

RC365 Holding plc
(“RC365”, the “Company” or the “Group”)

Interim Results

RC365 Holding plc (LSE: RCGH), an established payment solutions and fintech company, is pleased to announce its interim results for the six months ended 30 September 2025.

Financial Summary

- Revenue was HK\$11.9 million (H1 2024: HK\$6.1 million)
- Gross margin of 39.3% (H1 2024: 89.2%)
- Loss after tax reduced to HK\$4.1 million (H1 2024: HK\$7.4 million)
- Cash and cash equivalents at 30 September 2025 were HK\$5.9 million (31 March 2024: HK\$11.8 million)

Operational & Strategic Summary

- RCPAY processed HK\$14.46 million in remittance and payment transactions during the period (H1 2024: HK\$18.70 million)
- Continued momentum in new card issuance with additional 46 RC365 Asset Link Credit Cards supplied to clients from Hong Kong, Japan and ASEAN (H1 2024: 891) – bringing the total issued to 1,687 to date
- Progression of the Group's virtual banking strategy
 - Money Lenders Licence secured through acquisition of HC Capital Group Ltd, enabling provision of digital lending services
 - Expansion of card product range to include credit facilities targeted for roll-out in Q4 2025
- Strengthened presence in key growth market Japan
 - Number of corporate customers more than doubled during the period
- Preparation for public launch of RC3.0 App in early Q1 2026
 - New platform to expand functionality beyond FX, remittance and card services to include virtual banking, ERP and blockchain-enabled features

Chi Kit (Michael) LAW, Chief Executive Officer of RC365, said: “During the six-month period ended 30 September 2025 we continued to deliver a solid result, advancing our strategy to broaden the Group's services and expand our presence across Asia. Card issuance continued to grow, with total active RC365 Asset Link Credit Cards reaching 1,687, and our customer base in Japan more than doubled during the period.

The acquisition of HC Capital and the accompanying Money Lenders Licence mark an important step towards offering credit products and developing our virtual banking capabilities. We also progressed the RC3.0 App, which will introduce enhanced functionality and strengthen our overall platform once launched.

Financial performance improved, with revenue significantly higher than the prior period and losses reduced through disciplined cost management. While we continue to manage resources prudently, we remain focused on developing or acquiring new revenue streams and enhancing our core services.

We look forward to building on this momentum in the second half of the year and updating shareholders as we progress.”

**** ENDS ****

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About RC365 Holding plc:

RC365 Holding plc (LSE: RCGH) is an established payment solutions and fintech company. It operates primarily in East and Southeast Asia through its core subsidiaries of Regal Crown Technology and the recently acquired HC Capital.

For over 10 years, the Company has delivered efficient and secure payment gateway solutions and IT support and development services for payment and financial systems, including ERP solutions. In 2021, it commenced providing digital remittance and payment services, which expanded to include foreign exchange and asset linked credit card solutions. These services are provided to multinational merchants, SMEs and individuals. RC365 intends to expand into the virtual banking market and geographically, including in the UK and wider Europe.

For more information, visit: <https://www.rc365plc.com>

Overview

The first half of the financial year represented a period of continued advancement for RC365 as we progressed our strategy to expand geographically and expand our types of service offering to our Fintech and non-Fintech client by our wholly incorporated subsidiaries in Hong Kong and ASEAN countries.

We achieved significant growth in the number of active RC365 payment card holders, which increased to a total of 1,687 (H1 2024, 1,500 subscribers), and we anticipate this strong growth rate to continue over the next two to three quarters.

We are also pleased to report that, while revenue was significantly higher than last period, loss before tax was significantly reduced.

I would like to take this opportunity to thank the shareholders for their continued support as we continue to develop and expand RC365.

Summary of Trading Performance

Financial

Revenue for the six months ended 30 September 2025 was HKD 11.9 million (H1 2024: HKD 6.1 million). The vast majority of Group revenue continued to be generated by our wholly-owned Regal Crown Technology Limited ("RCTech") subsidiary, where we provide cutting-edge IT support and development for payment and financial systems, including Enterprise Resource Planning solutions and Mr. Meal Production Limited ("Mr. Meal"), a company providing Computer Graphic and Design services to mainly 4As and multinational and regional enterprises located in Hong Kong and Greater China. The significant growth in total revenue reflects a higher contribution from Mr. Meal.

Gross margin was 39.3% (H1 2024: 89.2%). This reflects the contribution to cost of sales in H1 2025 from the card payment programmes.

Loss after tax was significantly reduced to HKD 4.1 million (H1 2024: HKD 7.4 million). This was primarily due to effective control for the operating expenses including personnel cost. As at 30 September 2025, the cash balance of the Group was HKD 5.9 million (31 March 2024: HKD 11.8 million). The Group continued to adopt a prudent approach to cost control whilst exploring new revenue streams and business opportunities.

Operational

RCPAY handled approximately HKD 14.46 million (H1 2024: HKD 18.70 million) in providing payment and remittance services to clients (both individual and corporate) based in Asia and United Kingdom during the interim period. This reflects the Group experiencing exceptionally high demand in the first half of the prior year, and a return to more typical levels in H1 2026.

The Group supplied additional 46 credit cards (H1 2024: 1,500) to clients from Hong Kong, Japan and the ASEAN region during the period to 30 September 2025, bringing the total to date to a total of 1,687. The Board is pleased with the number of RC365 Asset Link Credit Cards (formerly the 'RC365 MasterCard'), issued by MasterCard, supplied during the interim period.

Strategic Execution

During the first half of financial year 2025, we continued to execute on our strategy to expand and enhance our service offerings and to expand geographically.

The gaining of a Money Lenders Licence in Hong Kong via the acquisition of HC Capital Group Ltd, the licence holder, which allows us to provide money lending services to our customers and represents progress on our strategy to expand our offering into virtual banking. We intend to expand our card offering, which currently consists of MasterCard debit facilities, to include credit facilities to existing and potential RC365 MasterCard holders during Q4 2025.

As noted above, we are very pleased with the progress that we are making with our card programmes to date, which we see as a core element of our growth strategy. This is a new service offering and also part of our geographic expansion – in particular, it has spearheaded our entrance into Japan, which we view as a key growth market. Our number of corporate customers in Japan more than doubled during the period.

The official launch of RC3.0 App to public on early of Q1 2026 will be pivotal in enabling us to expand into offering virtual banking facilities as well as other services such as enterprise resource planning and blockchain features.

Outlook

Looking ahead, we are continuing to explore opportunities and form different types of business relationships with corporates located in Hong Kong, Japan, the UK and wider Europe.

We are very pleased with the momentum that we are experiencing with our existing card programmes, which we expect to continue. We are also excited about the launch of our RC3.0 App which will mark a key milestone in our strategy to expand into virtual banking. We look forward to reporting on our progress.

Principal Risks and Uncertainties

The principal risks and uncertainties facing RC365 Holding Plc and its subsidiaries (the "Group") for the interim ended 30 September 2025 remain consistent with those outlined in the Group's Annual Report for the year ended 31 March 2025.

These risks could have a material adverse effect on the Group's operations, financial position, or prospects if they materialise. The Board continues to monitor and mitigate these through robust risk management processes, including regular reviews by the Audit Committee.

Key risks are summarised below:

- **Technological and Innovation Risks:** The Group's ability to innovate and adapt to rapid fintech developments, such as evolving payment technologies and digital solutions, is critical. Failure to keep pace could result in lost market share and declining revenues.
- **Competitive and Market Pressures:** Intense competition from larger fintech players with superior resources may pressure pricing, product offerings, and market penetration, particularly in core markets like Hong Kong, North Asia, and Southeast Asia.

- **Reputational and Operational Risks:** Negative publicity from service disruptions, data breaches, or customer dissatisfaction could erode trust and lead to customer churn. The Group relies on secure IT systems, with cyber threats posing a significant vulnerability.
- **Regulatory and Compliance Risks:** As a licensed payment solutions provider, non-compliance with anti-money laundering (AML), counter-terrorism financing (CTF), and licensing requirements in Hong Kong, the UK, and other jurisdictions could result in fines, operational restrictions, or reputational damage.
- **Strategic and Execution Risks:** Challenges in executing growth strategies, including product development (e.g., RC3.0 platform enhancements, prepaid card issuance), market expansion into Europe, and potential acquisitions, could hinder scalability and integration.
- **Human Capital Risks:** Dependence on key executives and specialised personnel in payments and technology; loss of such talent could disrupt operations.
- **Macroeconomic and External Risks:** Global economic volatility, inflation, interest rate fluctuations, and reduced debit/credit card usage amid shifts to alternative payment methods could impact transaction volumes and demand.
- **Financial and Funding Risks:** Ongoing liquidity pressures, including reliance on external financing amid recent losses and cash outflows, raise going concern uncertainties. Credit and fraud risks in loan receivables and online transactions are also elevated, with potential for further impairments.
- **Fraud and Security Risks:** Exposure to fraudulent activities in digital payments, despite not directly handling funds, could lead to financial losses, litigation, or regulatory scrutiny.

The Group maintains insurance coverage where appropriate and continues to invest in risk mitigation measures, such as enhanced cybersecurity protocols and diversified funding sources. The Board will provide updates if material changes arise.

Responsibility Statement

We confirm that to the best of our knowledge:

- a) The condensed set of financial statements has been prepared in accordance with IAS34 “Interim Financial Reporting”;
- b) The interim management account includes a fair review of the information required by DTR4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six month of the year); and
- c) The interim management report includes a fair review of the information required by DTR4.2.8R (disclosure of related parties’ transactions and changes therein).

Caution Statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Company’s strategies and potential for those

strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The condensed accounts have not been reviewed by the auditors.

Condensed consolidated statement of profit or loss and other comprehensive income
for the six months ended 30 September 2025

		Six months ended 30 September 2025 (unaudited) HK\$	Six months ended 30 September 2024 (unaudited) HK\$
	Notes		
Revenue	4	11,949,103	6,138,632
Cost of sales		(7,257,317)	(661,632)
Gross profit		4,691,786	5,477,000
Other income	5	146,865	1,290,970
Subcontracting fee paid		(609,320)	(2,365,189)
Staff costs		(3,975,548)	(4,711,855)
Depreciation on property, plant and equipment and right-of-use assets		(1,055,016)	(2,122,972)
Fair value (loss)/gain on contingent consideration – consideration shares	28	(4,557)	56,067
Fair value gain/(loss) on financial assets at FVPL	16	9,226	(527,008)
Other operating expenses		(3,264,525)	(4,403,811)
Finance charges	6	(60,573)	(90,710)
Loss before income tax	7	(4,121,662)	(7,397,508)
Income tax expense	9	-	-
Loss for the period		(4,121,662)	(7,397,508)
Loss per share – basic and diluted (HK\$)	10	(2.74 cents)	(5.23 cents)
Loss for the period		(4,121,662)	(7,397,508)
Other comprehensive (expense)/income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(16,886)	733,281
		(16,886)	733,281
Total comprehensive loss for the period		(4,138,548)	(6,664,227)

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

Condensed consolidated statement of financial position as at 30 September 2025

	Notes	As at 30 September 2025 (unaudited) HK\$	As at 31 March 2025 (audited) HK\$	As at 1 April 2024 (Restated) HK\$
ASSETS				
Non-current assets				
Goodwill	12	-	-	759,289
Intangible assets	13	4,032,400	4,972,333	28,154,458
Property, plant and equipment	14	486,962	559,838	457,213
Right-of-use assets	15	719,540	-	503,955
Loan receivables	19	-	-	3,257,981
Financial assets at FVPL	16	10,752	344,105	1,017,248
		5,249,654	5,876,276	34,150,144
Current assets				
Deposit and prepayments	18	2,845,375	2,798,699	2,980,887
Trade and other receivables	18	4,888,079	772,471	2,457,826
Inventories	20	127,077	-	-
Contract assets	22	274,680	855,409	-
Cash and cash equivalents	21	5,851,991	11,775,409	19,318,967
		13,987,202	16,201,988	24,757,680
Current liabilities				
Trade and other payables	23	1,470,891	2,939,666	3,967,381
Borrowings	24	3,884,491	3,884,491	4,539,862
Lease liabilities	25	369,635	-	412,284
Tax payables		298,388	294,940	111,030
Convertible loan note	26	-	-	5,967,000
Amount due to a shareholder		2,634,999	2,538,748	-
Contract liabilities	23	7,746,214	5,460,205	8,424,227
Amount due to a director	23	857,564	1,202,925	2,097,277
		17,262,182	16,320,975	25,519,061
Net current liabilities		(3,274,980)	(118,987)	(761,381)
Non-current liabilities				
Lease liabilities	25	350,996	-	65,529
Contingent consideration – consideration shares	28	15,617	10,680	70,486
		366,613	10,680	136,015
Net assets		1,608,061	5,746,609	33,252,748
EQUITY				
Share capital	27	15,722,041	15,722,041	13,535,595
Share premium		72,636,015	72,636,015	68,862,461
Group reorganisation reserve		677,439	677,439	589,836
Translation reserve		85,367	102,253	(83,566)
Accumulated losses		(87,512,801)	(83,391,139)	(49,651,578)
Total equity		1,608,061	5,746,609	33,252,748

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

**Condensed consolidated statement of changes in equity
for the six months ended 30 September 2025**

	Share capital HK\$	Share premium HK\$	Translation reserve HK\$	Group reorganisation reserve HK\$	Accumulated losses HK\$	Total HK\$
At 31 March 2024 and at 1 April 2024 (restated)	13,535,595	68,862,461	(83,566)	589,836	(49,651,578)	33,252,748
Loss for the period	-	-	-	-	(7,397,508)	(7,397,508)
Exchange difference on consolidation	-	-	733,281	-	-	733,281
Total comprehensive expense	-	-	733,281	-	(7,397,508)	(6,664,227)
Issue of share capital	2,186,446	3,773,554	-	-	-	5,960,000
At 30 September 2024 (unaudited) (restated)	15,722,041	72,636,015	649,715	589,836	(57,049,086)	32,548,521
At 31 March 2025 and at 1 April 2025 (audited)	15,722,041	72,636,015	102,253	677,439	(83,391,139)	5,746,609
Loss for the period	-	-	-	-	(4,121,662)	(4,121,662)
Exchange difference on consolidation	-	-	(16,886)	-	-	(16,886)
Total comprehensive expense	-	-	(16,886)	-	(4,121,662)	(4,138,548)
At 30 September 2025 (unaudited)	15,722,041	72,636,015	85,367	677,439	(87,512,801)	1,608,061

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

Condensed consolidated statement of cash flows for the six months ended 30 September 2025

	Six months ended 30 September 2025 (unaudited) HK\$	Six months ended 30 September 2024 (unaudited) HK\$
Cash flows from operating activities		
Loss before income tax	(4,121,662)	(7,397,508)
Adjustments for:		
Amortisation of intangible assets	939,933	1,821,534
Depreciation of property, plant and equipment	83,799	61,879
Depreciation of right-of-use assets	31,284	239,559
Fair value (gain)/loss on financial assets at FVPL	(9,226)	527,008
Fair value loss/(gain) on contingent consideration	4,557	(56,067)
Gain on disposal of financial assets at FVTPL	(104,400)	-
Bank interest income	(42,092)	(231,140)
Finance charges	60,573	90,710
Operating cashflow before working capital changes	(3,157,234)	(4,944,025)
(Increase)/ Decrease in trade and other receivables	(4,125,668)	834,431
Increase in deposit and prepayments	(73,201)	(108,003)
Decrease in contract assets	580,730	-
Increase in inventories	(127,077)	-
Decrease in trade and other payables	(1,558,594)	(1,996,936)
Decrease in amount due to a director	(345,361)	-
Increase in contract liabilities	2,286,009	-
Net cash used in operating activities	(6,520,396)	(6,214,533)
Cash flow from investing activities		
Acquisition of property, plant and equipment	-	(9,185)
Acquisition of intangible assets	-	(230,000)
Interest received	42,092	231,140
Proceeds from disposal of financial assets at FVTPL	456,537	-
Proceeds from convertible loan note receivable	-	4,053,333
Net cash from investing activities	498,629	4,045,288
Cash flow from financing activities		
Interest paid	(60,573)	(79,355)
Repayment of bank borrowings	-	(389,365)
Rental paid for lease liabilities	(30,193)	(217,800)
Net cash used in financing activities	(90,766)	(686,520)
Net decrease in cash and cash equivalents	(6,112,533)	(2,855,765)
Effect of exchange rate changes	189,115	(212,322)
Cash and cash equivalents at beginning of the period	11,775,409	19,318,967
Cash and cash equivalents at the end of the period	5,851,991	16,250,880

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

Notes to the condensed consolidated financial statements for the six months ended 30 September 2025

1. GENERAL INFORMATION

RC365 Holding Plc (the “Company”) was incorporated as a private limited company on 24 March 2021 in the United Kingdom (the “UK”) under the Companies Act 2006. The Company acted as a holding company and converted to a public limited company on 22 September 2021. The address of the registered office is Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF. The Company was listed on the equity shares (transition) category (formerly ‘standard list (shares)’ category) of the London Stock Exchange (“LSE”) on 23 March 2022.

The principal activity of the Company is to act as an investment holding company. The Company together with its subsidiaries (the “Group”) are mainly engaged in provision of IT software development and payment solutions, remittance and payment services, provision of media production services and money lending services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These Group and parent company financial statements were prepared in accordance with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements of the Group and parent company have been prepared on an accrual basis and under historical cost convention. The financial statements are presented in Hong Kong Dollars (“HK\$”), which is the Group's functional and presentational currency, and rounded to the nearest dollar.

2.2 New Standards and Interpretations

In the current period, the Group has applied the following new and amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

IAS 1	Classification of liabilities as current or non-current
IAS 1	Amendments – Non-current liabilities with covenants
IFRS 16	Amendments – Leases on sale and leaseback
IAS 7 & IFRS 17	Amendments – Supplier finance arrangements
IAS 21	Amendments – Lack of exchangeability

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

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

Standard	Impact on initial application	Effective date
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Amendments – Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 9 & IFRS 7	Amendments – Classification and Measurement of Financial Instruments	1 January 2026
IFRS 9 & IFRS 7	Amendments – Contract Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS10 & IAS 28	Amendments – Sales or contribution of assets between an investor and its associate/joint venture	To be determined

2.3 Going Concern

The financial statements have been prepared on a going concern basis, as the Directors are confident in the Group and Parent Company's ability to continue in operation existence for the foreseeable future. going concern basis in the preparation of the consolidated financial statements.

The Group and Parent Company have experienced losses and cash outflows from operating activities; however, proactive measures have been taken to address these challenges. Management has engaged in constructive negotiations with a potential investor, who has demonstrated clear and ongoing commitment to supporting the business. A written notice have been received confirmation their intent and discussion are progressing positively.

The Directors are confident that the anticipated investment will provide sufficient capital support to support the Group's strategic objectives and operational requirements. Based on this expected funding, along with continued cost management and revenue growth from our co-branded programs, the Directors believe that there are no material uncertainties that cast significant doubt over the ability of the Group and Parent Company to continue on a going concern.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue operation for the foreseeable future for the reason they have adopted a going concern basis in the preparation of the consolidated financial statements.

2.4 Basis of consolidation

i) Business combination not under common control

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group, as appropriate. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination not under common control is measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests (if applicable). Total comprehensive income is attributed to the owners of the Company and the non-controlling interest (if applicable) even if this results in the non-controlling interest having a deficit balance. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

ii) Merger accounting for common control combinations

In the consolidated financial statements, the results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in preparing the consolidated financial statements. Profits and losses resulting from the intra-Group transactions that are recognised in assets are also eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary.

2.5 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

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.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentational currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2.6 Contingent consideration

Contingent consideration to be transferred by the Group as the acquirer in a business combination is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

2.7 Goodwill

Goodwill arising on an acquisition of a subsidiary is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interests in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired subsidiary.

Goodwill on acquisition of subsidiary is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value

may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units ("CGU"). An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired subsidiary over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Any resulting gain or loss arising from remeasuring the previously held equity interests in the acquiree at the acquisition-date fair value is recognised in profit or loss or other comprehensive income, as appropriate.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.8 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in 2.13) are stated at acquisition cost less accumulated depreciation and impairment losses. The acquisition cost of an asset comprises of its purchase price and any direct attributable costs of bringing the assets to the working condition and location for its intended use. Depreciation of assets commences when the assets are ready for intended use.

Depreciation on property, plant and equipment, is provided to write off the cost over their estimated useful life, using the straight-line method, at the following rates per annum:

Furniture & Fixtures	20% per annum
Leasehold Improvement	20% per annum
Office Equipment	20% per annum

The assets' depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

The gain or loss arising on the retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for an internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

i) Classification

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

- 1) those to be measured at amortised cost.

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

The Company classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest

- 2) those to be measured at fair value through profit or loss (FVPL)

ii) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

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

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

gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

(iv) Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses ("ECL") to be recognised from initial recognition of the receivables.

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

Financial liabilities

The Group's financial liabilities include lease liabilities, trade and other payables, borrowings and contingent consideration.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Convertible loan note

The component of the convertible loan note that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs. The corresponding dividends on those shares are charged as interest expense in profit or loss.

On the issue of the convertible loan note, the fair value of the liability component is determined using a market rate for a similar note that does not have a conversion option; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in the convertible loan note equity reserve within shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years. When the conversion option is exercised, the balance of the convertible loan note equity reserve is transferred to share capital or other appropriate reserve. When the conversion option remains unexercised at the expiry date, the balance remained in the convertible loan note equity reserve is transferred to accumulated profits/losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Issue costs are apportioned between the liability and equity components of the convertible loan note based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible loan note are allocated to the liability and equity components in proportion to the allocation of proceeds.

A contract is not an equity instrument solely because it may result in the receipt or delivery of the entity's own equity instruments. A contract that will be settled by the entity receiving or delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset is an equity instrument. Accordingly, any derivative instrument that gives one party a choice over how it is settled (e.g., the issuer or the holder can choose settlement net in cash or by exchanging shares for cash) is a financial asset or a financial liability. A convertible loan note that is issued in a currency other than functional currency of the Company is a financial liability.

2.11 Inventories

Inventories, consisting of products available for sale, are stated at the lower of cost and net realizable value. Cost of inventories is mainly determined using the weighted average cost method. Adjustments are recorded to write down the cost of inventories to the estimated net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as inventory aging, historical and forecasted consumer demand, and market conditions that impact pricing. The Group takes ownership, risks and rewards of the products purchased, but has arrangements to return unsold goods with certain vendors. Write downs are recorded in "cost of sales" in the consolidated statements of profit or loss and other comprehensive income.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.13 Lease

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contain an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented separately.

2.14 Equity

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the amount paid for equity shares over the nominal value.
- "Translation reserve" comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities to HK\$.
- "Group reorganisation reserve" arose on the Group reorganisation.
- "Accumulated losses" include all current period results as disclosed in the income statements.

No dividends are proposed for the period.

2.15 Revenue recognition

Revenue arises mainly from contracts for IT software development during the period.

To determine whether to recognise revenue, the Group follows a 5-step process:

Step 1: Identifying the contract with a customer

Step 2: Identifying the performance obligations

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations

Step 5: Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The

transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

Services income

Revenue from IT software development is recognised over time as the Group's performance creates and enhances an asset that the customer controls. The progress towards complete satisfaction of a performance obligation is measured based on input method, i.e. the costs incurred up to date compared with the total budgeted costs, which depict the Group's performance towards satisfying the performance obligation.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Remittance and payment service fee income

Remittance and payment service fee income are recognised at the time the related services are rendered.

Media production service income

Media production service income is recognised on an appropriate basis over the relevant period in which the services are rendered.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration

that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For certain services provided by the Group, in accordance with the underlying service agreements which are negotiated on a case-by-case basis with customer, the Group may receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

2.16 Government grants and non-government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to income is presented in gross under other income in the condensed consolidated statement of profit or loss and other comprehensive income.

Non-government related grants are recognised as income when there is reasonable assurance that the entity will comply with all attached conditions and the grant will be received. Grants shall be initially measured at the fair value of the assets received or the nominal amount for cash grant where the grant relates to expenses already incurred, it shall be recognized in profit or loss immediately. For grants tied to specific performance obligations or multi-period projects, income shall be recognised using the percentage-of-completion method, systematically matching grant revenue with the related costs.

2.17 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets), intangible assets and the Company's interests in subsidiaries are subject to impairment testing.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently

(i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill, in particular, is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not be larger than an operating segment.

Impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

Impairment loss is reversed if there has been a favourable change in the estimates used to determine the assets' recoverable amount and only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.18 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The Group's contributions to the defined contribution plans are recognised as an expense in profit or loss as employees render services during the reporting period.

Short-term employee benefits

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

2.19 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or

- (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
- (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.20 Accounting for income taxes

Taxation comprises current tax and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of

the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

2.21 Earnings per ordinary share

The Company presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per ordinary share is calculated by adjusting the earnings and number of ordinary shares for the effects of dilutive potential ordinary shares.

2.22 Segment reporting

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

All operations and information are reviewed together. During the period, in the opinion of the Directors, there is only one reportable operating segment, i.e. the IT software development in Hong Kong due to its significant portion of operation among all business activities.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, Directors have made the following judgements that might have significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are also discussed below.

Discount rate of lease liabilities and right-of-use assets determination

In determining the discount rate, the Group is required to exercise considerable judgement in relation to determining the discount rate taking into account the nature of the underlying assets, the terms and conditions of the leases, at the commencement date and the effective date of the modification. The Group's rate is referenced to the bank borrowing's interest rate in Hong Kong.

Fair value measurements and valuation processes

Some of the Group's financial assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and Level 2 inputs are not available, the Group engages an independent firm of professional valuers to perform the valuation. In relying on the valuation report, the Directors have exercised their judgement and are satisfied to establish the appropriate valuation techniques and inputs to the model. The fluctuation in the fair value of the assets and liabilities is reported and analysed periodically.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing changes in market conditions that may result in greater market volatility and may cause further disruptions to the investees'/issuers' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these consolidated financial instruments. Detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities are set out in notes 16, 28 and 30.6.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the management to choose a suitable valuation model and make estimation of the key valuation parameter and other relevant business assumptions.

Impairment of intangible assets

The Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of

cash-generating units to which the corporate asset belongs and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units. 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 CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. 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 CGUs. 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 CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment of investment in subsidiaries and receivables from group companies

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Potential indications of impairment may include significant adverse changes in the technological, market, economic or legal environment in which the assets operate or whether there has been a significant or prolonged decline in value below their cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impaired assets are reviewed for possible reversal of the impairment at each reporting date.

In the Company's balance sheet, impairment testing of investments in subsidiaries and receivables from group companies, are also required upon if the carrying amount of that entity in the Company's balance sheet exceeds the carrying amount of that entity's net assets including goodwill in its consolidated balance sheet.

4. REVENUE

The Group is engaged in provision of IT software development and payment solutions, remittance and payment services, provision of media production services and money lending services. Revenue was principally derived from IT software development and payment solutions for both periods.

5. OTHER INCOME

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Government subsidy (note)	-	684,458
Sundry income	373	375,372
Gain on disposal of financial assets at FVTPL	104,400	-
Interest income	42,092	231,140
	146,865	1,290,970

Note: During the six months ended 30 September 2024, the Group received funding support amounting to HK\$684,458 from the Hong Kong Productivity Council relating to the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund"). The purpose of the funding is to provide financial support to enterprises in developing brands, upgrading and restructuring operations and promoting sales in the Free Trade Agreement (FTA) and/or Investment Promotion and Protection Agreement (IPPA) economies, so as to enhance their competitiveness and facilitate their business development in the FTA and/or IPPA economies.

6. FINANCE CHARGES

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Finance charges on lease liabilities	2,307	11,355
Interest on bank borrowings	58,266	79,355
	60,573	90,710

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Auditor's remuneration	-	-
Subcontracting fee paid	609,320	2,365,189
Amortisation of intangible assets	939,933	1,821,534
Depreciation		
- Property, plant and equipment	83,799	61,879
- Right-of-use assets	31,284	239,559

8. DIRECTOR'S EMOLUMENTS

Details of director's emoluments are set out as follows:

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Fees	-	-
Other emoluments	619,155	1,761,715
	619,155	1,761,715

9. INCOME TAX EXPENSE

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Tax expense for the period	-	-

No provision for UK corporation tax has been made as the Company has no assessable profits for taxation purpose for both periods.

No provision for Hong Kong Profits Tax has been made as the Hong Kong subsidiaries have no assessable profits for taxation purpose for both periods.

No provision for Singapore corporation tax has been made as the Singapore subsidiary has no assessable profits for taxation purpose for the six months ended 30 September 2024.

No provision for Malaysia corporation tax has been made as the Malaysia subsidiary has no assessable profits for taxation purpose for both periods.

10. LOSS PER SHARE

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Loss attributable to equity shareholders	(4,121,662)	(7,397,508)
Weighted average number of ordinary share	150,410,420	141,418,518

Loss per share in HK\$:

Basic	(2.74 cents)	(5.23 cents)
Diluted	(2.74 cents)	(5.23 cents)

There were no potential dilutive ordinary shares in existence during the six months ended 30 September 2025 and 2024, and hence diluted earnings per share is the same as the basic earnings per share.

11. EMPLOYEE BENEFIT EXPENSES (including directors' emoluments)

	30 September 2025 (unaudited) HK\$	30 September 2024 (unaudited) HK\$
Staff costs		
Salaries and other benefits	3,818,850	4,586,225
Pension costs - defined contribution plan	156,698	124,690
Housing allowances	-	940
Staff benefit	3,975,548	4,711,855

12. GOODWILL

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Cost and net carrying amount		
At beginning of the reporting period	-	759,289
Impairment losses	-	(759,289)
At the end of the reporting period	-	-

Goodwill was derived from the acquisition of 100% equity interests in Mr. Meal Production Limited ("Mr. Meal") and its subsidiary (together the "Mr. Meal Group") at an aggregate consideration of HK\$2,000,000 in July 2023. The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed of HK\$759,289 is recognised as goodwill. At 31 March 2025, the directors assessed the recoverable amount of the goodwill with reference to the cash flow projection of Mr. Meal Group and recognised an impairment provision of HK\$759,289 against goodwill.

13. INTANGIBLE ASSETS

	Development cost HK\$	Money Lending HK\$	Total HK\$
At 31 March 2024 and 1 April 2024 (Restated)			
Cost	31,640,585	-	31,640,585
Accumulated	(3,482,518)	-	(3,482,518)
Exchange realignment	(3,609)	-	(3,609)
Net Book Value	28,154,458	-	28,154,458
At 31 March 2025			
Cost	31,640,585	230,000	31,870,585
Accumulated amortization and	(26,881,081)	-	(26,881,081)

Exchange realignment	(17,171)		(17,171)
Net Book Value	4,742,333	230,000	4,972,333

At 30 September 2025			
Cost	31,640,585	230,000	31,870,585
Accumulated amortization and	(27,821,014)	-	(27,821,014)
Exchange realignment	(17,171)	-	(17,171)
Net Book Value	3,802,400	230,000	4,032,400

The development cost intangible assets have definite useful lives. Such intangible assets are amortised on a straight-line basis over 5 years and 10 years.

During the year ended 31 March 2025, the Group reviewed the recoverable amounts of the development costs, provision of impairment loss has been recognised during the year.

In respect of the money lending license acquired during the year ended 31 March 2025, the license has no foreseeable limit to the period over which the Group can use to generate net cash flows. The directors consider the licenses as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The licenses will not be amortised until their useful life are determined to be finite.

As at 30 September 2025 and 31 March 2025, the Group reviewed the recoverable amounts of the money lending license. No impairment loss has been recognised during the six months ended 30 September 2025 and the year ended 31 March 2025.

14. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK\$	Leasehold improvement HK\$	Furniture & fixtures HK\$	Total HK\$
Cost				
At 1 April 2024	661,063	101,474	91,180	853,718
Addition	183,075	46,532	87,555	317,162
Written off	-	-	(100,365)	(100,365)
Exchange realignment	1,326	(669)	49	705
At 31 March 2025 (audited)	845,464	147,337	78,419	1,071,220
Exchange realignment	7,913	4,557	290	12,760
At 30 September 2025 (unaudited)	853,377	151,894	78,709	1,083,980
Accumulated Depreciation				
At 1 April 2024	362,166	20,295	14,044	396,505
Charge for the year	99,297	23,472	19,787	142,556
Eliminated on disposals	-	-	(27,426)	(27,426)
Exchange realignment	113	(368)	3	(253)
At 31 March 2025 (audited)	461,576	43,398	6,408	511,382
Charge for the period	60,811	15,120	7,868	83,799
Exchange realignment	745	1,072	20	1,837
At 30 September 2025 (unaudited)	523,132	59,590	14,296	597,018
Net Book Value				
At 30 September 2025 (unaudited)	330,245	92,305	64,412	486,962
At 31 March 2025 (audited)	383,888	103,939	72,011	559,838

15. RIGHT-OF-USE ASSETS

Lease assets HK\$

Cost

At 1 April 2024	821,212
Disposal of a subsidiary	(821,212)
At 31 March 2025 (audited)	-
Additions	750,824
At 30 September 2025 (unaudited)	750,824

Accumulated Depreciation	
At 1 April 2024	317,258
Charge for the year	307,994
Disposal of a subsidiary	(625,252)
At 31 March 2025 (audited)	-
Charge for the period	31,284
At 30 September 2025 (unaudited)	31,284

Net Book Value	
At 30 September 2025 (unaudited)	719,540
At 31 March 2025 (audited)	-

16. FINANCIAL ASSETS AT FVPL

		As at 30 September 2025 (unaudited) HK\$	As at 31 March 2025 (audited) HK\$
	Notes		
Equity investments listed in Hong Kong	16(a)	10,752	344,105

- (a) The fair values of the equity investments were determined on the basis of quoted market bid price at the end of the reporting period.

On 15 August 2025, the Company disposed of an aggregate of 1,220,000 shares. Gain on disposal of equity investments of HK\$104,400 was recognised in profit or loss.

During the six months ended 30 September 2025, fair value loss on equity investments of HK\$9,226 was recognised in profit or loss.

Details of the fair value measurements are set out in note 30 to the consolidated financial statements.

17. INTERESTS IN SUBSIDIARIES

Particulars of the Company's subsidiaries as at 30 September 2025 are as follows:

Name of subsidiary	Place / country of incorporation and operations	Particulars of issued and paid- up share / registered capital	Percentage of interest held by the Company		Principal activities
			Directly	Indirectly	
Regal Crown Technology Limited	Hong Kong	HK\$10,300,001	100%	-	IT software development

RCPay Ltd (Hong Kong) (note 1)	Hong Kong	HK\$10,000	-	-	Prepaid card consultancy services and licensed money service operation
Regal Crown Technology (Singapore) Pte Ltd (note 2)	Singapore	SGD100,000	-	-	IT consultancy and consultancy management services
RC365 Global Limited	British Virgin Islands	USD50,000	-	100%	Finance and treasury centre of the Group
RCPAY Limited	England and Wales	GBP 1	100%	-	Provision of exchange and remittance services and licensed small payment services
Mr. Meal Production Limited	Hong Kong	HK\$ 11,111	100%	-	Provision of media production services
美得妙 (珠海)文化傳播有 限公司	The People's Republic of China	CNY100,000	-	100%	Media production
RC365 Solution Sdn. Bhd. (note 3)	Malaysia	RM 1	-	-	Business management consultancy services
RC365 Business Advisory Limited (note 4)	Malaysia	USD100	-	-	Not yet commenced
Cast Great Investments Limited	British Virgin Islands	USD 1	100%	-	Investment holding
HC Capital Group Limited	Hong Kong	HK\$10,000		100%	Money lending services
RC365 Technology Sdn. Bhd.	Malaysia	RM 1	-	100%	IT software development

Notes:

- (1) This subsidiary was disposed on 21 November 2024.
- (2) This subsidiary was struck off on 10 March 2025.
- (3) This subsidiary was struck off on 30 March 2025.
- (4) This subsidiary was struck off on 25 April 2024.

18. TRADE AND OTHER RECEIVABLES AND DEPOSIT AND PREPAYMENT

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Trade receivables	4,888,079	772,471
Deposit and prepayment	2,845,375	2,798,699
	7,733,454	3,571,170

The Group allows an average credit period of 14 days to its trade customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history.

As at 30 September 2025 and 31 March 2025, no ECL has been provided for trade and other receivables and deposit and prepayment. The Group does not hold any collateral over these balances.

The Directors consider that the fair values of trade and other receivables and deposit and prepayment are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

19. LOAN RECEIVABLES

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Receivables:		
within one year	-	3,257,981
	-	3,257,981
Less: Amount shown under current assets	-	-
Balance due after one year	-	3,257,981
Less: Impairment losses	-	(3,257,981)
	-	-

The loans to independent third parties are unsecured, bearing interest at 10% (31 March 2025: 10%) per annum and with fixed terms of repayment. As at 31 March 2025, the Directors consider that their carrying amounts exceeded their recoverable amount in light of the significant increase in the credit risk of the counterparty. Accordingly, the carrying amounts of loan receivables were written down to their recoverable amounts and thus, provision for impairment losses of HK\$3,257,981 were recognised against the loan receivables as at 31 March 2025.

20. INVENTORIES

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Finished goods	127,077	-

21. CASH AND CASH EQUIVALENTS

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Cash and bank balances	5,851,991	11,775,409

22. CONTRACT ASSETS

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Contract assets	274,680	855,409

Contract assets that brought forward from prior years of HK\$580,729 are transferred to receivables when the rights become unconditional.

No impairment loss was recognised on the contract assets by the Group during the six months ended 30 September 2025.

23. TRADE AND OTHER PAYABLES

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Trade payables	330,726	302,484
Accrued charges and other payables	1,140,165	2,637,182
Contract liabilities	7,746,214	5,460,205
Amount due to a director	857,564	1,202,925
Amount due to a shareholder	2,634,999	2,538,748
	12,709,668	12,141,544

The amount due to a director is unsecured, interest free and repayable on demand. The amount due to a shareholder is unsecured, interest free and repayable within 1 year.

Contract liabilities represent receipt in advance from a customer in relation to its projects placed with the Group. Changes in contract liabilities primarily relate to the Group's performance of services under the projects.

All amounts are short-term and hence the carrying values of trade and other payables are considered not materially different from their fair values.

24. BORROWINGS

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Bank loans - secured:	3,884,491	3,884,491

Presented by:

- Carrying amount repayable on demand or within one year	542,963	134,726
- Carrying amount repayable after one year with repayment on demand clause	3,341,528	3,749,765
	3,884,491	3,884,491
Less: Amount shown under current liabilities	(3,884,491)	(3,884,491)
Non-current liabilities	-	-

Bank borrowings are variable interest bearing borrowings for working capital use which carry interest at 3.0% below Prime Rate per annum. The loan contains a repayment on demand clause and repayable by 96 unequal monthly instalment commencing one month from the date of drawdown. There is no material covenant stated in this borrowing. At 30 September 2025 and 31 March 2025, the banking facilities were secured by the joint and several guarantees given by Mr. Law Chi Kit, the ultimate controlling party of the Company.

25. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the lease liabilities:

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Total minimum leases payments:		
Due within one year	390,000	-
Due in the second to fifth years	357,500	-
	747,500	-
Future finance charges on lease liabilities	(26,869)	-
Present value of lease liabilities	720,631	-
Present value of liabilities:		
Due within one year	369,635	-
Due in the second to fifth years	350,996	-
	720,631	-
Less: Portion due within one year included under current liabilities	(369,635)	-
Portion due after one year included under non-current liabilities	350,996	-

The Group entered into lease arrangements for office with contractual period of two years. The Group makes fixed payments during the contract periods. At the end of the lease terms, the Group does not have the option to purchase the properties and the leases do not include contingent rentals.

26. CONVERTIBLE LOAN NOTE

The convertible loan note liability and equity recognised at the end of the reporting period are calculated as follows:

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Liability component		
At the beginning of the period	-	5,967,000
Drawdown during the year	-	4,109,333
Repayment	-	(4,061,998)
Repayment through conversion into equity shares	-	(5,960,000)
Exchange realignment	-	(54,335)
	-	-
Portion classified as non-current	-	-
Current portion	-	-

On 2 March 2024, the Group entered into an unsecured convertible loan note with an independent third party (the “lender” or “Noteholder”). The convertible loan note bears no interest with nominal value of GBP4,000,000. The Group may redeem all of the convertible loan note outstanding by paying to the Noteholder in immediately available cleared funds an amount equal to 120% of the outstanding amount of the convertible loan note.

During the year ended 31 March 2025, the Group has issued 21,875,830 shares on various date to settle £600,000 (first tranche) of convertible loan note. The notes were redeemed at outstanding value and that no premium is paid at the time of redemption. On 18 December 2024, the Group repaid balance convertible loan note by entering into a top-up subscription agreement with its principal shareholder and through the payment of cash of £150,000.

For more details of the terms of convertible loans, please refer to the Company's announcement dated on 4 March 2024 and 23 December 2024.

27. SHARE CAPITAL

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Issued shares (nominal value of £0.01 per share)		
At the beginning of the reporting period	150,410,420	128,534,590
Issue of shares	-	21,875,830
At the end of the reporting period	150,410,420	150,410,420

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Issued and fully paid:		
At the beginning of the period	15,722,041	13,535,595
Issue of shares	-	2,186,446
At the end of the period	15,722,041	15,722,041

On 3 April 2024, pursuant to the convertible loan note agreement, 2,023,439 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

On 23 April 2024, pursuant to the convertible loan note agreement, 3,409,090 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

On 15 May 2024, pursuant to the convertible loan note agreement, 5,357,143 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

On 26 June 2024, pursuant to the convertible loan note agreement, 4,507,211 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

On 21 August 2024, pursuant to the convertible loan note agreement, 6,578,947 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

28. ACQUISITION OF SUBSIDIARIES

a) Acquisition of Mr. Meal Group

On 12 July 2023 (the “Completion Date”), the Group entered into sale and purchase agreements (the “Agreement”) with certain independent third parties (the “Vendors”) pursuant to which the Group and the Vendors both agree to acquire/ sell the entire equity interests of Mr. Meal Group (the “Mr. Meal Acquisition”). Mr. Meal Group is primarily engaged in the provision of media production services.

Pursuant to the Agreement, the consideration of the Mr. Meal Acquisition is to be satisfied by the Group as follows:

- (i) *Initial consideration*
HK\$1,000,000 to be paid in cash on completion of the Group being registered as the sole shareholder of Mr. Meal with the Companies Registry in Hong Kong and all the existing key employees shall have entered into the retention agreement with Mr. Meal;
- (ii) *Contingent consideration*
HK\$1,000,000 to be settled by the allotment of 915 new ordinary shares (determined according to the closing price of the Company’s shares listed on the London Stock Exchange on the Completion Date) of the Company (the “Consideration Shares”). The Consideration Shares are contingent on the retention of key employees for a 12-month period and if satisfied will be issued 18 months after the Completion Date of the Mr. Meal Acquisition.

Details of the carrying amounts of the assets and liabilities of Mr. Meal Group at the date of acquisition are as follows:

At 12 July 2023

HK\$

Consideration

Cash paid	1,000,000
Contingent consideration – Consideration Shares	1,000,000
	<hr/> 2,000,000 <hr/>

Recognised amounts of identifiable assets acquired and liabilities assumed

Property, plant and equipment	494,600
Deposits and prepayments	36,099
Trade and other receivables	1,047,000
Cash and cash equivalents	454,174
Trade and other payables	(791,162)
	<hr/>
Net assets of Mr. Meal Group	1,240,711
	<hr/>
Goodwill arising on acquisition	759,289
	<hr/>

Net cash outflow arising on the acquisition:

	HK\$
Cash consideration paid	(1,000,000)
Cash and cash equivalents acquired	454,174
	<hr/> (545,826) <hr/>

The value of the Consideration Shares is mainly based on the trading price of the Company and the relevant indicators, which considered as significant inputs to the valuation. At 30 September 2025, the fair value of the Consideration Shares was estimated to be HK\$15,617.

The movements of the Consideration Shares are as follows:

	HK\$
At 31 March 2024	70,486
Fair value changes	(60,651)
Exchange realignments	845
	<hr/>
At 31 March 2025	10,680
Fair value changes	4,557
Exchange realignments	380
	<hr/>
At 30 September 2025	15,617
	<hr/>

29. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 September 2025, The Group entered into the operating lease arrangements in respect of the office premise, resulting in an increase in the right-of-use assets and lease liabilities of HK\$750,824 at the lease commencement date on 17 August 2025.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

30.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Financial assets		
Financial assets at fair value		
- Financial assets at FVPL	10,752	344,105
Financial assets at amortised costs		
- Trade receivables	4,888,079	772,471
- Deposits	1,361,112	1,325,157
- Contract assets	274,680	855,410
- Cash and cash equivalents	5,851,991	11,775,409
	12,386,614	15,072,552

	30 September 2025 (unaudited) HK\$	31 March 2025 (audited) HK\$
Financial liabilities		
Financial liabilities at amortised cost		
- Trade payables	330,726	302,484
- Contract liabilities	7,746,214	5,460,205
- Amounts due to a director	857,564	1,202,925
- Amount due to a shareholder	2,634,999	2,538,748
- Leases liabilities	720,631	-
- Borrowings	3,884,491	3,884,491
- Tax payable	298,388	294,939
	16,473,013	13,683,792

30.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in the functional currency of respective

subsidiaries. The management closely monitors foreign exchange exposure to mitigate the foreign currency risk.

30.3 Interest rate risk

The Group has no significant interest-bearing assets. Cash at bank earns interest at floating rates based on daily bank deposits rates.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interest to minimize the fair value interest rate risk. The Group currently does not have hedging policy. However, the Directors monitor interest rate exposure and will consider necessary action when significant interest rate exposure is anticipated.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate borrowings. The analysis is prepared assuming the borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents Directors' assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's pre-tax loss for the period would increase/decrease by HK\$38,845 (loss for the year ended 31 March 2025: increase/decrease HK\$38,845). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

30.4 Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties in the ordinary course of its operations. The Group's maximum exposure to credit risk for the components of the condensed consolidated statement of financial position at 30 September 2025 refers to the carrying amount of financial assets as disclosed in note 30.1.

The exposures to credit risk are monitored by the Directors such that any outstanding debtors are reviewed and followed up on an ongoing basis. The Group's policy is to deal only with creditworthy counterparties. Payment record of customers is closely monitored. Normally, the Group does not obtain collateral from debtors.

Trade receivables

The Group has applied the simplified approach to assess the ECL as prescribed by IFRS 9. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due days. In calculating the ECL rates, the Group considers historical elements and forward looking elements. Lifetime ECL rate of trade receivables is assessed minimal for all ageing bands as there was no recent history of default and continuous payments were received. The Group determined that the ECL allowance in respect of trade receivables for the period ended 30 September 2025 and

year ended 31 March 2025 is minimal as there has not been a significant change in credit quality of the customers.

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits, other receivables, loan receivables and cash and cash equivalents.

The Directors are of opinion that there is no significant increase in credit risk on deposits, other receivables, loan receivables and cash and cash equivalents since initial recognition as the risk of default is low after considering the factors as following:

- any changes in business, financial or economic conditions that affects the debtor's ability to meet its debt obligations;
- any changes in the operating results of the debtor;
- any changes in the regulatory, economic, or technological environment of the debtor that affects the debtor's ability to meet its debt obligations.

The Group has assessed that the ECL for deposits, other receivables and loan receivables are minimal under the 12-months ECL method as there is no significant increase in credit risk since initial recognition. The credit risk with related parties is considered limited because the counterparties are fellow subsidiaries. The Directors have assessed the financial position of these related parties and there is no indication of default.

The credit risk for cash and cash equivalents are considered negligible as the counterparties are reputable banks with high quality external credit ratings.

30.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's prudent policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short term and longer term.

Analysed below are the Group's remaining contractual maturities for its non-derivative financial liabilities as at the reporting date. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group is required to pay. Where settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

	Carrying amount HK\$	Within 1 year or on demand HK\$	Over 1 year but within 5 years HK\$	Over 5 years HK\$	Total contractual undiscounted cash flow HK\$
30 September 2025					
- Trade and other payables	1,470,891	1,470,891	-	-	1,470,891

- Amount due to a director	857,564	857,564	-	-	857,564
- Amount due to a shareholder	2,634,999	2,634,999	-	-	2,634,999
- Leases liabilities	720,631	369,635	350,996	-	747,500
- Bank borrowings	3,884,491	3,884,491	-	-	3,884,491
	9,568,576	9,217,580	350,996	-	9,595,445
<hr/>					
31 March 2025					
- Trade and other payables	2,939,666	2,939,666	-	-	2,939,666
- Amounts due to a director	1,202,925	1,202,925	-	-	1,202,925
- Amount due to a shareholder	2,538,748	2,538,748	-	-	2,538,748
- Bank borrowings	3,884,491	4,254,546	-	-	4,254,546
	10,565,830	10,935,885	-	-	10,935,885

30.6 Fair values measurement

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in IFRS 13 “Fair Value Measurement” with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Assets measured at fair value

During the six months ended 30 September 2025, there were no transfers between Level 1 and Level 2, nor transfers into and out of Level 3 fair value measurements.

(b) Assets and liabilities with fair value disclosure, but not measured at fair value

The carrying amounts of financial assets and liabilities that are carried at amortised costs are not materially different from their fair values at the end of each reporting period.

31. CAPITAL MANAGEMENT

The Group’s capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return for shareholders by pricing services commensurately with the level of risks.

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or raises new debt financing.

32. CONTINGENT LIABILITIES

As at 30 September 2025, there were contingent liabilities in respect of the following:

- (i) The Group is obligated to pay 50% of the revenue generated from the RC3.0 APP as per the terms of the Collaboration agreement with Hatcher Group Limited. This arrangement is effective for an initial term of 15 years from the launch date of the RC3.0 APP and will automatically renew for successive one-year periods thereafter.
- (ii) The Group is obligated to pay 1% of the revenue generated from sale of licenses as per the terms of agreement with YouneeqAI Technical Services Inc. This will conclude after a period of 10 years and shall automatically renew for successive terms of 5 years.

33. CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2025.

34. RESTATEMENT

This note explains the adjustments made by the Group in restating its consolidated financial statements for the year ended 31 March 2024 in accordance with IFRS, including the statement of financial position as at 31 March 2024, to the respective statements presented in the financial statements as at 31 March 2025. The details of the prior year adjustments ("PYA") are as follows:

Statement of financial position as at 31 March 2024

	As previously reported	Intangible assets	Convertible loan note	Share premium	Reclassification of accounts	Restated
	31 March 2024 HK\$	31 March 2024 HK\$ Note 34.2	31 March 2024 HK\$ Note 34.3	31 March 2024 HK\$ Note 34.1	31 March 2024 HK\$ Note 34.4	1 April 2024 HK\$
ASSETS						
Non-current assets						
Goodwill	759,289	-	-	-	-	759,289
Loan receivables	3,257,981	-	-	-	-	3,257,981
Intangible assets	23,513,372	4,641,086	-	-	-	28,154,458
Property, plant and equipment	457,213	-	-	-	-	457,213
Financial asset - Fair value through profit or loss	-	-	-	-	1,017,248	1,017,248
Right-of-use assets	503,955	-	-	-	-	503,955
	<u>28,491,810</u>	<u>4,641,086</u>	<u>-</u>	<u>-</u>	<u>1,017,428</u>	<u>34,150,144</u>
Current assets						
Financial asset - Fair value through profit or loss	1,017,248	-	-	-	(1,017,248)	-
Deposit and prepayments	2,980,887	-	-	-	-	2,980,887
Trade and other receivables	34,862,948	-	(32,405,122)	-	-	2,457,826
Cash and cash equivalents	19,318,967	-	-	-	-	19,318,967
	<u>58,180,050</u>	<u>-</u>	<u>(32,405,122)</u>	<u>-</u>	<u>(1,017,428)</u>	<u>24,757,680</u>

Current liabilities						
Trade and other payables	3,967,381	-	-	-	-	3,967,381
Contract liabilities	8,424,227	-	-	-	-	8,424,227
Amount due to a director	2,097,277	-	-	-	-	2,097,277
Borrowings	4,539,862	-	-	-	-	4,539,862
Lease liabilities	412,284	-	-	-	-	412,284
Convertible loan note	35,402,946	-	(29,435,946)	-	-	5,967,000
Tax payables	111,030	-	-	-	-	111,030
	<u>54,955,007</u>	<u>-</u>	<u>(29,435,946)</u>	<u>-</u>	<u>-</u>	<u>25,519,061</u>
Non-current liabilities						
Lease liabilities	65,529	-	-	-	-	65,529
Contingent consideration – consideration share	70,486	-	-	-	-	70,486
	<u>136,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,015</u>
Net assets	<u>31,580,838</u>	<u>4,641,086</u>	<u>(2,969,176)</u>	<u>-</u>	<u>-</u>	<u>33,252,748</u>
EQUITY						
Share capital	29,925,945	-	-	(16,390,350)	-	13,535,595
Share premium	49,329,087	5,041,350	-	14,492,024	-	68,862,461
Group reorganisation reserve	589,836	-	-	-	-	589,836
Convertible loan note reserve	2,957,651	-	(2,957,651)	-	-	-
Translation reserve	323,731	(105,217)	(11,525)	(290,555)	-	(83,566)
Accumulated losses	(51,545,412)	(295,047)	-	2,188,881	-	(49,651,578)
Total equity	<u>31,580,838</u>	<u>4,641,086</u>	<u>(2,969,176)</u>	<u>-</u>	<u>-</u>	<u>33,252,748</u>

Note 34.1

Adjustments made to correct the share premium and share capital balance that was incorrectly stated in earlier years.

Note 34.2

An adjustment of HK\$4,641,086 was made to correct an error in the carrying amount of intangible assets that arose in prior years. A corresponding amortisation adjustment of HK\$295,047 was recognised to reflect the corrected net book value of the intangible assets as at year-end. In addition, a related adjustment of HK\$5,041,350 was made to the share premium balance, with a corresponding adjustment of HK\$105,217 recognised in the translation reserve.

Note 34.3

Adjustments of HK\$32,405,122 and HK\$29,435,946 were made to correct the trade and other receivable, convertible loan note balance as the total amount of convertible loan note liability is incorrectly recognised. Adjustments of HK\$2,957,651 was made to remove the convertible loan note reserve as the convertible loan note is a financial liability and not a compound instruments. The corresponding translation reserve adjustment of HK\$11,525 was also made.

Note 34.4

A reclassification of financial asset – fair value through profit or loss of HK\$1,017,248 was made to correct the classification as at 31 March 2024.

35. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the current year presentation.

36. POST BALANCE SHEET EVENTS

Save as disclosed in this annual report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2025 and up to the date of this report.