receivable for goods sold and services provided in the normal course of business, net of discounts. An analysis of the Group's revenue for the year is as follows:

	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or services lines		
– Repairing service income	49,590	44,019
– Sales of accessories and provision of supportive services	199	204
	49,789	44,223
Disaggregation of revenue by geographical region		
	2026 HK\$'000	2025 HK\$'000
Geographical region of revenue recognition		
Hong Kong	49,789	44,223
At a point in time	49,789	44,223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

8. SEGMENT INFORMATION

The Group is engaged in a single segment, the provision of repair and refurbishment services for mobile phones and other personal electronic products as well as the sales of related accessories and provision of supportive services. Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors as they collectively make strategic decision in allocating the Group's resources and assessing performance.

Geographical information

During the years ended 31 March 2026 and 2025, the Group's operations were located in Hong Kong.

During the year ended 31 March 2026, 100% (2025: 100%) of the Group's revenue, based on the location of the operations, was generated in Hong Kong while as at 31 March 2026, 100% (2025: 100%) of the non-current assets, based on the geographical location of the assets, was located in Hong Kong. Hence, no geographical information is presented.

Information about major customers

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

	2026 HK\$'000	2025 HK\$'000
Customer I	12,729	11,294
Customer II	9,040	N/A*
Customer III	5,892	6,256
Customer IV	5,369	6,800

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

9. OTHER INCOME AND GAINS

	2026 HK\$'000	2025 HK\$'000
Management fee income (<i>Note i</i>)	2,523	2,657
Rental income (net of direct outgoings: nil)	1,159	1,158
Gain on disposal of financial assets at FVTPL	—	1,448
Storage income (<i>Note ii</i>)	202	332
Bank interest income	59	291
Others	20	26
	3,963	5,912

Notes:

- (i) The amount represents management income received from manufacturers of mobile phones for the provision of management service such as inventory management and software upgrade to their operation teams in Hong Kong.
- (ii) The amount represents storage income for damaged mobile phones in Hong Kong.

10. OTHER OPERATING EXPENSES, NET

	2026 HK\$'000	2025 HK\$'000
Miscellaneous income charges	1,281	1,245
Less: Other operating expenses of service centres	(5,987)	(5,951)
Other operating expenses, net	(4,706)	(4,706)

11. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest on:		
– Bank borrowing (<i>Note i</i>)	—	23
– Other borrowing (<i>Note ii</i>)	28	—
– Lease liability	151	154
	179	177

Notes:

- (i) During the year ended 31 March 2025, the bank loan carried interest at variable rates ranging from 6.11% to 6.69% per annum (2026: nil) and it was fully repaid.
- (ii) During the year ended 31 March 2026, other borrowing received from a related company, carried interest at variable rates ranging from 4.41% to 5.61% per annum (2025: nil) and it was fully repaid. Details please refer to Note 30(a)(v).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

12. INCOME TAX CREDIT

	2026 HK\$'000	2025 HK\$'000
Hong Kong Profits Tax – current year	112	112
Deferred tax (Note 25)	(293)	(218)
	(181)	(106)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

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

	2026 HK\$'000	2025 HK\$'000
Loss before tax	(5,782)	(13,511)
Tax calculated at rates applicable to profits in the respective tax jurisdiction concerned	(954)	(2,229)
Tax effect of income not taxable for tax purpose	(10)	(48)
Tax effect of expenses not deductible for tax purpose	1,426	946
Tax losses not yet recognised	–	1,227
Hong Kong Tax concession (Note)	(3)	(2)
Utilisation of tax losses previously not recognised	(640)	–
	(181)	(106)

Note:

A tax concession of 100% (2025: 100%), subject to a ceiling of HK\$3,000 (2025: HK\$1,500) per company, was granted to a Group's subsidiary under Hong Kong tax jurisdiction for the year ended 31 March 2026.

Details of deferred taxation are set out in Note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

13. LOSS FOR THE YEAR

	2026 HK\$'000	2025 HK\$'000
Loss for the year has been arrived at after charging (crediting):		
Directors' and chief executive's emoluments (<i>Note 14</i>)		
– salaries, allowances and other benefits	2,224	2,408
– employer's contributions to retirement benefits schemes	18	18
	2,242	2,426
Other staff costs		
– salaries, allowances and other benefits	24,503	28,530
– employer's contributions to retirement benefits schemes	1,071	1,322
– long service payment obligations	81	143
	25,655	29,995
Total staff costs	27,897	32,421
Auditor's remuneration	510	530
Depreciation of property, plant and equipment	828	1,025
Depreciation of right-of-use asset	2,771	2,959
Depreciation of investment properties	1,819	2,008
Reversal of allowance for inventories (included in cost of sales)	(15)	(11)
Written off of inventories (included in cost of sales)	46	122
Allowance for inventories (included in cost of sales)	158	241
Amount of inventories recognised as an expense	9,927	12,470

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the eight (2025: seven) directors and the chief executive were as follows:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking				
	Fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Discretionary bonus HK\$'000	Employer's contributions to retirement benefits schemes HK\$'000	Total HK\$'000
Year ended 31 March 2026					
Executive director					
Mr. CHEUNG King Fung Sunny	–	432	40	18	490
Non-executive directors					
Mr. CHEUNG King Chuen Bobby	–	432	40	–	472
Mr. CHEUNG King Shan	–	432	40	–	472
Mr. CHEUNG King Shek	–	432	40	–	472
Independent non-executive directors					
Mr. FONG Ping	120	–	–	–	120
Ms. KWOK Yuen Man Marisa (note (ii))	–	–	–	–	–
Mr. TSO Ka Yi	120	–	–	–	120
Ms. WONG Wai Yee Daisy (note (iii))	96	–	–	–	96
Total	336	1,728	160	18	2,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(Continued)

(a) Directors' and chief executive's emoluments (Continued)

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking				
	Fees	Salaries, allowances and other benefits	Discretionary bonus	Employer's contributions to retirement benefits schemes	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 March 2025					
Executive director					
Mr. CHEUNG King Fung Sunny	–	432	80	18	530
Non-executive directors					
Mr. CHEUNG King Chuen Bobby	–	432	80	–	512
Mr. CHEUNG King Shan	–	432	80	–	512
Mr. CHEUNG King Shek	–	432	80	–	512
Independent non-executive directors					
Mr. FONG Ping	120	–	–	–	120
Ms. KWOK Yuen Man Marisa (note (iii))	120	–	–	–	120
Mr. TSO Ka Yi	120	–	–	–	120
Total	360	1,728	320	18	2,426

Notes:

- (i) Mr. CHEUNG King Fung Sunny has been appointed as the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive for the years ended 31 March 2026 and 2025.

Neither the chief executive nor any of the directors of the Company waived or agreed to waive any emolument paid by the Group during the years ended 31 March 2026 and 2025. No emoluments were paid or payable by the Group to the chief executive nor any of the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2026 and 2025.

- (ii) Resigned on 1 April 2025.

- (iii) Appointed on 12 June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(Continued)

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, there is no director and chief executive of the Company (2025: three), whose emoluments are included in the analysis presented above. The emoluments of the five (2025: two) individuals were as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries, allowances and other benefits	3,071	1,485
Employer's contributions to retirement benefits schemes	90	36
	3,161	1,521

Their emoluments were within the following bands:

	2026 No. of employees	2025 No. of employees
Nil to HK\$1,000,000	5	2

No emoluments were paid or payable by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2026 and 2025.

15. DIVIDENDS

	2026 HK\$'000	2025 HK\$'000
Dividends recognised as distribution during the year:		
2024/25 second quarter interim dividend of HK\$0.02 per share	—	2,567
2024/25 fourth quarter interim dividend of HK\$0.02 per share	2,566	—
	2,566	2,567

Subsequent to the end of the reporting period, the board of directors has resolved not to declare any interim dividend for the year ended 31 March 2026 (2025: fourth quarter interim dividend of HK\$0.02 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

16. LOSS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
Loss		
Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	(5,601)	(13,405)
Number of shares		
	2026	2025
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	128,342,000	128,342,000

Diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares outstanding during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Machinery HK\$'000	Computers HK\$'000	Total HK\$'000
COST						
At 1 April 2024	5,469	1,140	1,110	6,279	2,579	16,577
Addition	–	–	–	–	58	58
At 31 March 2025 and 1 April 2025	5,469	1,140	1,110	6,279	2,637	16,635
Addition	–	–	–	–	52	52
At 31 March 2026	5,469	1,140	1,110	6,279	2,689	16,687
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 April 2024	4,127	783	912	6,279	2,328	14,429
Charged for the year	712	130	67	–	116	1,025
At 31 March 2025 and 1 April 2025	4,839	913	979	6,279	2,444	15,454
Charged for the year	524	123	66	–	115	828
At 31 March 2026	5,363	1,036	1,045	6,279	2,559	16,282
CARRYING VALUES						
At 31 March 2026	106	104	65	–	130	405
At 31 March 2025	630	227	131	–	193	1,181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Leasehold improvements	Over the shorter of the lease term or 5 years
Office equipment	5 years
Furniture and fixtures	5 years
Machinery	5 years
Computers	3 – 5 years

For the purpose of impairment assessment, property, plant and equipment (excluded ownership interests in leasehold land and buildings) and right-of-use asset are included in the Company's CGU. The management carried out an impairment assessment for the CGU. The estimate of the recoverable amount was based on value-in-use calculation using the discounted cash projection at pre-tax discount rate of 9.29% per annum based on the financial forecast approved by management for the year ended 31 March 2025. Key assumptions for the value-in-use calculation include future revenue, budgeted gross margin and operating costs, which were determined based on the past performance, the Company's business plan and management expectations for the market development.

As a result, no impairment losses on property, plant and equipment (excluded ownership interests in leasehold land and buildings) and right-of-use asset were recognised during the year ended 31 March 2025 as the recoverable amount of the CGU is excess of the carrying amount of CGU.

The management considered that there is no impairment indicator for the year ended 31 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

18. RIGHT-OF-USE ASSET AND LEASE LIABILITY

(i) Right-of-use asset

	2026 HK\$'000	2025 HK\$'000
Buildings	3,877	1,479

The Group has lease arrangement for buildings and premises with lease term 2 years. The Group has also entered into short-term leases arrangement in respect of repair centre.

Additions to the right-of-use asset for the year ended 31 March 2026 amounted to HK\$5,169,000 (2025: nil), due to new leases of buildings.

Details of the impairment assessment are disclosed in note 17.

(ii) Lease liability

	2026 HK\$'000	2025 HK\$'000
Non-current	1,351	–
Current	2,584	1,600
	3,935	1,600

Amounts payable under lease liability	2026 HK\$'000	2025 HK\$'000
Within one year	2,584	1,600
After one year but within two years	1,351	–
	3,935	1,600
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,584)	(1,600)
Amount due for settlement after 12 months	1,351	–

During the year ended 31 March 2026, the Group entered into a new arrangement in respect of buildings and recognised lease liability of HK\$5,169,000 (2025: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

18. RIGHT-OF-USE ASSET AND LEASE LIABILITY (Continued)

(iii) Amount recognised in profit or loss

	2026 HK\$'000	2025 HK\$'000
Depreciation of right-of-use asset	2,771	2,959
Interest expense on lease liability	151	154
Expense relating to short-term leases	1,936	1,936

(iv) Others

During the year ended 31 March 2026, the total cash outflow for lease amounted to HK\$4,921,000 (2025: HK\$5,046,000).

Restrictions or covenants on leases

As at 31 March 2026, lease liability of HK\$3,935,000 (2025: HK\$1,600,000) is recognised with related right-of-use asset of HK\$3,877,000 (2025: HK\$1,479,000). The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

19. INVESTMENT PROPERTIES

	HK\$'000
COST	
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	56,739
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
As at 1 April 2024	10,339
Provided for the year	2,008
Impairment loss for the year	4,892
As at 31 March 2025 and 1 April 2025	17,239
Provided for the year	1,819
Impairment loss for the year	8,581
As at 31 March 2026	27,639
CARRYING AMOUNTS	
As at 31 March 2026	29,100
As at 31 March 2025	39,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

19. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties as at 31 March 2026 was HK\$29,100,000 (2025: HK\$39,500,000). The fair value has been arrived at based on a valuation carried out by AVISTA Valuation Advisory Limited ("AVAL"), a member of Hong Kong Institute of Surveyors by income approach with reference to capitalised income derived from existing tenancies and the reversionary potential of the properties. The valuation of the fair value of the investment properties is grouped into fair value hierarchy Level 3.

There were no transfers between levels of fair value hierarchy during the years ended 31 March 2026 and 2025.

During the year ended 31 March 2026, the directors of the Company conducted a review of the Group's investment properties with reference to the valuation carried out by AVAL, accordingly an impairment loss of HK\$8,581,000 (2025: HK\$4,892,000) was recognised.

The above investment properties are depreciated on a straight-line basis over the term of the leases.

Information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value		Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	2026 HK\$'000	2025 HK\$'000				
Hong Kong – investment properties	29,100	39,500	Level 3	Income approach	Prevailing market rents from HK\$23 per sq. ft to HK\$27 per sq. ft per month (2025: Prevailing market rents from HK\$27 per sq. ft to HK\$33 per sq. ft per month)	The higher the prevailing market rent, the higher the fair value
					Reversionary yield of 4.4% (2025: 3.9%)	The higher the rental yield, the lower the fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

20. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Merchandises	1,072	1,413

During the year ended 31 March 2026, an allowance for inventories of HK\$158,000 (2025: HK\$241,000) was made for write-down of obsolete inventories.

During the year ended 31 March 2026, certain impaired inventories were sold at a gross profit. As a result, a reversal of write-down of merchandises of HK\$15,000 (2025: HK\$11,000) has been recognised and included in cost of sales.

21. RENTAL DEPOSIT AND TRADE AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	6,589	7,502
Other receivables	141	127
Rental and other deposits	3,453	3,607
Prepayments	824	150
	11,007	11,386
Less: Rental deposit classified as non-current assets	(456)	–
Current portion included in trade and other receivables	10,551	11,386

The Group does not hold any collateral over these balances.

As at 31 March 2026, the gross amount of trade receivables arising from contracts with customers amounted to HK\$6,589,000 (2025: HK\$7,502,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

21. RENTAL DEPOSIT AND TRADE AND OTHER RECEIVABLES (Continued)

The Group grants an average credit period of 30 days to 60 days to its trade customers.

The following was an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	2026 HK\$'000	2025 HK\$'000
Within 30 days	4,195	3,749
31 to 60 days	2,349	3,713
61 to 90 days	—	—
91 to 120 days	45	40
	6,589	7,502

The Group performs ongoing credit evaluations of its customers and credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are assessed by using a provision matrix based on the credit risk characteristic and the ageing of trade receivables. The Group considers the historical loss rates in the past years and adjusts for forward-looking factors in calculating the ECL rates.

The Group's lifetime ECL for trade receivables based on the ageing of customers.

Year ended 31 March 2026:

	Weighted average expected loss rate %	Gross carrying amount HK\$'000
Within 30 days	*	4,195
31 to 60 days	*	2,349
61 to 90 days	*	—
91 to 120 days	*	45
		6,589

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

21. RENTAL DEPOSIT AND TRADE AND OTHER RECEIVABLES (Continued)

Year ended 31 March 2025:

	Weighted average expected loss rate %	Gross carrying amount HK\$'000
Within 30 days	*	3,749
31 to 60 days	*	3,713
61 to 90 days	*	—
91 to 120 days	*	40
		7,502

* The weighted average expected loss rate is immaterial.

The directors of the Company consider the ECL of trade receivables is insignificant, therefore no loss allowance on trade receivables was recognised as at 31 March 2026 and 2025.

The assessments on ECL of other receivables and deposits are set out in Note 6(b).

The Group entered into a tenancy agreement with related company, of which directors of the Company have beneficial interests in related company, for leasing of property as service centre. As at 31 March 2026, the rental deposit paid to a related company of approximately HK\$484,000 (2025: HK\$418,000) have been recognised as current rental deposit.

22. PLEDGED BANK DEPOSIT/BANK BALANCES AND CASH

Cash and cash equivalents include demand deposits and short-term bank deposits for the purpose of meeting the Group's short term cash commitment, which carry interest at market rates which range from 0.001% to 4.00% (2025: 0.24% to 4.25%) per annum.

Pledged bank deposit represent deposit pledged to a bank to secure banking facilities granted to the Group. Deposit amounting to HK\$212,000 (2025: HK\$209,000) has been pledged to secure short-term bank overdrafts and letter of credit and is therefore classified as current assets. The pledged bank deposit will be released upon expiration of short-term bank overdrafts and letter of credit.

The pledged bank deposit carried interest at fixed rates from 0.001% to 3.00% (2025: 0.25% to 3.30%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

23. TRADE AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Trade payables	1,352	2,328
Accrued expenses and other payables	2,944	2,516
Total	4,296	4,844
Less: Other payables classified as non-current liabilities	—	(208)
Current portion included in trade and other payables	4,296	4,636

The average credit period on purchases of goods ranged from 30 days to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within credit timeframe.

The following was the aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	2026 HK\$'000	2025 HK\$'000
Within 30 days	1,352	2,305
31 to 60 days	—	9
61 to 90 days	—	—
Over 90 days	—	14
	1,352	2,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

24. LONG SERVICE PAYMENT OBLIGATIONS

The Group made provision for probable future long service payments to employees in accordance with Hong Kong Employment Ordinance, as further detailed in Note 3.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula: Last monthly wages (before termination of employment) $\times \frac{2}{3} \times$ Years of service. Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which eventually abolished the Offsetting Arrangement. The Amendment Ordinance came into effect prospectively from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The provision represented the management's best estimate of the Group's liability at the end of each reporting period.

The Group exposes to actuarial risks such as interest rate risk, longevity risk and salary risk.

- | | |
|------------------|--|
| – Interest risk | A decrease in the bond interest rate will increase the long service payment liability. |
| – Longevity risk | The present value of the long service payment liability is calculated by reference to the best estimate of the mortality of participants during their employment. An increase in the life expectancy of the participants will increase the long service payment liability. |
| – Salary risk | The present value of the long service payment liability is calculated by reference to the future salaries of participants. As such, an increase in the salary of the participants will increase the long service payment liability. |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

24. LONG SERVICE PAYMENT OBLIGATIONS (Continued)

The most recent actuarial valuations of the present value of the long service payment were carried out as at 31 March 2026 and 2025 by Asset Appraisal Limited, an independent qualified valuer. The present value of the long service payment, and the related service cost, were measured using the projected unit credit method.

Movement of present value of the long service payment obligations is as follows:

	2026 HK\$'000	2025 HK\$'000
At 1 April	826	435
Current service cost	81	143
Actuarial (gains) losses recognised in other comprehensive (income) expense	(17)	331
Benefit paid during the year	(84)	(83)
At 31 March	806	826

Amounts recognised in consolidated statement of profit or loss and other comprehensive income in respect of long service payment are as follows.

	2026 HK\$'000	2025 HK\$'000
Current service cost	81	143
Components of long service payment costs recognised in profit or loss (included in staff costs)	81	143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

24. LONG SERVICE PAYMENT OBLIGATIONS (Continued)

Remeasurement on the net long service payment liability

	2026 HK\$'000	2025 HK\$'000
Actuarial (gains) losses arising from changes in financial assumptions	(17)	331
Components of long service payment costs recognised in other comprehensive (income) expense	(17)	331

The amounts recognised in consolidated statement of profit or loss and other comprehensive income are as follows:

	2026 HK\$'000	2025 HK\$'000
Cumulative amount of actuarial gains at the beginning of the year	(227)	(558)
Net actuarial (gains) losses during the year	(17)	331
Cumulative amount of actuarial gains at the end of the year	(244)	(227)

At 31 March 2026 and 2025, the amounts are calculated based on the principal assumptions stated as below:

	2026	2025
Annual salary increment	2.71%	2.81%
Annual turnover rate	20.92% to 41.96%	19.98% to 41.96%
MPF return rate	3.64%	3.13%
Discount rate	2.09% to 2.27%	2.88% to 3.04%

The principal assumptions used for the determination of the long service payment obligations are MPF return rate and annual salary increment.

In the opinions of the directors of the Company, the expected change in the principal assumptions will not have significant impact on the long service payment obligations for the years ended 31 March 2026 and 2025. Hence, no sensitivity analysis is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

25. DEFERRED TAX

The analysis of deferred tax asset is as follows:

	2026 HK\$'000	2025 HK\$'000
Deferred tax asset	1,232	939

The followings are the major deferred tax assets recognised and movements thereon during the both years ended:

	Decelerated tax depreciation HK\$'000
At 1 April 2024	721
Credited to profit or loss (<i>Note 12</i>)	218
At 31 March 2025 and 1 April 2025	939
Credited to profit or loss (<i>Note 12</i>)	293
At 31 March 2026	1,232

Deferred tax assets are recognised for available tax losses to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 March 2026, the Group had tax losses of HK\$13,585,000 (2025: HK\$17,462,000). Tax losses can be carried forward against future taxable income indefinitely.

As at 31 March 2026, the Group did not recognise deferred tax assets in respect of tax losses of HK\$13,585,000 (2025: HK\$17,462,000) due to the unpredictability of future profit stream.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

26. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	1,000,000,000	100,000
Issued and fully paid:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	128,342,000	12,834

27. OPERATING LEASING ARRANGEMENTS

The Group as lessor

The Group leases out its investment properties during the years ended 31 March 2026 and 2025. The leases are rented to third parties under operating leases with leases negotiated for a term between one to three years (2025: one to three years) as at 31 March 2026. None of the leases includes contingent rentals.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2026 HK\$'000	2025 HK\$'000
Within one year	584	731
After one year but within two years	—	441
	584	1,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

28. RETIREMENT BENEFITS SCHEME CONTRIBUTIONS

Hong Kong

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employee's earnings as defined under the Mandatory Provident Fund Legislation. The mandatory contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month.

During the year ended 31 March 2026, the total amount contributed by the Group to this scheme and charged to the consolidated statement of profit or loss and other comprehensive income was HK\$1,089,000 (2025: HK\$1,340,000).

29. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a written resolution of the Company passed on 2 May 2013 for the purpose of attracting and retaining the best quality personnel for the development of the Group's businesses, providing additional incentives to the qualifying grantees, and promoting the long term financial success of the Group by aligning the interests of option holders to shareholders of the Company. Under the Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, consultants, business partners or other eligible person as stated in the Share Option Scheme, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue during any 12-month period, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Options granted must be taken up within twenty-eight days from the date of the offer, upon payment of HK\$1 per offer. Option periods of the options granted shall not be greater than a period of ten years from the date of grant of the options. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No share option was granted during the years ended 31 March 2026 and 2025. There are no share options outstanding as at 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

30. RELATED PARTY TRANSACTIONS AND BALANCES

(a) The Group had the following material transactions and balances with its related parties during the years:

Name of company	Nature of transactions	Notes	2026 HK\$'000	2025 HK\$'000
Telecom Service Network Limited	Logistic fee paid thereto	(i) & (iii)	694	940
Onbo International Limited	Rental expenses paid thereto	(ii) & (iii)	1,936	1,936
	Motor vehicle expenses paid thereto	(i) & (iii)	32	—
Telecom Digital Services Limited ("TDS")	Received repairing and refurbishment service income therefrom	(i) & (iii)	120	72
	Received warehouse management service income therefrom	(i) & (iii)	980	—
Telecom Digital Data Limited ("TDD")	Received repairing and refurbishment service income therefrom	(i) & (iii)	492	504
Silicon Creation Limited ("SCL")	Interest expenses paid thereto	(i), (iii) & (v)	28	—

Details of amounts due from related companies are as follows:

		Maximum amount outstanding during the year ended 31 March			
	Notes	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Related companies					
TDD	(iii) & (iv)	40	41	42	83
TDS	(iii) & (iv)	11	7	731	11
		51	48		

Notes:

- (i) These transactions were carried out at terms determined and agreed by the Group and the relevant parties.
- (ii) The rental expenses were charged on a monthly fixed amount mutually agreed by the Group and the relevant party.
- (iii) Cheung Brothers, the directors of the Company have beneficial interests in the companies.
- (iv) The amounts were arisen from normal sales and purchase transactions. The amounts are unsecured, interest-free and expected to be settled according to their respective credit terms which are similar to those with third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

30. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

- (a) The Group had the following material transactions and balances with its related parties during the years:
(Continued)

Notes: (Continued)

- (v) On 1 April 2025, the Company entered into a loan agreement with SCL, pursuant to which SCL agreed to grant an unsecured revolving loan facility with a principal amount of HK\$5,000,000 ("SCL Revolving Facility") which is available for drawdown subject to the terms. The facility was valid for 12 months from the date of the loan agreement. The loan carried interest rate of Hong Kong Interbank Offered Rate plus 2% per annum on funded amounts. The Company shall repay interests on a monthly basis and repay any outstanding principal at the end of the facility period or within one month upon receipt of notice of demand, whichever is earlier. The loan was fully repaid during the year ended 31 March 2026 and the loan agreement expired on 31 March 2026. During the year ended 31 March 2026, HK\$1,000,000 had been drawn down and the outstanding amount was fully repaid.

SCL Revolving Facility constitutes financial assistance provided by a connected person to the Group, the loan from SCL is in the ordinary and usual course of business of the Company and on normal commercial terms, and are not secured by any assets of the Group, therefore, according to Rule 14A.90 of the Listing Rules, the loan that SCL provides to the Group are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

- (b) The amounts due to related companies were arisen from normal sales and purchase transactions. The amounts were unsecured, interest-free and repayable on demand. The directors of the Company have beneficial interests in these related companies.
- (c) During the year ended 31 March 2026, the Group has made lease payments of HK\$1,936,000 to a related company, where the lease is accounted for as short-term leases (2025: HK\$1,936,000).

(d) Banking facilities

During the year ended 31 March 2026, the banking facilities of HK\$10,200,000 (2025: HK\$10,200,000) have been granted from the banks and the unutilised bank facilities were HK\$10,200,000 (2025: HK\$10,200,000) as at 31 March 2026.

During the year ended 31 March 2025, the banking facility of USD3,000,000 (2026: nil) has been granted for the purpose of financing the investments within or through the bank and the unutilised banking facilities for investment purpose were USD3,000,000 (2026: nil) as at 31 March 2025.

(e) Compensation of key management personnel

The remuneration of key management during the year was as follow:

	2026 HK\$'000	2025 HK\$'000
Short-term benefits	5,295	5,165
Post-employment benefits	108	108
	5,403	5,273

The remuneration of the key management personnel is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

(a) Changes in liabilities arising from financing activities

	Lease liability HK\$'000	Bank borrowing HK\$'000	Other borrowing HK\$'000	Total HK\$'000
As at 1 April 2024	4,556	2,200	–	6,756
Financing cash flows				
– Bank borrowing repaid	–	(2,200)	–	(2,200)
– Repayment of lease liability	(2,956)	–	–	(2,956)
– Interest paid	(154)	(24)	–	(178)
Net cash generated from (used in)				
financing cash flows	1,446	(24)	–	1,422
– Interest expenses	154	24	–	178
As at 31 March 2025 and 1 April 2025	1,600	–	–	1,600
Financing cash flows				
– Other borrowing raised	–	–	1,000	1,000
– Other borrowing repaid	–	–	(1,000)	(1,000)
– Repayment of lease liability	(2,834)	–	–	(2,834)
– Interest paid	(151)	–	(28)	(179)
Net cash generated used in				
financing cash flows	(1,385)	–	(28)	(1,413)
– New lease entered	5,169	–	–	5,169
– Interest expenses	151	–	28	179
As at 31 March 2026	3,935	–	–	3,935

(b) Major non-cash transactions

During the year ended 31 March 2026, the Group had non-cash additions to right-of-use asset and lease liability of HK\$5,169,000 (2025: nil) and HK\$5,169,000 (2025: nil) respectively, in respect of lease arrangements for office and warehouse.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current asset			
Investment in a subsidiary	(a)	—	—
Current assets			
Prepayments		118	118
Amounts due from subsidiaries	(b)	59,626	59,555
Bank balances and cash		114	115
		59,858	59,788
Current liabilities			
Other payables		160	210
Net current assets		59,698	59,578
Net assets		59,698	59,578
Capital and reserves			
Share capital		12,834	12,834
Reserves	(c)	46,864	46,744
Total equity		59,698	59,578

Notes:

- (a) As at 31 March 2026 and 2025, the carrying amount of investment in a subsidiary was nil, net of accumulated impairment losses of HK\$22,217,000.
- (b) The amounts due from subsidiaries are unsecured, non-interest-bearing and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2026

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

Notes: (Continued)

(c) Reserves

	Share premium HK\$'000	Other reserve HK\$'000 (Note i)	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	36,900	21,533	(869)	57,564
Loss and total comprehensive expense for the year	–	–	(8,253)	(8,253)
Dividends recognised as distribution (Note 15)	(2,567)	–	–	(2,567)
At 31 March 2025 and 1 April 2025	34,333	21,533	(9,122)	46,744
Profit and total comprehensive income for the year	–	–	2,686	2,686
Dividends recognised as distribution (Note 15)	(2,566)	–	–	(2,566)
At 31 March 2026	31,767	21,533	(6,436)	46,864

Note:

- (i) Other reserve represents the difference between the nominal value of the shares issued for the acquisition of TSO BVI and the consolidated net asset values of TSO BVI and its subsidiaries at the date of acquisition.

33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

As at 31 March 2026 and 2025, particulars of the Company's subsidiaries are as follows:

Name of subsidiary	Place of incorporation or establishment/operation	Issued and fully paid share capital/registered capital	Percentage of equity interest attributable to the Company and proportion of voting power held by the Company				Principal activities
			2026		2025		
			Direct	Indirect	Direct	Indirect	
TSO BVI	BVI	US\$1,000	100%	–	100%	–	Investment holding
Telecom Service One Limited	Hong Kong	HK\$1,000	–	100%	–	100%	Provision of repairing and refurbishment services for mobile phones and other personal electronic products as well as the sales of related accessories and provision of supporting services
Joyful Ocean Investments Limited	Hong Kong	HK\$1	–	100%	–	100%	Property investment
TSO Macau	Macau	MOP100,000	–	100%	–	100%	Inactive

None of the subsidiaries had issued any debt securities during both years or the end of both years.

FIVE YEARS FINANCIAL SUMMARY

		Year ended 31 March			
	2026	2025	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	49,789	44,223	54,387	51,381	34,757
Cost of sales	(33,897)	(40,691)	(43,136)	(39,996)	(21,322)
Gross profit	15,892	3,532	11,251	11,385	13,435
Other income and gains	3,963	5,912	3,507	3,973	3,511
Other operating expenses, net	(4,706)	(4,706)	(4,315)	(3,200)	(2,158)
Administrative expenses	(12,171)	(13,180)	(14,477)	(14,554)	(13,168)
Impairment losses on property, plant and equipment	—	—	—	(2,399)	—
Impairment losses on investment properties	(8,581)	(4,892)	(196)	(2,098)	—
Loss on changes in fair value of financial assets at fair value through profit or loss	—	—	(4,749)	(432)	(2,019)
Finance costs	(179)	(177)	(255)	(33)	(67)
Loss before tax	(5,782)	(13,511)	(9,234)	(7,358)	(466)
Income tax credit (expense)	181	106	60	243	(541)
Loss for the year	(5,601)	(13,405)	(9,174)	(7,115)	(1,007)
Other comprehensive income (expense)					
Items that will not be reclassified to profit or loss:					
Remeasurement of long service payment obligations	17	(331)	(125)	(167)	242
Total comprehensive expense for the year	(5,584)	(13,736)	(9,299)	(7,282)	(765)
Loss per share (HK\$)					
Basic and diluted	(0.0436)	(0.1044)	(0.0715)	(0.0554)	(0.0078)
ASSETS AND LIABILITIES					
Total assets	55,571	61,857	85,616	89,107	97,047
Total liabilities	(9,290)	(7,426)	(14,882)	(9,074)	(9,732)
	46,281	54,431	70,734	80,033	87,315
Equity attributable to owners of the Company	46,281	54,431	70,734	80,033	87,315