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Ocean Star Technology Group Limited

海納星空科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8297)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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

HIGHLIGHTS

- Turnover of the Group for the year ended 31 March 2025 was approximately HK\$29.5 million, representing a decrease of approximately 28.4%, as compared with that for the year ended 31 March 2024.
- Loss attributable to equity shareholders of the Company was approximately HK\$30.0 million for the year ended 31 March 2025, as compared with the loss of approximately HK\$27.2 million for the year ended 31 March 2024.
- The board of the Directors does not recommend the payment of dividend for the year ended 31 March 2025.

The board of directors (the “**Board**”) of the Company is pleased to announce the following annual consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 together with the comparative audited figures for the preceding year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Note</i>	2025 HK\$’000	2024 <i>HK\$’000</i>
Revenue	5	29,532	41,173
Cost of sales		<u>(5,844)</u>	<u>(11,042)</u>
Gross profit		23,688	30,131
Other income	6	262	162
Other gains and losses, net		(204)	(5,424)
Fair value gains/(losses) on financial assets at fair value through profit or loss (“ FVTPL ”)		1,295	(2,295)
Impairment losses for deposits and other receivables		(3,765)	(166)
Impairment losses for loan receivables		(2,304)	(770)
Selling expenses		(12,301)	(20,163)
Administrative and other operating expenses		<u>(35,738)</u>	<u>(27,842)</u>
Loss from operations		(29,067)	(26,367)
Finance costs	7	<u>(948)</u>	<u>(615)</u>
Loss before tax		(30,015)	(26,982)
Income tax expense	8	<u>–</u>	<u>(179)</u>
Loss for the year		<u>(30,015)</u>	<u>(27,161)</u>

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Other comprehensive income/(loss) for the year, net of tax:			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement gains on defined benefit pension plans		236	28
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		478	(316)
Release of exchange differences upon the disposal of subsidiaries		<u>–</u>	<u>42</u>
Other comprehensive income/(loss) for the year		<u>714</u>	<u>(246)</u>
Total comprehensive loss for the year		<u>(29,301)</u>	<u>(27,407)</u>
Loss for the year attributable to owners of the Company per share			
Basic and diluted (<i>HK cents</i>)	<i>11</i>	<u>(2.67)</u>	<u>(2.67)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		–	2,555
Right-of-use assets		–	5,205
Intangible assets		–	–
Deposits	12	1,873	1,109
Loan receivables	13	–	3,932
		<u>1,873</u>	<u>12,801</u>
Current assets			
Inventories		13,278	16,447
Trade and other receivables	12	19,896	17,649
Loan receivables	13	3,659	6,369
Financial assets at FVTPL		1,985	690
Amount due from a shareholder		–	173
Pledged bank deposits		–	201
Cash and bank balances		520	5,050
		<u>39,338</u>	<u>46,579</u>
Current liabilities			
Trade and other payables	14	14,894	7,583
Contract liabilities		45,862	53,475
Lease liabilities		3,612	4,800
Current tax liabilities		1,087	1,009
		<u>65,455</u>	<u>66,867</u>
Net current liabilities		<u>(26,117)</u>	<u>(20,288)</u>
Total assets less current liabilities		<u>(24,244)</u>	<u>(7,487)</u>

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		1,061	929
Retirement benefit obligations		557	659
		<u>1,618</u>	<u>1,588</u>
Net liabilities		<u>(25,862)</u>	<u>(9,075)</u>
Equity and reserves			
Share capital	<i>15</i>	12,936	10,363
Reserves		(38,798)	(19,438)
Capital deficiency		<u>(25,862)</u>	<u>(9,075)</u>

NOTES

1. CORPORATE INFORMATION

Ocean Star Technology Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 27 May 2016. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business in Hong Kong is located at Room 1606D&E, 16/F., Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 13 July 2017.

The Company is an investment holding company. The principal activities of its subsidiaries are retailing of lingerie products.

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional and presentation currency of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”) and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

Going concern assumption

The Group incurred net loss of approximately HK\$30,015,000 for the year ended 31 March 2025 and as at 31 March 2025, the Group had net current liabilities and net liabilities of approximately HK\$26,117,000 and HK\$25,862,000, respectively. In addition, the Group recorded net operating cash outflow and maintained total cash and bank balances at a low level of approximately HK\$520,000 as at 31 March 2025. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group. The validity of the Group to operate as a going concern is dependent upon the successful outcomes of the Group to (i) attain profitable and positive cash flows from operations; and (ii) obtain external source of funding, at a level sufficient to finance the working capital requirements of the Group for the next twelve months. In order to strengthen the Group’s capital base and liquidity in the foreseeable future, the Group has taken the following measures:

- the directors of the Company have been taking various cost control measures to tighten the costs of operations and implementing various strategies to enhance the Group’s revenue.

- after the end of the reporting period, the Group obtained loan facilities from an independent third party.
- after the end of the reporting period, the Group entered into distribution agreement with an independent third party and received HK\$2,500,000.

The management have prepared the cash flow projections of the Group for a period of twelve months from the date of approval of these consolidated financial statements. After taken into account the available financial resources of the Group with the above measures, the directors of the Company are of the opinion that the Group is able to continue as a going concern and the Group will have sufficient financial resources to meet their financial liabilities as and when they fall due for the next twelve months. Accordingly, the directors of the Company are of the view that it is appropriate to adopt going concern basis in preparing these consolidated financial statements.

Should the Group be unable to continue as a going concern in the foreseeable future, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The Group has applied the following revised and amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (“ HK Int 5 ”) (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

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

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 March 2025 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

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

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined by the HKICPA.

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance presented in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures, and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

The chief operating decision maker (“CODM”) has been identified as the executive directors of the Company (“directors”). The directors review the Group’s internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services and products provided to external customers. The directors of the Company have determined that the Group has only one reportable segment, being sales of lingerie products.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group’s other operating segments include money lending business. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments together with unallocated items are included in the “others” column.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment results do not include certain other income, other gains and losses and unallocated corporate expenses. Segment assets and liabilities are not presented in the consolidated financial statements as they are not regularly reviews by the CODM.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segments.

Year ended 31 March 2025

	Lingerie products HK\$’000	Others HK\$’000	Total HK\$’000
Revenue – External customers	<u>29,532</u>	<u>–</u>	<u>29,532</u>
Segment results	<u>(3,703)</u>	<u>(3,513)</u>	<u>(7,216)</u>
Unallocated income and expenses, net			<u>(22,799)</u>
Loss before tax			<u>(30,015)</u>

Year ended 31 March 2024

	Lingerie products HK\$’000	Others HK\$’000	Total HK\$’000
Revenue – External customers	<u>38,756</u>	<u>2,417</u>	<u>41,173</u>
Segment results	<u>7,173</u>	<u>1,452</u>	<u>8,625</u>
Unallocated income and expenses, net			<u>(35,607)</u>
Loss before tax			<u>(26,982)</u>

Other segment information

The following is an analysis of the amounts included in the measure of segment information.

Year ended 31 March 2025

	Lingerie products HK\$'000	Others HK\$'000	Total HK\$'000
Additions of property, plant and equipment	72	–	72
Additions of right-of-use assets	5,639	–	5,639
Depreciation of property, plant and equipment	1,134	545	1,679
Depreciation of right-of-use assets	5,975	252	6,227
Impairment losses on property, plant and equipment and right-of-use assets	5,126	245	5,371

Year ended 31 March 2024

	Lingerie products HK\$'000	Others HK\$'000	Total HK\$'000
Additions of property, plant and equipment	61	47	108
Additions of right-of-use assets	504	–	504
Depreciation of property, plant and equipment	1,329	647	1,976
Depreciation of right-of-use assets	7,671	2,242	9,913
Amortisation of intangible assets	–	176	176

Geographical information

The Group's revenue from external customers by location of operations and information about the its non-current assets (excluding deposits and loan receivables) by location of assets are as follows:

	Revenue		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	26,677	37,863	–	6,445
Macau	2,846	3,274	–	1,075
The People's Republic of China (the "PRC")	9	36	–	240
	<u>29,532</u>	<u>41,173</u>	<u>–</u>	<u>7,760</u>

Information about major customers

There was no revenue from individual customers of the Group contributing over 10% of the Group's revenue during the years ended 31 March 2025 and 2024.

5. REVENUE

Revenue represents the aggregation of net amounts received and receivable during the year. An analysis of the Group's revenue for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Products and services transferred at a point in time within the scope of HKFRS 15:		
Sales of lingerie products	29,532	38,756
Provision of social influencers agency services through an online platform	–	74
	<u>29,532</u>	<u>38,830</u>
Revenue from other sources		
Interest income from loan financing	–	2,343
	<u>29,532</u>	<u>41,173</u>

6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	5	21
Rent concessions received	–	15
Others	257	126
	<u>262</u>	<u>162</u>

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on lease liabilities	330	600
Other interest expenses	618	15
	<u>948</u>	<u>615</u>

8. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – Provision for the year		
– Hong Kong Profits Tax	–	179
	<u>–</u>	<u>179</u>

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of a Group's qualifying subsidiary established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the Group's entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5% for the years ended 31 March 2025 and 2024.

For the Group's subsidiary established and operated in Macau is subject to Macao Complementary Tax, under which taxable income up to MOP600,000 is exempted from taxation with taxable income beyond this amount to be taxed at the rate of 12% for the years ended 31 March 2025 and 2024.

For the Group's subsidiaries established and operated in the PRC are subject to PRC Enterprise Income Tax ("EIT") at the rate of 25% (2024: 25%). No provision for EIT is made since the Group has no assessable profit for the years ended 31 March 2025 and 2024.

9. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration		
– Audit service	700	730
Allowance for Inventories	222	2,141
Amortisation of intangible assets (included in administrative and other operating expenses)	–	176
Cost of inventories recognised as an expenses (<i>note</i>)	5,749	11,042
Depreciation of property, plant and equipment	1,679	1,976
Depreciation of right-of-use assets	6,227	9,913
Expenses relating to short-term lease (included in cost of sales, selling expenses and administrative and other operating expenses)	1,200	3,016
Expenses relating to variable lease payment (included in selling expenses)	8	169
Impairment losses for deposits and other receivables	3,765	166
Impairment losses for loan receivables	2,304	770
Impairment losses on property, plant and equipment and right-of-use assets (included in administrative and other operating expenses)	5,371	–
Staff costs (including directors' emoluments		
– Salaries, bonuses and allowances	17,710	21,707
– Service costs of long service payments	124	669
– Retirement benefit scheme contributions	709	730
	18,543	23,106

Note: Cost of inventories includes staff costs and depreciation of approximately HK\$2,527,000 (2024: HK\$6,505,000) which are included in the amounts disclosed separately.

10. DIVIDEND

No dividend had been paid or declared by the Company during the year (2024: HK\$Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	<u>(30,015)</u>	<u>(27,161)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>1,122,838</u>	<u>1,018,556</u>

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the two years ended 31 March 2025 and 2024.

12. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables (<i>note (i)</i>)	735	424
Prepayments (<i>note (ii)</i>)	5,728	8,818
Rental deposits	2,069	5,012
Other deposits	5,071	2,389
Other receivables (<i>note (iii)</i>)	<u>12,370</u>	<u>2,554</u>
	25,973	19,197
Allowance for deposits and other receivables	<u>(4,204)</u>	<u>(439)</u>
	<u>21,769</u>	<u>18,758</u>
Analysed as:		
Current assets	19,896	17,649
Non-current assets	<u>1,873</u>	<u>1,109</u>
	<u>21,769</u>	<u>18,758</u>

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	19,896	17,900
Renminbi ("RMB")	1,600	824
Pataca ("MOP")	273	34
	<u>21,769</u>	<u>18,758</u>

Note:

- (i) The Group allows a credit period of 0 to 30 days (2024: 0 to 30 days) to its customers for its trade receivables.

The customers of the Group would usually settle payments by cash, EPS or credit cards. For EPS and credit card payments, the banks will normally settle the amounts received, net of handling charges, a few days after the trade date. The trade receivables balance mainly represents payments that are not yet settled by banks.

The ageing analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	<u>735</u>	<u>424</u>

As at 31 March 2025, none of trade receivables were considered as past due but not impaired (2024: HK\$Nil).

- (ii) The amount represents prepayment for purchase of inventory for lingerie products.
- (iii) The amount represents mainly the receivable arising from disposal of subsidiaries amounting to HK\$Nil (2024: HK\$700,000), advanced operating expenses kept by staff amounting to approximately HK\$1,011,000 (2024: HK\$1,127,000), receivables from former director amounting to HK\$2,596,000 (2024: HK\$Nil) and various miscellaneous receivables amounting to approximately HK\$8,763,000 (2024: HK\$727,000).

13. LOAN RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loan receivables – unsecured	6,840	11,178
Less: Allowance for loan receivables	<u>(3,181)</u>	<u>(877)</u>
	<u>3,659</u>	<u>10,301</u>

The Group's loan receivables, which arise from the money lending business in Hong Kong, had a loan period of 1 to 2 years (2024: 1 to 2 years). The loans provided to customers bore floating interest rate ranged from 17.63% to 41.88% (2024: 17.63% to 41.88%) per annum for the year ended 31 March 2025 according to the terms of the loan agreements.

The maturity profile of these loan and interest receivables from customers, at the end of the reporting period, net of allowance of ECL, analysed by remaining periods to their contracted maturity, is as follow:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receivables:		
Less than 1 year	3,659	6,369
Between 1 year to 2 years	–	3,932
	<u>3,659</u>	<u>10,301</u>

The loan receivables outstanding as at 31 March 2025 and 2024 are denominated in HK\$.

14. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	53	328
Accruals and other payables (<i>note</i>)	14,841	7,255
	<u>14,894</u>	<u>7,583</u>

The credit periods on trade payables offered by suppliers are within 60 days (2024: 60 days).

Note: Included in accruals and other payables were accrued staff cost of approximately HK\$6,054,000 (2024: HK\$3,176,000) and accrued rental of approximately HK\$3,470,000 (2024: HK\$1,250,000).

The ageing analysis of trade payables based on the date of receipt of goods is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 60 days	53	241
Over 60 days	–	87
	<u>53</u>	<u>328</u>

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	12,739	5,927
RMB	1,823	1,642
MOP	332	14
	<u>14,894</u>	<u>7,583</u>

15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>4,000,000</u>	<u>40,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023	1,010,000	10,100
Placing of new shares under general mandate (<i>note (a)</i>)	<u>26,315</u>	<u>263</u>
At 31 March 2024 and 1 April 2024	1,036,315	10,363
Placing of new shares under general mandate (<i>note (b)</i>)	41,832	418
Placing of new shares under general mandate (<i>note (c)</i>)	<u>215,500</u>	<u>2,155</u>
At 31 March 2025	<u>1,293,647</u>	<u>12,936</u>

Notes:

- (a) On 3 November 2023, the Company entered into a placing agreement with uSMART Securities Limited for the placing of 200,000,000 ordinary shares at a price of HK\$0.2 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The placing was completed on 4 December 2023. An aggregate of 26,314,500 placing shares were successfully placed at the placing price of HK\$0.2 per placing share. The net proceeds from placing, after deducting share issue expenses of approximately HK\$0.1 million, amounted to approximately HK\$5.1 million. Details of the placing shares were disclosed in announcements of the Company dated 3 November 2023, 6 November 2023, 20 November 2023 and 4 December 2023.
- (b) On 29 May 2024, the Company entered into a placing agreement with uSMART Securities Limited for the placing of upto 175,685,500 ordinary shares at a price of HK\$0.1 per placing share. The placing was completed on 24 June 2024. An aggregate of 41,832,500 placing shares were successfully placed to not less than six individual placees at the placing price of HK\$0.1 per placing share. The net proceeds from the placing, after deducting share issue expenses of approximately HK\$0.2 million, amounted to approximately HK\$4.0 million. Details of the placing were disclosed in announcements of the Company dated 29 May 2024 and 24 June 2024.
- (c) On 25 November 2024, the Company, entered into the placing agreement with Pinestone Capital Limited and Ruisen Port Securities Limited for the placing of 215,500,000 ordinary shares at a price of HK\$0.04 per placing share. The placing was completed on 30 December 2024. An aggregate of 215,500,000 placing shares were successfully placed to not less than six individual placees at the placing price of HK\$0.04 per placing share. The net proceeds from the placing, after deducting share issue expenses of approximately HK\$0.19 million, was approximately HK\$8.36 million. Details of the placing were disclosed in announcements of the Company dated 25 November 2024, 17 December 2024, 18 December 2024 and 30 December 2024.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises all components of shareholders' equity.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

The Group monitors its capital structure on the basis of gearing ratio. The Group's gearing ratios at the end of reporting period were as follows:

	2025 HK\$'000	2024 HK\$'000
Lease liabilities	4,673	5,729
Less: Cash and cash equivalents	(520)	(5,050)
	<hr/>	<hr/>
Net debts	4,153	679
	<hr/>	<hr/>
Capital deficiency	(25,862)	(9,075)
	<hr/>	<hr/>
Gearing ratio	N/A	N/A
	<hr/> <hr/>	<hr/> <hr/>

The only externally imposed capital requirement for the Group is that in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares. The Group has maintained a sufficient public float to comply with the GEM Listing Rules from the date of the Listing.

16. CAPITAL COMMITMENTS

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

17. LEASE COMMITMENT

The Group entered into short-term leases for office and retail stores during the reporting period. As at 31 March 2025, the outstanding lease commitments relating to these office and retail stores are approximately HK\$504,000 and HK\$Nil respectively (2024: HK\$Nil and approximately HK\$986,000 respectively).

18. EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there was no significant event after the reporting period.

EXTRACT OF THE AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s annual financial statements for the year ended 31 March 2025:

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred net loss of approximately HK\$30,015,000 for the year ended 31 March 2025, and as at 31 March 2025, the Group had net current liabilities and net liabilities of approximately HK\$26,117,000 and HK\$25,862,000 respectively. In addition, the Group recorded net operating cash outflow and maintained cash and bank balances at a low level of approximately HK\$520,000 as at 31 March 2025. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the leading retailers of lingerie with shaping functions in Hong Kong and with production facility in the People’s Republic of China (the “**PRC**”) and Hong Kong. During the year ended 31 March 2025 and up to the date of this announcement, the Group is principally engaged in the designing, manufacturing and sales of core lingerie products under the core brand of “Bodibra”. The Group principally offers a wide range of the Group’s own branded lingerie that are designed with shaping functions which aim to achieve better body appearances, including bras and panties, body shaping underwear and chest support vests. The Group also sells other products without shaping functions, which primarily include breast cream, panties, nude bras, swimwear, bras straps and pads, and waist bands.

The global economy has undergone unusual crises over the past years and further slowed down due to high interest rate and uncertain external risks. The worsening economy has also impacted consumption and market sentiment remained cautious during the year. The ongoing conflicts in Ukraine and Palestine have created geopolitical uncertainties, disrupted global supply chains and increased costs. High interest rates have further squeezed consumer spending, making it harder for businesses. The newly elected U.S. president’s decision to impose tariffs on imports from China has added another layer of complexity. On the other side, the rising trend of cross-border consumption for people in Hong Kong has led to a decrease in local spending, which resulted in a lower demand for shopping activities in Hong Kong.

The economic outlook remains highly volatile due to relatively high interest rates, global political tension and inflationary pressures in 2025, all of which are likely to continue to hinder global growth and consumption activities. The weak market sentiment has a negative impact on our results of financial performance which leads to decline in revenue this year. In response to market fluctuations and uncertainties, the Group has proactively tried to enlarge its customer base through various advertising and marketing channels with better product quality.

Meanwhile, traveling northbound from Hong Kong to the Greater Bay Area is becoming increasingly popular for Hong Kong residents. With the change in customers' consumption pattern and lifestyle, local consumption has decreased inevitably. The Group will continue to monitor its marketing activities in order to strength communication with potential customers and look for other potential business opportunities. The Group will also continue its prudent and flexible approach in managing its financial position.

In view of the weak retail consumer market, the Group will continue to optimise its lingerie stores network coverage in order to further enhance the overall operational efficiency.

PROSPECTS

The Directors foresee that the Hong Kong retail market remains challenging, retail market would continue to be affected by the continuous weak retail sentiment in the near term. The Group will closely monitor the trend of the business environment, maintain pragmatic approach for its business and take every chance to identify any suitable opportunities in the market for the Group. The Group will continue to concentrate on the consolidation of its retail network, optimisation of product mix and intensification of cost control, and will also continue to seize opportunities to stabilise growth through cautious strategic planning. The Group will continue to improve operational efficiency and actively optimise its existing resources in order to enhance its profitability and core competitiveness. The Group will strive to maintain steady growth and to maximise returns for the investors.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2025, the Group's revenue principally derived from sales of lingerie products of approximately HK\$29.5 million, representing a decrease of approximately 28.4% as compared to previous financial year. Details of the Group's segmental information is set out in note 4 to the consolidated financial statements. The total revenue of the Group decreased from approximately HK\$41.2 million for the year ended 31 March 2024 to approximately HK\$29.5 million for the year ended 31 March 2025 as a result of weak retail sales of lingerie products caused by the weak consumer sentiment in Hong Kong.

Cost of Sales and Gross Profit

The Group's cost of sales recorded approximately HK\$5.8 million for the year ended 31 March 2025, representing a decrease of approximately 47.3% compared with the cost of sales of approximately HK\$11.0 million for the year ended 31 March 2024. The decrease in cost of sales was primarily due to the decrease in staff costs and the costs of materials as a result of the decrease in the quantity of lingerie products sold.

The gross profit decreased by approximately 21.3% from approximately HK\$30.1 million for the year ended 31 March 2024 to approximately HK\$23.7 million for the year ended 31 March 2025.

Selling Expenses

The Group's selling expenses decreased by approximately HK\$7.9 million from approximately HK\$20.2 million for the year ended 31 March 2024 to approximately HK\$12.3 million for the year ended 31 March 2025, which was mainly due to the decrease in staff costs and depreciation of right-of-use assets in relation to rental of retail shops.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by approximately HK\$7.9 million from approximately HK\$27.8 million for the year ended 31 March 2024 to approximately HK\$35.7 million for the year ended 31 March 2025, which was primarily due to the net effect of the increase in legal and professional fee and directors' remuneration and decrease in staff costs.

Loss before Tax

As a result of the foregoing, the Group recorded a loss before tax of approximately HK\$30.0 million for the year ended 31 March 2025 compared with a loss before tax of approximately HK\$27.0 million for the year ended 31 March 2024, which was mainly due to increase in impairment loss on property, plant and equipment and impairment assessment on loan receivables and other receivables and deposits.

Income Tax Expense

No income tax expense provided for the year ended 31 March 2025 (2024: approximately HK\$179,000).

Loss for the Year

As a result of the cumulative effect of the above factors, the Group had recorded a loss for the year of approximately HK\$30.0 million for the year ended 31 March 2025, compared with a loss for the year of approximately HK\$27.2 million for the year ended 31 March 2024.

DIVIDEND

The Board does not recommend the payment of dividend for the year ended 31 March 2025 (2024: Nil).

RESULTS OF FINANCIAL POSITION

The Group's total assets decreased by approximately HK\$18.2 million to approximately HK\$41.2 million as at 31 March 2025 (2024: approximately HK\$59.4 million).

The Group's total liabilities decreased by approximately HK\$1.4 million to approximately HK\$67.1 million as at 31 March 2025 (2024: approximately HK\$68.5 million).

The equity of the Company increased by approximately HK\$16.8 million to approximately HK\$25.9 million as at 31 March 2025 (2024: approximately HK\$9.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had net current liabilities of approximately HK\$26.1 million (31 March 2024: approximately HK\$20.3 million). The Group had cash and bank balances of approximately HK\$0.5 million as at 31 March 2025 (31 March 2024: approximately HK\$5.1 million).

The Group closely monitors the cash flow position to ensure that the Group has sufficient working capital available to fulfill its operational requirement. The Group takes into account the trade receivables, trade payables, cash and bank balances, administrative and capital expenditures to prepare cash flow forecast to forecast the Group's future liquidity.

TREASURY POLICIES

The Group adopts a conservative treasury policy. As financial management, sales proceed from retail stores is deposited to reputable and creditworthy banks weekly to ensure security, liquidity and for meeting future funding requirements.

CAPITAL STRUCTURE

On 24 June 2024, an aggregate of 41,832,500 shares under the general mandate were successfully placed to not less than six individual at the Placing Price of HK\$0.1 per Placing Share. The net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing amounted to approximately HK\$4.0 million. Please refer to the announcements of the Company dated 29 May 2024 and 24 June 2024 for further details.

On 30 December 2024, an aggregate of 215,500,000 shares under the general mandate were successfully placed to not less than six individual at the Placing Price of HK\$0.04 per Placing Share. The net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing amounted to approximately HK\$8.36 million. Please refer to the announcements of the Company dated 25 November 2024, 17 December 2024, 18 December 2024 and 30 December 2024 for further details.

As at 31 March 2025, the Company's issued share capital was HK\$12,936,470 of HK\$0.01 each and the number of its issued ordinary shares was 1,293,647,000.

GEARING RATIO

Gearing ratio is calculated based on the net debts divided by total equity at the respective reporting date. As the Group recorded a capital deficiency as at 31 March 2025 and 2024, it is not meaningful to calculate the gearing ratio.

SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS

There was no significant investment held by the Company or material acquisition or disposal of subsidiaries, associated companies or joint ventures made by the Company during the year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently has no plans for material investments or capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 43 full-time employees (31 March 2024: 68 full-time employees). The total staff cost amounted to approximately HK\$18.5 million (2024: HK\$23.1 million). Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and are reviewed on a regular basis. Discretionary bonuses may be awarded to employees taking into consideration the Group's performance and that of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administrated by the responsible government authorities in Macau and the PRC for its employees in Macau and the PRC. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) have been duly implemented.

(i) Employees of the Group in Hong Kong

In compliance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), employees of the Group in Hong Kong are required to participate in the Mandatory Provident Fund scheme of the Group (the “**MPF Scheme**”). The MPF Scheme is a defined contribution plan administered by an independent corporate trustee. Under the MPF Scheme, each of the Group and the employees are required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions made to the MPF Scheme vest immediately.

(ii) Employees of the Group in Macau

The Group participates social benefit scheme which is Social Security Benefits under the Social Security Fund of Government of the Macau SAR (the “**Macau Scheme**”). The Macau Scheme is the first tier of the two-tier social security system under the Macau SAR Law No. 4/2010 (Social Security System) effective on 1 January 2011. The current social security coverage covers all residents in Macau SAR to allow them to receive basic old-age security. As stipulated in the Executive Order of Macau SAR with effect from 1 January 2017, the contribution amounts for the long-term employee are MOP90 per month (employer’s contribution: MOP60, employee’s contribution: MOP30). In accordance with the provisions of Macau SAR Law No. 4/2010, the employer can deduct the employee’s portion of contributions from his/her wages.

(iii) Employees of the Group in the PRC

Pursuant to the relevant labour rules and regulations in the PRC, employees of the Group in the PRC participated in the central pension scheme (the “**PRC Scheme**”), which is a defined contribution plan administered by the PRC government, whereby the Group is required to make contributions to the PRC Scheme based on certain percentages of the eligible employees’ salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. Contributions made to the PRC Scheme vest immediately.

The Group’s contributions under the abovementioned defined contribution plans in Hong Kong, Macau and the PRC are expensed as incurred and not reduced by contributions forfeited by those employees who leave the defined contribution plans prior to vesting fully in the contributions.

FOREIGN CURRENCY EXPOSURE

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, Macau Pataca and Renminbi, being in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy. Management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arises. As at 31 March 2025, the Directors considered the Group’s foreign exchange risk remained minimal.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any significant contingent liabilities.

PLEDGE OF ASSETS

As at 31 March 2025, the Group did not have any other mortgage or charge over its assets.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no other material subsequent events undertaken by the Company or by the Group after the reporting period.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND USE OF PROCEEDS

Placing completed on 24 June 2024 (the “Placing 1”)

Reference is made to the announcements issued by the Company on 29 May 2024 and 24 June 2024 in relation to the placing of new shares under the general mandate. On 29 May 2024, the Group and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 175,685,500 placing shares at the placing price of HK\$0.10 per placing shares to not less than six places who and whose beneficial owners shall be independent third parties. The reason for the Placing 1 was to, among others, broaden shareholder and capital base as well as to strengthen the financial position of the Group for its long-term business development and growth. The market price per share of the Company was HK\$0.094 as quoted on the Stock Exchange on 29 May 2024, being the date of the Placing 1.

The Placing 1 was completed on 24 June 2024. An aggregate of 41,832,500 placing shares (the aggregate nominal value of which amounted to HK\$418,325 based on the par value of HK\$0.01) have been successfully placed to not less than six places with gross and net proceeds of approximately HK\$4.2 million (equivalent to approximately HK\$0.100 per placing share) and HK\$4.0 million (equivalent to approximately HK\$0.0957 per placing share) as set out in the Company’s announcement dated 24 June 2024. The Company utilised the use of proceeds for (1) the development of great health business; (2) the operation and business enhancement of lingerie products segment; and (3) general working capital.

	Planned use of proceeds as described in the announcement dated 24 June 2024 <i>HK\$’million</i>	Actual use of net proceeds up to 31 March 2025 <i>HK\$’million</i>	Unused total net proceeds as at 31 March 2025 <i>HK\$’million</i>
Use of net proceeds from the Placing 1			
Development of great health business	1.6	1.6	0.0
Operation and business enhancement of lingerie products segment	0.8	0.8	0.0
Working capital	1.6	1.6	0.0
	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>

As at 31 March 2025, the Group has fully utilised the net proceeds from the Placing 1.

Placing completed on 30 December 2024 (the “Placing 2”)

Reference is made to the announcements issued by the Company on 25 November 2024 and 17 December 2024, 18 December 2024 and 30 December 2024 in relation to the placing of new shares under the general mandate. On 25 November 2024, the Group and 2 placing agents entered into placing agreements pursuant to which the Company has conditionally agreed to place through the placing agents, on a best effort basis, up to 215,500,000 placing shares at the placing price of HK\$0.04 per placing shares to not less than six placees who and whose beneficial owners shall be independent third parties. The reason for the Placing 2 was to, among others, broaden shareholder and capital base as well as to strengthen the financial position of the Group for its long-term business development and growth. The market price per share of the Company was HK\$0.033 as quoted on the Stock Exchange on 25 November 2024, being the date of the Placing 2.

The Placing 2 was completed on 30 December 2024. An aggregate of 215,500,000 placing shares (the aggregate nominal value of which amounted to HK\$2,155,000 based on the par value of HK\$0.01) have been successfully placed to not less than six placees with gross and net proceeds of approximately HK\$8.36 million (equivalent to approximately HK\$0.0388 per placing share) and HK\$8.16 million (equivalent to approximately HK\$0.0379 per placing share) as set out in the Company’s announcement dated 30 December 2024. The Company utilised the use of proceeds for (1) future investment opportunities; (2) repayment of other payables; and (3) general working capital.

	Planned use of proceeds as described in the announcement dated 25 November 2024	Actual use of net proceeds up to 31 March 2025	Unused total net proceeds as at 31 March 2025
	<i>HK\$’million</i>	<i>HK\$’million</i>	<i>HK\$’million</i>
Use of net proceeds from the Placing 2			
Investment opportunities	0.836	0.836	0.0
Repayment of other payables	6.689	6.689	0.0
Working capital	0.835	0.835	0.0
	<u>8.360</u>	<u>8.360</u>	<u>0.0</u>

As at 31 March 2025, the Group had fully utilised the net proceeds from the Placing 2.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 19 June 2017 for the purpose of providing incentives or rewards to participants for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

Under the Share Option Scheme, the Board may grant options to eligible persons. Eligible persons of the Share Option Scheme include, among others, any employee (whether full-time or part-time employee), director (including non-executive director and independent non-executive director), supplier, customer, adviser (professional or otherwise), shareholder of any member of the Group (the “**Participants**”).

The total number of shares in respect of which options may be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 10% of the Shares in issue on the listing date of the Company (the “**Listing Date**”). The Company may refresh the 10% limit by seeking prior approval from the Shareholders in a general meeting, provided that the total number of Shares which may be issued upon exercise of all options and any other share option schemes of the Company, in aggregate, must not exceed 10% of the total number of Shares in issue as at the date of such Shareholders’ approval of the refreshed limit.

No Participant shall be granted options which if exercised in full would result in the total number of Shares already issued under all the options granted to him which have been exercised and issuable under all the options granted to him which are for the time being subsisting and unexercised in any 12-month period would exceed 1% of the total number of Shares in issue, provided that if approved by Shareholders in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person) abstaining from voting, our Company may make further grant of options to such Participant (the “**Further Grant**”) notwithstanding that the Further Grant would result in the total number of Shares already issued under all the options granted to such Participant which have been exercised and issuable under all the options granted to him which are for the time being subsisting and unexercised in any 12-month period exceed 1% of the total number of Shares in issue.

If a grant of option to a substantial Shareholder or an independent non-executive Director or their respective associates will result in the Shares issued and to be issued upon exercise of all options granted and to be granted (whether exercised, cancelled or and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the relevant class of Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5.0 million, then the proposed grant of options must be approved by the Shareholders in a general meeting.

Options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant. The subscription price is determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the relevant subscription price shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the option, which must be a trading day; (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share.

The Share Option Scheme will remain in force for a period of ten years commencing on 19 June 2017, the adoption date and ending on the tenth anniversary of the adoption date (both dates inclusive) or unless terminated earlier by the Shareholders in general meeting. No share option has been granted by the Company under the Share Option Scheme since its effective date and up to the end of the reporting period.

The total number of shares available for issue under the Share Option Scheme is 48,000,000 shares of the Company, representing approximately 3.71% of the total number of shares of the Company in issue (excluding treasury shares, if any) as at the date of this announcement.

The number of share options available for grant under the Share Option Scheme was 48,000,000 as of 1 April 2024 and 48,000,000 share options as of 31 March 2025. As at 1 April 2024 and 31 March 2025, the Share Option Scheme has no service provider sublimit.

The number of Shares that may be issued in respect of the options granted under the Share Option Scheme during the year is Nil, which when divided by 1,122,838,000 Shares (i.e. the weighted average number of Shares in issue for the year) is also Nil.

The exercise of an option may be subject to the achievement of performance target and/or any other conditions to be notified by the Board to each participant, which the Board may in its absolute discretion determine. No minimum vesting period requirement upon adoption. The Board and the Remuneration Committee of the Board are of the view that the options or awards which may be granted with no vesting period (which is also mentioned in the Share Option Scheme), is appropriate considering that the grants of the options serve as a recognition of the grantees' past contribution to the Group and as an incentive to the grantees to continuous contribution to the development of the Group.

The offer of a grant of share options under the Share Option Scheme may be accepted within 21 days from the date of the offer upon payment of a consideration of HK\$1 by the grantee.

Up to the date of this announcement, no share option had been granted, exercised, expired or lapsed by the Company under the Share Option Scheme and there was no outstanding share option during the reporting period and up to the date of this announcement.

As at the date of this announcement, the remaining life of the Share Option Scheme was approximately 1 year and 3 months.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in part 2 of the Corporate Governance Code in Appendix C1 to the GEM Listing Rules (the "CG Code"). To the best knowledge of the Board, the Company has adopted and complied with all the code provisions in the CG Code for the year ended 31 March 2025 and up to the date of this announcement, except for the deviations as specified below. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 4 November 2025, the Company appointed a new chief executive officer. Prior to this appointment, from 18 March 2025 onwards, the Company did not have a chief executive officer and the day-to-day management of the Group's business was handled collectively by the executive Directors of the Company. The Board believes that the present and past arrangements have been adequate to ensure effective management and control of the Group's business operations. The Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether any further changes are necessary.

Under Code Provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting and also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In the absence of any committee chairman, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. At the annual general meeting of the Company held on 15 October 2025, Ms. Chen Lizhu, Ms. Yang Xueling, Mr. Yang Mingyuan, Ms. Zhou Ying, Mr. Shi Zhu, Mr. Lai Kim Fung, Mr. Tong Zhu and Mr. Han Zhenghai were unable to attend due to other business commitments. However, the Company's executive Directors, namely Mr. Sun Tian and Mr. Xu Xue; and the independent non-executive Director, namely Mr. Hong Sze Lung attended to answer shareholders' enquiries.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard Dealings**"). The Company periodically issues notices to its Directors reminding them the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group. The Company had also made specific enquiry of the Directors and to the best knowledge and the information available to the Board, each of them was in compliance with the Code of Conduct and Required Standard Dealings during the financial year. Further, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the financial year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares) during the Year. As at 31 March 2025, the Company has not held any treasury shares.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) was established on 13 July 2017 with written terms of reference, which was updated on 31 December 2018, in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules and paragraph C.3.3 of the CG Code. The primary duties of the Audit Committee include, among others, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing the financial statements, the interim report, annual report and significant financial reporting judgements contained therein; and (c) reviewing the financial controls, internal control and risk management systems. As at the date of this announcement, the Audit Committee comprises all three independent non-executive Directors, namely Mr. Hong Sze Lung, Mr. Tong Zhu and Ms. Li Tiejing. Mr. Hong Sze Lung is the chairman of the Audit Committee. The full terms of reference setting out details of the authority, duties and responsibilities of the Audit Committee is available on both the websites of the Stock Exchange and the Company.

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2025 have been agreed by the Group’s auditors, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group’s annual consolidated financial statements for the year ended 31 March 2025.

The Audit Committee has reviewed together with the management and external auditor the accounting principles and practices and the auditing, internal controls and financial reporting matters of the Group, which includes the review of the audited consolidated financial statements of the Group for the year ended 31 March 2025. The Audit Committee is of the opinion that the financial statements complied with the applicable accounting standards and requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Stock Exchange website at www.hkexnews.hk and the Company’s website at www.bodibra.com. The annual report of the Company for the year ended 31 March 2025 will be despatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my deep gratitude to our shareholders, clients, business partners, and suppliers for their continuous support. I would also like to express our sincere appreciation to the Group's management and staff for their commitment, contribution and dedication throughout the years.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2025 and will remain suspended until further notice.

By order of the Board
Ocean Star Technology Group Limited
Jiao Dejun
Chairman and Executive Director

Hong Kong, 27 February 2026

As at the date of this announcement, the executive Directors are Mr. Jiao Dejun, Mr. Sun Tian, Mr. Xu Xue, Mr. Hu Yanhui and Mr. Liu Jiawei; and the independent non-executive Directors are Mr. Tong Zhu, Mr. Hong Sze Lung, Ms. Li Tiejing and Mr. Li Hongwei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its publication and will also be published on the Company's website at www.bodibra.com.