

FinTech Chain Limited

**Reports and
Consolidated Financial Statements**

For the year ended 31 March 2026

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Directors' Report

For the year ended 31 March 2026

PRINCIPAL ACTIVITIES

The principal activity of FinTech Chain Limited ("FTC" or the "Company") is investment holding. Details of the principal activities of its subsidiaries are set out in Note 27 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026 are set out in the consolidated statement of profit or loss and other comprehensive income on page 7 of this report and the consolidated financial position of the Group as at 31 March 2026 is set out in the consolidated statement of financial position on page 8 of this report.

The financial position of the Company as at 31 March 2026 is set out in Note 29 to the consolidated financial statements.

The directors do not recommend the payment of any dividend or transfer of reserves for the year ended 31 March 2026 (2025: Nil).

DIRECTORS

The directors during the year ended 31 March 2026 and up to the date of this report are as follows:

Executive Directors

XIONG Qiang (Chief Executive Officer)

GAO Qiujun (Deputy Chief Executive Officer)

Non-executive Directors

RYAN Christopher John (Independent Chairman)

DIVIDENDS

No dividends have been paid nor any dividends proposed to be paid during the financial year.

SHARE REPURCHASE

No shares were repurchased during the financial year.

FINANCIAL STATEMENTS

FTC's financial result for the year ended 31 March 2026 and the state of the FTC's affairs as at that date are set out in Note 29 to the consolidated financial statements.

RESERVES

Movements in capital and reserves of FTC during the year are set out in Note 29 to the consolidated financial statements.

Directors' Report - Continued

For the year ended 31 March 2026

PLANT AND EQUIPMENT

Details of the movements in plant and equipment during the year are set out in Note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of FTC during the year are set out in Note 22 to the consolidated financial statements.

CONTROLLED ENTITIES ACQUIRED OR DISPOSED OF

FTC did not acquire nor disposed any controlled entities during the financial year.

CAPITAL COMMITMENTS

The Group's capital commitments as at 31 March 2026 are set out in Note 23 to the consolidated financial statements.

MANAGEMENT CONTRACTS

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO FTC'S BUSINESS

Except for the directors' interests as disclosed in the Note 26 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business to which FTC or any of its holding companies, subsidiaries, or fellow subsidiaries was a party and in which a director of FTC had a material interest, whether directly or indirectly, existed at the end of the reporting period or at any time during the year.

PERMITTED INDEMNITY PROVISION

At no time during the financial year and up to the date of this directors' report, was or is, any permitted indemnity provision in force for the benefit of any of the directors of FTC (whether made by FTC) or otherwise or an associated company (if made by FTC).

Directors' Report - Continued

For the year ended 31 March 2026

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2026, as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong). A decrease in turnover to RMB55,496,192 for the year ended 31 March 2026 by RMB373,827 or approximately 1% compared with the preceding year. The Group recorded a net profit attributable to owners of the Company for the year ended 31 March 2026 for RMB3,623,668 (2025: net loss attributable to owners of the Company of RMB6,216,623). The Group had net current liabilities of RMB15,890,076 as at 31 March 2026 (2025: RMB19,682,146). Net liabilities amounted to RMB15,000,158 as at 31 March 2026 (2025: RMB18,518,033).

Following FTC's delisting on 31 July 2025, management implemented stringent control over research and development expenses as well as general and administrative expenditures, including listing costs, corporate advisory fees, legal and administrative fees. Research and development expenses decreased by 42% from RMB5,545,739 to RMB3,238,221, and general and administrative expenses decreased by 20% from RMB14,159,887 to RMB11,376,484 compared to preceding year. Staff costs decreased by 15% from RMB19,338,526 to RMB16,496,583 for the year ended 31 March 2026.

The global economic environment remains sluggish. The collection cycle of trade receivables has lengthened, to mitigate such adverse impacts, the management and staff will step up efforts to actively pursue outstanding receivables, adopt systematic follow-up mechanisms with debtors and accelerate cash inflows to stabilise the Group's liquidity position. Total trade and other receivables decreased from RMB20,787,170 to RMB18,028,039 as at 31 March 2026. The impairment losses under the expected credit loss model (net of reversals) decreased by 45% from RMB4,034,813 to RMB2,210,290 for the year ended 31 March 2026.

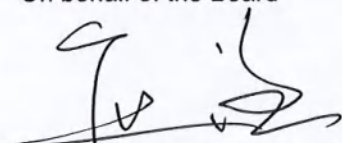
In recent years, the global economic landscape has remained volatile and sluggish, resulting in weakened market demand, intensified industry competition, and sustained downward pressure on the FTC's operating revenue. Concurrently, the continuous high expenditure arising from ongoing listing compliance obligations, professional service charges, as well as substantial one-off delisting-related costs, has maintained the FTC's overall operating expenses at a high level. The dual pressure of declining revenue and persistently heavy expenditure has significantly compressed profit margins, constrained capital liquidity, and hindered the FTC's operational flexibility and business expansion.

AUDITOR

The financial statements of the Company for the year ended 31 March 2026 have been audited by Asian Alliance (HK) CPA Limited ("Asian Alliance").

Asian Alliance will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of Asian Alliance as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board



XIONG QIANG
Chairman and Executive Director

Hong Kong
31 July 2026

Independent Auditor's Report

**TO THE MEMBERS OF
FINTECH CHAIN LIMITED**

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of FinTech Chain Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 7 to 63, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group's current liabilities exceeded its current assets by RMB15,890,076 and the Group had net liabilities of RMB15,000,158 as at 31 March 2026. As at the same date, the Group's borrowings due within one year amounted to RMB20,031,332, while its cash and cash equivalents amounted to RMB3,342,820 only. These conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report - Continued

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

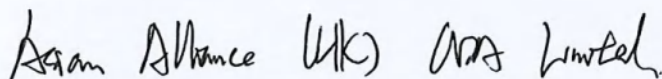
Independent Auditor's Report - Continued

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chung Chi Chiu
Practising Certificate Number: P06610

Hong Kong
31 July 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 March 2026

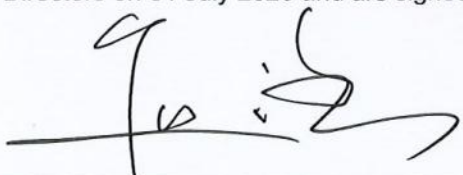
	Notes	2026 RMB	2025 RMB
Revenue	5	55,496,192	55,870,019
Cost of sales and services rendered		(33,908,040)	(36,478,274)
Gross profit		21,588,152	19,391,745
Other income and gains, net	6	949,090	547,013
Selling expenses		(801,620)	(1,246,885)
Impairment losses under expected credit loss model, net of reversal	7	(2,210,290)	(4,034,813)
Research and development expenses		(3,238,221)	(5,545,739)
General and administrative expenses		(11,376,484)	(14,159,887)
Finance costs	8	(1,392,752)	(1,462,244)
Profit (loss) before tax		3,517,875	(6,510,810)
Income tax expense	9	-	-
Profit (loss) and total comprehensive income (expense) for the year	10	3,517,875	(6,510,810)
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		3,623,668	(6,216,623)
Non-controlling interests		(105,793)	(294,187)
		3,517,875	(6,510,810)

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	2026 RMB	2025 RMB
NON-CURRENT ASSETS			
Plant and equipment	11	365,134	644,085
Intangible assets	12	-	2,736
Interests in associates	13	-	-
Right-of-use asset	14	1,231,907	1,847,861
		1,597,041	2,494,682
CURRENT ASSETS			
Inventories	15	594,277	404,324
Trade and other receivables	16	18,028,039	20,787,170
Cash and cash equivalents	17	3,342,820	12,763,026
		21,965,136	33,954,520
CURRENT LIABILITIES			
Trade and other payables	18	14,567,459	17,409,200
Contract liabilities	19	2,632,974	3,175,690
Borrowings	20	20,031,332	32,529,808
Lease liabilities	21	623,447	521,968
		37,855,212	53,636,666
NET CURRENT LIABILITIES		(15,890,076)	(19,682,146)
TOTAL ASSETS LESS CURRENT LIABILITIES		(14,293,035)	(17,187,464)
NON-CURRENT LIABILITIES			
Lease liabilities	21	707,123	1,330,569
NET LIABILITIES		(15,000,158)	(18,518,033)
CAPITAL AND RESERVES			
Share capital	22	87,189,117	87,189,117
Reserves		(98,931,513)	(102,555,181)
Equity attributable to owners of the Company		(11,742,396)	(15,366,064)
Non-controlling interests		(3,257,762)	(3,151,969)
TOTAL DEFICIT		(15,000,158)	(18,518,033)

The consolidated financial statements on pages 7 to 63 were approved and authorised for issue by the Board of Directors on 31 July 2026 and are signed on its behalf by:


XIONG QIANG
 Director


GAO QIUJU
 Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company			Non-controlling interests RMB	Total deficit RMB
	Share capital RMB	Accumulated losses RMB	Sub-total RMB		
At 1 April 2024	87,189,117	(96,338,558)	(9,149,441)	(2,857,782)	(12,007,223)
Loss and total comprehensive expense for the year	-	(6,216,623)	(6,216,623)	(294,187)	(6,510,810)
At 31 March 2025	87,189,117	(102,555,181)	(15,366,064)	(3,151,969)	(18,518,033)
Profit and total comprehensive income for the year	-	3,623,668	3,623,668	(105,793)	3,517,875
At 31 March 2026	87,189,117	(98,931,513)	(11,742,396)	(3,257,762)	(15,000,158)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 RMB	2025 RMB
OPERATING ACTIVITIES		
Profit (loss) before tax	3,517,875	(6,510,810)
Adjustments for:		
Depreciation on plant and equipment	260,631	253,690
Depreciation on right-of-use asset	615,954	1,103,715
Amortisation of intangible assets	2,736	18,277
Gain on termination of lease liabilities	-	(142,953)
Interest income	(1,980)	(7,000)
Loss on written-off of plant and equipment	33,928	524
Impairment loss recognised on trade receivables, net	1,788,435	4,139,700
(Reversal of impairment loss) impairment loss recognised on other receivables and deposit, net	(18,373)	7,848
Impairment loss recognised (reversal of impairment loss) on amounts due from associates, net	440,228	(128,310)
Impairment loss recognised on amount due from a related company	-	15,575
Finance costs	1,392,752	1,462,244
Foreign exchange loss	150,307	7,295
Operating cash flows before movements in working capital	8,182,493	219,795
Increase in inventories	(189,953)	(20,348)
Decrease (increase) in trade and other receivables	548,841	(9,160,093)
(Decrease) increase in contract liabilities	(542,716)	546,495
(Decrease) increase in trade and other payables	(2,992,048)	5,319,024
NET CASH FROM (USED IN) OPERATING ACTIVITIES	5,006,617	(3,095,127)
INVESTING ACTIVITIES		
Interest received	1,980	7,000
Payments for purchase of plant and equipment	(15,608)	(172,602)
NET CASH USED IN INVESTING ACTIVITIES	(13,628)	(165,602)
FINANCING ACTIVITIES		
New borrowings raised	8,500,000	29,998,476
Repayment of borrowings	(22,268,371)	(15,557,212)
Interest element of lease rentals paid	(122,857)	(115,296)
Capital element of lease rentals paid	(521,967)	(1,125,117)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(14,413,195)	13,200,851
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,420,206)	9,940,122
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12,763,026	2,822,904
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	3,342,820	12,763,026

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. GENERAL INFORMATION

FinTech Chain Limited (the "Company") is a limited liability company domiciled and incorporated in Hong Kong. The addresses of its registered office and principal place of business is Unit 1806, 18/F., Gala Place, 56 Dundas Street, Mongkok, Kowloon, Hong Kong.

The principal activity of the Company is an investment holding company. The principal activities of its subsidiaries are principally engaged in interconnected services of T-Linx™ Software as a Service ("SaaS") platform including SaaS cloud service which includes provision of system development services and information technology services, SaaS for hardware internet of things ("IoT") which includes sale of point-of-sale machine and other hardware and SaaS for rights/interests/points/marketing/promotion in the People's Republic of China (the "PRC") as set out in Note 27 to the consolidated financial statements. At 31 March 2026, the directors of the Company (the "Directors") consider that the immediate and ultimate controlling party of the Company to be Mr. Xiong Qiang.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (the "Group") has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Hong Kong Accounting Standards ("HKAS") 21 *Lack of Exchangeability (amendments)*

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions 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

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

Amendments to HKFRS 9 and HKFRS 7	<i>Classification and Measurement of Financial Instruments (amendments)²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity (amendments)²</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards - Volume 11²</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
Amendment to HK Interpretation 5	<i>Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)³</i>

¹ Effective for annual periods beginning on or after a date to be determined.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

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

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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

The amendments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments.

The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures ("MPMs") in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and the Hong Kong Companies Ordinance ("CO"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

As stated in the consolidated financial statements, the Group's current liabilities exceeded its current assets by RMB15,890,076 and the Group had net liabilities of RMB15,000,158 as at 31 March 2026. As at the same date, the Group's borrowings due within one year amounted to RMB20,031,332, while its cash and cash equivalents amounted to RMB3,342,820 only. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking into consideration the followings:

- (1) The management have been implementing various strategies to broaden the customer base and revenue of the Group;
- (2) Mr. Xiong Qiang, the director of the Company, has agreed to provide adequate funds for the Company to meet its liabilities in full as they fall due, the Company has obtained the undertaking from Mr. Xiong Qiang, not to demand for repayment of RMB411,612 until such time when repayment will not affect the ability of the Company to repay other creditors in the normal course of business. Therefore, the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the next twelve months from 31 March 2026. In addition, Mr. Xiong Qiang through his wife, Ms. Ling Fang, a person acting in concert, provided a loan of RMB12,500,000 to the Group as at 31 March 2026 to support the financial obligation of the Group and undertake not to demand for repayment of RMB12,500,000 until such time when the repayment will not affect the ability of the Company to repay other creditor in the ordinary course of business.

The Directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to write-down the value of assets to their recoverable amounts, reclassify the non-current assets and liability as current assets and liability, respectively and to provide for further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal / partial disposal of the relevant associate.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Investments in associates - continued

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

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

For the provision of SaaS cloud service, it includes the provision of system development services and information technology services.

Provision of system development services

It mainly included the development of T-Linx™ SaaS platform for banks and other customers for a fixed annual service fee. Revenue is recognised over the period of the contract by reference to the progress of work performed and acknowledged by the customers.

Provision of information technology services

It mainly represents the service fee at a rate of 2-3 basis points of the total transaction volume processed through T-Linx™ SaaS platform by customers or service fee at a fixed amount per month. Revenue is recognised at the time the service is rendered.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Revenue from contracts with customers - continued

For the SaaS for hardware IoT, it is the sale of SaaS service-related hardware. Revenue is recognised when the control of the machines is transferred to customers.

For SaaS for rights/interests/points/marketing/promotion, it is a value-added service provided to customers, which helps customer to obtain brand exposure and enhance the cross-selling opportunities for customers with other partners. Revenue is recognised at the time service is rendered.

All revenue contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Sale-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the goods sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which is consistent with its previous accounting treatment.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Revenue from contracts with customers - continued

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Sale with a right of return / exchange

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

- (a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);
- (b) a refund liability/ contract liability; and
- (c) an asset (and corresponding adjustment to cost of sales) for its rights to recover products from customers and are presented as right to return goods asset.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Revenue from contracts with customers - continued

Existence of significant financing component - continued

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Principal versus agent

When other party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leases

Definition of lease

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

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

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

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain offices in PRC that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Leases - continued

The Group as a lessee - continued

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liability

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Leases - continued

The Group as a lessee - continued

Lease liability - continued

The lease payments include: - continued

- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liability are adjusted by interest accretion and lease payments.

The Group remeasures lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. All government grants are presented under "other income and gains, net".

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates during, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair values of the services received, except where the fair value cannot be reliably measured, in which case they are measured at fair value of the share options granted, measured at the date the entity obtains the services. The fair values of the services received are recognised as expenses (unless the services qualify for recognition as assets).

Taxation

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Taxation - continued

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

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liability, the Group applies HKAS 12 requirements to right-of-use assets and lease liability separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liability are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liability, resulting from remeasurement of lease liability and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Plant and equipment

Plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Plant and equipment - continued

Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life 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 any subsequent accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Classification and subsequent measurement of financial assets - continued

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 - continued

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 **- continued**

(i) Significant increase in credit risk - continued

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 - continued

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition/ modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

When the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Impairment loss on plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment, right-of-use assets and intangible assets with finite useful lives 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 plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit 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 cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - Continued

3.2 Material accounting policy information - continued

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Warranties

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sale of goods are recognised at the date of sale of the relevant products, at the directors' best estimated of the expenditure required to settle the Group's obligation.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3.2, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Principal versus agent consideration (agent)

The Group is considered as an agent for its contracts with customers relating to sales of SaaS for marketing/promotion services as the Group did not obtain the control over the services before passing on to customers taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise and not exposed to any risk. When the Group satisfies the performance obligation, the Group recognises a commission revenue in the amount it expects to be entitled as specified in the contracts, which amount to 7% to 15% of the gross amount of consideration as specified in the contracts.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued

Critical judgements in applying accounting policies - continued

(i) *Principal versus agent consideration (agent) - continued*

During the year ended 31 March 2026, the Group recognised commission revenue relating to sales of SaaS for marketing/promotion services amounted to RMB887,244 (2025: RMB1,059,650).

(ii) *Going concern and liquidity*

As explained in Note 3.1 to the consolidated financial statements, the financial position and financial performance of the Group indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 3.1 to the consolidated financial statements.

Key sources of estimation uncertainty

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

(i) *Provision of ECL for financial assets*

Impairment loss on trade receivables, other receivables and deposits, amount(s) due from associates/ a related company and bank balances represent managements' best estimate of losses incurred at the reporting date under ECL models. Management assesses whether the credit risk of trade and other receivables have increased significantly since their initial recognition. The Group is required to exercise judgement in making assumptions and estimates when calculating impairment loss, including any observable data indicating that there is a measurable decrease in the estimated future cash flows from trade and other receivables portfolio and historical loss experience on the basis of the relevant observable data that reflects current economic conditions.

The measurement of the ECL involves significant management judgments and assumptions, primarily including the selection of appropriate models and determination of relevant key measurement parameters, criteria for determining whether or not there was a significant increase in credit risk or a default was incurred, economic indicators for forward-looking measurement, and the application of economic scenarios and weightings, management consideration due to significant uncertain factors not covered in the models and the estimated future cash flows. The information about the ECL are disclosed in Note 24(b).

(ii) *Leases - Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

5. REVENUE

	2026 RMB	2025 RMB
SaaS cloud service	36,283,532	34,364,836
SaaS for hardware IoT	17,596,073	19,719,411
SaaS for rights/interests/points/marketing/promotion	887,244	1,059,650
Revenue from contracts with customer	54,766,849	55,143,897
Lease payments of point-of-sale machines	729,343	726,122
Total revenue	55,496,192	55,870,019
Timing of revenue recognition		
Over time	3,453,935	1,739,784
A point in time	51,312,914	53,404,113
Total	54,766,849	55,143,897

6. OTHER INCOME AND GAINS, NET

	2026 RMB	2025 RMB
Interest income on bank deposits	1,980	7,000
Sundry income	95,837	61,937
Government grants	851,273	171,217
Gain on termination of lease liabilities	-	142,953
Litigation compensation received (Note 28)	-	163,906
	949,090	547,013

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2026 RMB	2025 RMB
Impairment losses, net of reversal, recognised on:		
- trade receivables	1,788,435	4,139,700
- other receivables and deposits	(18,373)	7,848
- amounts due from associates	440,228	(128,310)
- amount due from a related company	-	15,575
	2,210,290	4,034,813

Details of impairment assessment are set out in Note 24(b).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. FINANCE COSTS

	2026 RMB	2025 RMB
Interests on:		
Other borrowings	814,049	654,620
Bank borrowings	308,874	455,399
Lease liabilities	122,857	115,296
	1,245,780	1,225,315
Financial guarantee service fee (Note 26)	146,972	236,929
	1,392,752	1,462,244

9. INCOME TAX EXPENSE

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

No provision of taxation in Hong Kong has been made as the group entities in Hong Kong did not generate any assessable profits for both years ended 31 March 2026 and 2025.

Except for Shenzhen Tao-taogu Information Technology Co., Ltd. ("STIT"), a wholly-owned subsidiary of the Company, the other PRC subsidiaries are subject to PRC corporate income tax at 25%. Pursuant to a notice issued by the tax authority on 5 April 2012, STIT is exempted from PRC corporate income tax (the "EIT") for the first two years starting from the first year of profitable operations after offsetting prior year losses, followed by a 50% reduction for the next three years. No provision of taxation in STIT has been made as the assessable profits of STIT were wholly absorbed by tax losses brought forward for both years ended 31 March 2026 and 2025.

No provision for the EIT has been made in the consolidated financial statements for the other PRC subsidiaries as those subsidiaries sustained a tax loss during the year (2025: Nil).

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits stream.

The tax charge for the years can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 RMB	2025 RMB
Profit (loss) before tax	3,517,875	(6,510,810)
Income tax at applicable tax rates	796,720	(1,274,503)
Tax effect of non-taxable income	(238,006)	(39,509)
Tax effect of non-deductible expenses	1,279,952	1,734,763
Utilisation of tax loss previously not recognised	(2,253,638)	(1,481,682)
Tax effect of tax losses not recognised	414,972	1,060,931
Income tax expense	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

10. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	Notes	2026 RMB	2025 RMB
Auditor's remuneration			
- audit services		136,440	324,590
- non-audit services		14,852	258,789
Cost of inventories sold		9,396,793	11,042,870
Cost of services rendered		24,511,247	25,435,404
Cost of sales and services rendered		33,908,040	36,478,274
Amortisation of intangible assets		2,736	18,277
Depreciation on plant and equipment		260,631	253,690
Depreciation on right-of-use asset		615,954	1,103,715
Total depreciation and amortisation	(b)	879,321	1,375,682
Net foreign exchange loss		150,307	7,295
Loss on written-off of plant and equipment		33,928	524
Directors' emoluments			
- Salaries and allowances		1,085,153	1,186,609
- Contribution to defined contribution retirement plan		25,724	32,566
		1,110,877	1,219,175
Other staff cost	(a)		
- Salaries and allowances		13,995,957	16,976,181
- Contribution to defined contribution retirement plan		1,389,749	1,143,170
		15,385,706	18,119,351
Total staff costs		16,496,583	19,338,526
Expense relating to short-term leases		28,151	133,503

Notes:

- (a) Staff costs (excluding directors' emoluments) amounted to RMB8,610,144 (2025: RMB7,704,022), RMB413,189 (2025: RMB634,733), RMB3,238,221 (2025: RMB5,545,739) and RMB3,124,152 (2025: RMB4,234,857) have been included in cost of sales and service rendered, selling expenses, research and development expenses and general and administrative expenses respectively.
- (b) Total depreciation and amortisation of RMB71,492 (2025: RMB64,446) and RMB807,829 (2025: RMB1,311,236) have been included in cost of sales and service rendered and general and administrative expenses respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

11. PLANT AND EQUIPMENT

	Computer equipment RMB	Point-of- sales machines RMB	Furniture and fixtures RMB	Leasehold improvements RMB	Total RMB
COST					
At 1 April 2024	4,556,214	2,020,705	272,344	90,078	6,939,341
Additions	77,266	53,982	-	41,354	172,602
Written-off	(12,900)	-	-	-	(12,900)
At 31 March 2025	4,620,580	2,074,687	272,344	131,432	7,099,043
Additions	4,811	10,797	-	-	15,608
Written-off	(195,359)	(1,685,241)	(28,012)	(53,033)	(1,961,645)
At 31 March 2026	4,430,032	400,243	244,332	78,399	5,153,006
ACCUMULATED DEPRECIATION					
At 1 April 2024	4,149,780	1,710,721	270,803	82,340	6,213,644
Charge for the year	110,311	136,615	-	6,764	253,690
Written-off	(12,376)	-	-	-	(12,376)
At 31 March 2025	4,247,715	1,847,336	270,803	89,104	6,454,958
Charge for the year	100,809	151,551	-	8,271	260,631
Written-off	(185,568)	(1,662,022)	(27,094)	(53,033)	(1,927,717)
At 31 March 2026	4,162,956	336,865	243,709	44,342	4,787,872
CARRYING AMOUNTS					
At 31 March 2026	267,076	63,378	623	34,057	365,134
At 31 March 2025	372,865	227,351	1,541	42,328	644,085

The above items of plant and equipment, after taking into account the residual values, are depreciated on straight-line basis at the following rates per annum:

Computer equipment	20% to 50% per annum
Leasehold improvements	Over the shorter of the term of the lease or 20% per annum
Furniture and fixtures	20% per annum
Point-of-sales machines	40% to 45% per annum

As at 31 March 2026, the Group leased out the point-of-sales machines with carrying amount of RMB63,378 (2025: RMB227,351) under operating leases. The lease does not include contingent rentals.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

12. INTANGIBLE ASSETS

	Computer software RMB (Note a)	Trademarks RMB (Note b)	Total RMB
COST			
At 1 April 2024, 31 March 2025 and 31 March 2026	111,847	295,913	407,760
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS			
At 1 April 2024	90,834	295,913	386,747
Amortisation for the year	18,277	-	18,277
At 31 March 2025	109,111	295,913	405,024
Amortisation for the year	2,736	-	2,736
At 31 March 2026	111,847	295,913	407,760
CARRYING AMOUNTS			
At 31 March 2026	-	-	-
At 31 March 2025	2,736	-	2,736

Notes:

- The computer software has a finite useful life and is thereafter carried at cost less accumulated amortisation and impairment losses. It is amortised on a straight-line basis over 3 years.
- The trademarks with cost of RMB295,913 have an indefinite useful life. On initial recognition, the Directors are of the opinion that the Group has the ability to use the trademarks continuously and the trademarks are expected to contribute to net cash inflows of existing business indefinitely. As a result, the trademarks are considered by the management of the Group as having an indefinite useful life. Subsequent to the acquisition of trademarks, the Directors changed their business strategy by focusing on new business development. The Directors considered the recoverable amount of the trademarks was less than its carrying amount, therefore, the trademarks were fully impaired in previous year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

13. INTERESTS IN ASSOCIATES

	2026 RMB	2025 RMB
Cost of investments	4,811,752	4,811,752
Share of post-acquisition losses and other comprehensive expense	(4,811,752)	(4,811,752)
Share of net assets	-	-

The particulars of all associates of the Group, which are unlisted corporate entities, are as follows:

Name of associate	Place of incorporation and type of legal entity	Principal activities and place of operation	Registered capital	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group	
				2026	2025	2026	2025
Shenzhen Intelligent Preferential Pay Company Limited* ("IPP") (深圳市智惠付信息技术有限公司) (Note)	PRC, limited liability company	Provision of e-commerce, information technology consultancy services, electronic promotion services and electronic messaging information services	RMB2,000,000	32.5%	32.5%	32.5%	32.5%
Shenzhen Dashouhou Information Technology Co., Ltd.* (深圳市大售后信息技术有限公司)	PRC, limited liability company	Provision of e-commerce system development and information technology services	RMB1,000,000	47.5%	47.5%	47.5%	47.5%
TTG Fintech Services Limited	Hong Kong, limited liability company	Provision of e-commerce system development and information technology services	HK\$1,000,000	40%	40%	40%	40%

* The English translation of the company name is for identification purpose only. The official name of these companies is in Chinese.

Note: IPP operates in the PRC and is a strategic partner of the Group in developing the information technology services sector where IPP has an established customer base.

All of the associates of the Group are accounted for using the equity method in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

14. RIGHT-OF-USE ASSET

	<u>Leased properties</u>	
	2026	2025
	RMB	RMB
As at 1 April	1,847,861	2,391,785
Additions	-	1,899,191
Termination of a lease	-	(1,339,400)
Depreciation charge	(615,954)	(1,103,715)
As at 31 March	1,231,907	1,847,861
Total cash outflow for leases	672,975	1,373,916

For both years, the Group leases office for its operations. Lease contract is entered into for fixed term of 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

15. INVENTORIES

	2026	2025
	RMB	RMB
Point of sales machines and related accessories	594,277	404,324

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

16. TRADE AND OTHER RECEIVABLES

	2026 RMB	2025 RMB
Trade receivables		
- Contract with customers	21,083,679	24,495,072
- Leases	511,360	177,300
	21,595,039	24,672,372
Less: allowance for credit losses	(8,647,908)	(6,859,473)
	12,947,131	17,812,899
Other receivables	1,966,311	1,858,994
Amounts due from associates (Note 26)	3,085,273	2,645,045
Amount due from a related company (Note 26)	20,000	20,000
Prepayments and deposits	3,829,166	1,850,147
Value added tax recoverable	324,621	322,693
	9,225,371	6,696,879
Less: allowance for credit losses	(4,144,463)	(3,722,608)
Other receivables, net of allowance	5,080,908	2,974,271
	18,028,039	20,787,170

All the trade and other receivables are expected to be recovered within one year or recognised as expense within one year.

As at 1 April 2024, trade receivables from contracts with customers amounted to RMB14,105,753.

As at 31 March 2026, the credit term of trade receivables ranged from 3 months to 12 months (2025: 3 months to 12 months).

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the invoice dates:

	2026 RMB	2025 RMB
- Current to 30 days past due	4,772,020	15,179,555
- 31 - 90 days past due	7,844,472	848,047
- 91 - 365 days past due	-	106,353
- Over 1 year past due	330,639	1,678,944
	12,947,131	17,812,899

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitment, which carry interest at market rates ranging from 0% to 0.25% per annum (2025: from 0% to 0.35% per annum).

Included in the bank balance and cash of the Group as at 31 March 2026 was an amount of RMB3,286,234 (2025: RMB11,937,066) which is subject to foreign exchange control regulations and are not freely transferable.

However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

Details of impairment assessment of bank balances are set out in Note 24(b).

18. TRADE AND OTHER PAYABLES

	2026 RMB	2025 RMB
Trade payables	3,810,565	5,375,950
Other payables and accruals	8,082,465	8,446,965
Deposits received	1,512,579	1,564,194
Amount due to a former director (Note 26)	307,839	307,839
Amount due to a director (Note 26)	411,612	411,612
Amount due to a related party (Note 26)	109,808	109,808
Financial liabilities measured at amortised cost	14,234,868	16,216,368
Other tax levies payables	332,591	1,192,832
	14,567,459	17,409,200

19. CONTRACT LIABILITIES

	2026 RMB	2025 RMB
SaaS cloud service	165,540	327,916
SaaS for hardware IoT	2,467,434	2,847,774
	2,632,974	3,175,690

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

19. CONTRACT LIABILITIES - Continued

As at 1 April 2024, contract liabilities amounted to RMB2,629,195.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

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

For the year ended 31 March 2026

	SaaS cloud service RMB	SaaS for hardware IoT RMB
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	185,805	541,626

For the year ended 31 March 2025

	SaaS cloud service RMB	SaaS for hardware IoT RMB
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	349,080	1,501,583

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

20. BORROWINGS

	Notes	2026 RMB	2025 RMB
Bank loans, secured	(a) to (c)	5,000,000	17,998,476
Other borrowings, unsecured	(d) to (g)	15,031,332	14,531,332
		20,031,332	32,529,808

Notes:

- (a) On 3 April 2024, the Group has entered into a loan facility of RMB8,000,000 with China Guangfa Bank. The Group has drawn down an aggregate amount of RMB7,998,476 from April 2024 to March 2025, which carried fixed interest rates with reference to loan prime rate by The People's Bank of China at 3.45% per annum, secured by a personal guarantee from Ms. Ling Fang and is repayable within 1 year from the date of drawdown. The outstanding balance of the loan was fully settled on 10 September 2025.
- (b) On 31 March 2025, the Group entered into a bank loan agreement on the principal amount of RMB10,000,000, which carried fixed interest of 3.55% per annum, secured by personal guarantees of Ms. Ling Fang and Mr. Xiong Qiang and was repaid on 27 March 2026.
- (c) Refer to the loan facility with China Guangfa Bank entered on 3 April 2024, the Group has drawn down an aggregate amount of RMB5,000,000 from June 2025 to March 2026, which carried fixed interest rates with reference to loan prime rate by The People's Bank of China at 3.45% per annum, secured by a personal guarantee from Ms. Ling Fang and is repayable within 1 year from the date of drawdown.
- (d) On 28 October 2024, Ms. Ling Fang, provided a loan of RMB12,000,000 to the Company. Pursuant to the loan agreement ("Loan Agreement 1") dated 28 October 2024, the borrowing from Ms. Ling Fang is unsecured, carried fixed interest rate at 6% per annum and is repayable on demand. During the year ended 31 March 2026, the Company repaid partial amount of RMB3,000,000 and the remaining balance of RMB9,000,000 was outstanding as at 31 March 2026. Details have been disclosed in Note 26.
- (e) In addition to the Loan Agreement 1, Ms. Ling Fang agreed to provide a personal guarantee to financial institutions which granted loan facility to the Group. Ms. Ling Fang charged the guarantee fee at 2% per annum according to the guaranteed amount during the year ended 31 March 2026 and 31 March 2025. Details have been disclosed in Note 26.
- (f) On 24 March 2026, Ms. Ling Fang provided a further loan of RMB3,500,000 to the Company. This loan is unsecured, carried fixed interest rate at 6% per annum and is repayable on demand. Details are disclosed in Note 26.
- (g) On 9 January 2024, A convertible bond matured and the principal amount of RMB5,141,596 (equivalent to USD716,000) was reclassified as borrowing. On the same date, the Company and the holder signed a loan agreement on the principal amount of USD716,000, which carried fixed interest rate of 6% per annum, unsecured and wholly repayable on 9 January 2025. No further repayment was made during the year ended 31 March 2026 (2025: settled partial amount of RMB2,610,264 (equivalent to USD358,000)) and the remaining balance of RMB2,531,332 (equivalent to USD358,000) has been extended to 9 January 2027.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

21. LEASE LIABILITIES

	2026 RMB	2025 RMB
Lease liabilities payable:		
Within one year	623,447	521,968
Within a period of more than one year but not more than two years	707,123	1,330,569
	1,330,570	1,852,537
Less: Amount due for settlement within 12 months shown under current liabilities	(623,447)	(521,968)
Amount due for settlement after 12 months shown under non-current liabilities	707,123	1,330,569

The weighted average incremental borrowing rate applied to lease liability is 7.475% - 7.615% (2025: 5.439% - 7.615%).

22. SHARE CAPITAL

	Number of ordinary shares	HK\$	RMB equivalent
Issued and fully paid:			
At 31 March 2025 and 31 March 2026	650,769,591	117,194,865	87,189,117

23. CAPITAL COMMITMENTS

At the end of the reporting periods, the Group had the following capital commitment:

	2026 RMB	2025 RMB
Contracted but not provided for:		
- Capital contribution to subsidiaries	11,856,000	11,856,000
- Capital contribution to other investments	1,500,000	1,500,000
	13,356,000	13,356,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2026 RMB	2025 RMB
Financial assets		
Amortised cost	17,951,524	32,064,116
Financial liabilities		
Amortised cost	35,596,770	50,598,713

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, trade and other payables, bank and other borrowing and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group is exposed to currency risk primarily through other receivables, other payables, cash and cash equivalents and borrowings that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily HK\$, United States Dollars ("US\$") and Australia Dollars ("AUD").

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

Exposure to foreign currencies (expressed in RMB)

	Assets		Liabilities	
	2026 RMB	2025 RMB	2026 RMB	2025 RMB
AUD	4,562	4,071	-	-
US\$	1,266	1,233	(2,531,332)	(2,531,332)
HK\$	48,367	742,347	(578,330)	(457,524)

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

Market risk - continued

(i) Currency risk - continued

Sensitivity analysis

The Company is mainly exposed to the currency risk of AUD, US\$ and HK\$.

The following table details the Group's sensitivity to a 5% (2025: 5%) change in RMB against AUD, US\$ and HK\$ 5% (2025: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the end of the reporting period for a 5% (2025: 5%) change in the foreign currency rates. A positive number below indicates a decrease in pre-tax loss for the year and a negative number indicates an increase in pre-tax loss for the year if RMB appreciates 5% against the foreign currencies. There would be an equal and opposite impact on pre-tax loss for the year if RMB depreciates 5% against the relevant foreign currencies.

	2026 RMB	2025 RMB
AUD	(228)	(204)
US\$	126,503	126,505
HK\$	26,498	(14,241)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowing as detailed in Note 20 and lease liabilities as detailed in Note 21. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances as detailed in Note 17.

The Group currently does not have any interest rate hedging policy. However, the management monitors interest exposure and will consider hedging significant interest rate exposure should the need arise.

Bank balances are excluded from sensitive analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iii) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk is primarily attributable to trade receivables, other receivables and deposits, amount(s) due from associates/ a related company and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Trade receivables

The management of the Group manages and analyses the credit risk for each of their new and existing customers before standard payment terms and conditions are offered. The management assesses the credit quality of each customer based on customer background information, financial position, past experience and relevant factors. The Group also reviews from time to time the credit rating of the customers.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 100% (2025: 100%) of the total trade receivables as at 31 March 2026. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade receivables individually. The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group applied internal credit risk rating for its customers as part of the Group's credit risk management. Impairment loss of RMB1,788,435 (2025: impairment loss of RMB4,139,700) was recognised during the year. Details of the quantitative disclosures are set out below in this note.

Other receivables and deposits

For other receivables and deposits, the Directors make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For those other receivables that the Directors believe that there is no significant increase in credit risk of these amounts since initial recognition, the Group provided impairment based on 12m ECL. For those other receivables that there is significant increase in credit risk since initial recognition, the Directors provided impairment based on lifetime ECL.

Reversal of impairment loss of RMB18,373 (2025: Impairment loss of RMB7,848) was recognised during the year. Details of the quantitative disclosures are set out below in this note.

Amounts due from associates

The Group regularly monitors the business performance of the associates. The Group's credit risks in these balances are mitigated through the value of the assets held by these entities and the power to participate the relevant activities of these entities. For those amounts due from associates that the Directors believe that there are no increase in credit risk since initial recognition, the Group provided impairment based on lifetime ECL (not credit impaired). For those amounts due from associates that are past due or there is significant increase in credit risk since initial recognition, the Directors provide impairment based on lifetime ECL (credit-impaired). Impairment loss of RMB440,228 (2025: Reversal of impairment loss of RMB128,310) was recognised during the year. Details of the quantitative disclosures are set out below in this note.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iii) Credit risk and impairment assessment - continued

Amount due from a related company

The Directors make periodic individual assessment on the recoverability of amount due from a related company based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the year ended 31 March 2026, a impairment loss of RMB Nil (2025: impairment loss of RMB15,575) was recognised. Details of the quantitative disclosures are set out below in this note.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external rating agencies. The 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

The Group's internal credit risk grading assessment comprises the follow categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iii) Credit risk and impairment assessment - continued

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	2026 Gross carrying amount		2025 Gross carrying amount	
					RMB	RMB	RMB	RMB
Financial assets at amortised costs								
Bank balances	17	Aa2-Ba3	N/A	12m ECL		3,340,710		12,760,795
Trade receivables	16	N/A	Low risk	Lifetime ECL (not credit-impaired)	6,853,932		2,786,538	
			Watch list	Lifetime ECL (not credit-impaired)	13,453,442		14,140,002	
			Loss	Lifetime ECL (credit-impaired)	<u>1,287,665</u>	<u>21,595,039</u>	<u>7,745,832</u>	<u>24,672,372</u>
Other receivables and deposits	16	N/A	Low risk Loss	12m ECL	1,966,311		1,858,996	
				Lifetime ECL (credit-impaired)	<u>734,452</u>	<u>2,700,763</u>	<u>686,758</u>	<u>2,545,754</u>
Amounts due from associates	16	N/A	Loss	Lifetime ECL (credit-impaired)		3,085,273		2,645,045
Amount due from a related company	16	N/A	Low risk	12m ECL		20,000		20,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iii) Credit risk and impairment assessment - continued

	Expected average loss rate	Gross carrying amount RMB	ECL allowance RMB	Net carrying amount RMB
As at 31 March 2026				
Trade receivables				
- Current to 30 days past due	30.38%	6,853,932	(2,081,912)	4,772,020
- 31 - 90 days past due	41.67%	13,453,442	(5,608,970)	7,844,472
- 91 - 365 days past due	-	-	-	-
- Over 1 year past due	74.32%	1,287,665	(957,026)	330,639
		21,595,039	(8,647,908)	12,947,131
As at 31 March 2025				
Trade receivables				
- Current to 30 days past due	3.98%	15,808,162	(628,607)	15,179,555
- 31 - 90 days past due	44.82%	1,536,816	(688,769)	848,047
- 91 - 365 days past due	52.32%	223,070	(116,717)	106,353
- Over 1 year past due	76.37%	7,104,324	(5,425,380)	1,678,944
		24,672,372	(6,859,473)	17,812,899

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iii) Credit risk and impairment assessment - continued

Note 1:

The Group performs impairment assessment under ECL model on trade receivables individually. The following tables show the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	2026 RMB	2025 RMB
Beginning balance	6,859,473	2,719,773
Loss allowance recognised, net	1,788,435	4,139,700
Closing balance	8,647,908	6,859,473

Note 2:

The following tables show reconciliation of loss allowances that has been recognised for other receivables and deposits:

	2026 RMB	2025 RMB
Beginning balance	1,057,563	1,049,715
Loss allowance recognised (reversed), net	(18,373)	7,848
Closing balance	1,039,190	1,057,563

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iii) Credit risk and impairment assessment - continued

Note 3:

The following tables show reconciliation of loss allowances that has been recognised for amounts due from associates:

	2026 RMB	2025 RMB
Beginning balance	2,645,045	2,773,355
Loss allowance recognised (reversed), net	440,228	(128,310)
Closing balance	3,085,273	2,645,045

Note 4:

The following tables show reconciliation of loss allowances that has been recognised for amount due from a related company:

	2026 RMB	2025 RMB
Beginning balance	20,000	4,425
Loss allowance recognised, net	-	15,575
Closing balance	20,000	20,000

(iv) Liquidity risk

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

The Group is exposed to liquidity risk as the Group had net current liabilities of RMB15,890,076 as at 31 March 2026 (2025: RMB19,682,146). The liquidity of the Group primarily depends on the future funding being available and the ability of the Group to meet its financial obligations as they fall due. Details of which are set out in Note 3.1 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. FINANCIAL INSTRUMENTS - Continued

(b) Financial risk management objectives and policies - continued

(iv) Liquidity risk - continued

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

	2026			
	Within 1 year or on demand RMB	More than 1 year but less than 5 years RMB	Total contractual undiscounted cash flow RMB	Carrying amount RMB
Trade and other payables	14,234,868	-	14,234,868	14,234,868
Bank and other borrowings	23,245,827	-	23,245,827	20,031,332
Lease liabilities	701,868	736,092	1,437,960	1,330,570
	38,182,563	736,092	38,918,655	35,596,770

	2025			
	Within 1 year or on demand RMB	More than 1 year but less than 5 years RMB	Total contractual undiscounted cash flow RMB	Carrying amount RMB
Trade and other payables	16,216,368	-	16,216,368	16,216,368
Bank and other borrowings	36,359,620	-	36,359,620	32,529,808
Lease liabilities	644,825	1,437,960	2,082,785	1,852,537
	53,220,813	1,437,960	54,658,773	50,598,713

(c) Fair value measurements of financial instruments

The Directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their values.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities RMB	Bank borrowings RMB	Other borrowings RMB	Total RMB
At 1 April 2024	2,560,816	10,000,000	6,741,596	19,302,412
Non-cash changes:				
Finance costs	115,296	692,328	654,620	1,462,244
Addition to new lease	1,899,191	-	-	1,899,191
Termination of right-of-use asset	(1,482,353)	-	-	(1,482,353)
	532,134	692,328	654,620	1,879,082
Changes from cash flow:				
New borrowings raised	-	17,998,476	12,000,000	29,998,476
Repayment of lease liabilities in interest element	(115,296)	-	-	(115,296)
Repayment of lease liabilities in capital element	(1,125,117)	-	-	(1,125,117)
Repayment of borrowings	-	(10,692,328)	(4,864,884)	(15,557,212)
	(1,240,413)	7,306,148	7,135,116	13,200,851
At 31 March 2025	1,852,537	17,998,476	14,531,332	34,382,345
Non-cash changes:				
Finance costs	122,857	455,846	814,049	1,392,752
Changes from cash flow:				
New borrowings raised	-	5,000,000	3,500,000	8,500,000
Repayment of lease liabilities in interest element	(122,857)	-	-	(122,857)
Repayment of lease liabilities in capital element	(521,967)	-	-	(521,967)
Repayment of borrowings	-	(18,454,322)	(3,814,049)	(22,268,371)
	(644,824)	(13,454,322)	(314,049)	(14,413,195)
At 31 March 2026	1,330,570	5,000,000	15,031,332	21,361,902

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group has the following material transactions with its related parties during the year:

Name of related party	Nature of transaction	Relationship	2026 RMB	2025 RMB
IPP	Technical services fee expenses	Associate	-	600,540
	Purchase of point-of-sale machines		50,134	38,407
Ms. Ling Fang	Interest paid (Note 8)	Related party	661,545	369,403
	Financial guarantee service fee (Note 8)		146,972	236,929
Shenzhen Bozhong Communication Technology Company Limited ("Shenzhen Bozhong") * (深圳市伯仲通信技術有限公司)	Technical services fee expenses	Related party	766,132	766,132

* The English name is for identification purpose only

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. MATERIAL RELATED PARTY TRANSACTIONS - Continued

The Group had the following material balances with related parties:

Name of related party	Notes	2026 RMB	2025 RMB
Amount due to a director: - Mr. Xiong Qiang	(i)	(411,612)	(411,612)
Amount due from a related company: - Shenzhen Bozhong (Note 16)	(i), (ii)&(iii)	-	-
Other borrowing: - Ms. Ling Fang (Note 20)		(12,500,000)	(12,000,000)
Amount due to a related party: - Mr. Ling Song	(i)&(ii)	(109,808)	(109,808)
Amounts due from associates (Note 16)			
- IPP	(i) & (iii)	-	-
- TTG Fintech Service Limited	(i) & (iii)	-	-
			-
Amount due to a former director: - Mr. Chow Ki Shui Louie	(i)	(307,839)	(307,839)

Notes:

- (i) The amounts are unsecured, interest free and repayable on demand.
- (ii) Mr. Ling Song is a supervisor of 深圳市淘淘谷電子商務有限公司, a subsidiary of the Company. He is also the director and major shareholder of Shenzhen Bozhong and is a close family member of a director of the Company.
- (iii) The amounts represent the balance net of allowance for credit losses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

27. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

General information of subsidiaries

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Name of subsidiary	Place of establishment and business	Principal activities	Particulars of issued and paid up registered capital	Proportion of ownership interest held by the Company		Proportion of voting power held by the Company	
				Directly 2026	Indirectly 2026	Directly 2026	Indirectly 2026
STIT* (深圳市淘淘谷信息技术有限公司)	PRC (Wholly foreign - owned enterprise)	Provision of system development and information technology services	Paid up registered capital of HK\$55,000,000 (2025: HK\$58,000,000) (Note(c)(i))	100%	-	100%	-
Shenzhen Tao-taogu E-commerce Co., Limited* (深圳市淘淘谷电子商务有限公司)	PRC (Domestic-funded)	Provision of E-commerce system development and information technology services	Paid up registered capital of RMB1,000,000 (2025: RMB1,000,000) (Note(c)(ii))	-	-	-	(Note (a))
Shenzhen Tao-taogu Investment Co., Limited* (深圳市淘淘谷投资有限公司)	PRC (Domestic-funded)	Provision of investment management and consultancy services	Paid up registered capital of RMB1,000,000 (2025: RMB1,000,000)	-	-	-	(Note (b))
Jiangxi Tao-taogu E-commerce Co., Limited* (江西淘淘谷电子商务有限公司)	PRC (Domestic-funded)	Investment holding	Paid up registered capital of RMB200,000 (2025: RMB200,000) (Note(c)(iii))	-	92%	-	92%
Jiangxi Kelaihui E-commerce Co., Limited* (江西客来惠信息技术有限公司)	PRC (Domestic-funded)	Sales of accessories of point-of-sales machine	Nil paid up registered capital (2025: Nil) (Note(c)(iv))	-	92%	-	92%

* English name is for identification purpose only

Wholly domestic - owned enterprise

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

27. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY - Continued

General information of subsidiaries - continued

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (a) On 2 July 2013, STIT, a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Mr. Xiong Qiang, a director and a shareholder of the Company and Ms. Ling Fang, the wife of Mr. Xiong Qiang to obtain control in STEC, a company established in the PRC. The Group does not hold any ownership interests in STEC. However, based on the terms of the Agreement under which STEC was acquired, the Group receives substantially all of the returns related to its operations and net assets and has the power to direct STEC's activities that most significantly affect these returns.
- (b) The Group does not hold any ownership interests in ST Investment. However, based on the terms of agreement under which ST Investment was established, the Group receives substantially all of the returns related to its operations and net assets and has the power to direct ST Investment's activities that most significantly affect these returns.
- (c)
 - (i) As at 31 March 2026, the registered capital of STIT was HK\$55,000,000 (2025: HK\$58,000,000) of which HK\$55,000,000 (2025: HK\$58,000,000) was paid up.
 - (ii) As at 31 March 2026, the registered capital of STEC was RMB2,000,000 (2025: RMB2,000,000) of which RMB1,000,000 (2025: RMB1,000,000) was paid up.
 - (iii) As at 31 March 2026, the registered capital of JTEC was RMB2,000,000 (2025: RMB2,000,000) of which RMB200,000 (2025: RMB200,000) was paid up.
 - (iv) As at 31 March 2026, the registered capital of JKLH was RMB10,000,000 (2025: RMB10,000,000) of which RMBNil (2025: RMBNil) was paid up.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

28. LITIGATION

As disclosed in the Company's announcements dated 12 August 2022, the Company has discovered that the cashier of a subsidiary of the Company (the "Cashier"), was suspected of having misappropriated certain funds of the Group (the "Investigation"). The Company conducted a detailed review of its banking records to ascertain the extent of the misappropriation of the Group's funds by the Cashier. Based on such records obtained by the Company and its internal assessment, the Company believes that an aggregate amount of up to approximately RMB13,436,000 has been misappropriated by the Cashier.

On 12 August 2022, the Company had commenced criminal proceedings in the People's Court of Nanshan District of Shenzhen (the "Nanshan Court") against the Cashier for the misappropriation of cash. On 31 December 2022, the Nanshan Court issued a criminal judgment on the lawsuit, ruling that the Cashier should compensate the Company for the loss of RMB13,197,117 and should be jailed for 6 years. During the year ended 31 March 2025, the Company received compensation of RMB163,906. No further compensation was received in 2026.

On 23 September 2023, the Company commenced civil proceedings in the People's Court of Luo Hu District of Shenzhen (the "Luo Hu Court") against the spouse of the Cashier (the "Defendant") for assisting in money laundering involving an amount of RMB3,461,704. On 5 January 2024, the court ruled in favor of the Company, holding the Defendant should jointly and severally liable for the amount of RMB3,461,704. The Company has lodged an appeal, and there has been no further progress in the proceedings as of 31 March 2026 and the date of authorisation of these financial statements.

On 30 April 2025, the Company commenced civil proceedings in the People's Court of Huidong County of Guangdong Province (the "Huidong Court") against the related parties of the Cashier for assisting in money laundering involving an amount of RMB9,736,013. The Huidong Court ruled to dismiss the civil litigation and transferred the matter to the Ministry of Public Security of the People's Republic of China for criminal investigation. As of 31 March 2026 and up to date of authorisation of these financial statements, there has been no further progress in the proceedings."

Notes to the Consolidated Financial Statements

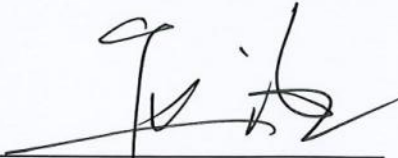
For the year ended 31 March 2026

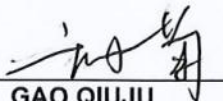
29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position of the Company

	2026 RMB	2025 RMB
NON-CURRENT ASSETS		
Interests in a subsidiary	-	-
Investment in an associate	-	-
	-	-
CURRENT ASSETS		
Bank balances and cash	56,585	825,960
CURRENT LIABILITIES		
Other payables	2,311,342	2,169,226
Other borrowing	2,531,332	2,531,332
Amount due to a director	335,727	335,727
Amount due to subsidiary	48,638	1,123,942
	5,227,039	6,160,227
NET CURRENT LIABILITIES	(5,170,454)	(5,334,267)
TOTAL ASSETS LESS CURRENT LIABILITIES	(5,170,454)	(5,334,267)
NET LIABILITIES	(5,170,454)	(5,334,267)
CAPITAL AND RESERVE		
Share capital	87,189,117	87,189,117
Accumulated losses	(92,359,571)	(92,523,384)
TOTAL DEFICIT	(5,170,454)	(5,334,267)

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 31 July 2026 and are signed on its behalf by:


XIONG QIANG
Director


GAO QIUJU
Director

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

- Continued

Movement of reserve of the Company

	Accumulated losses RMB
At 1 April 2024	(91,950,595)
Loss and total comprehensive expense for the year	(572,789)
At 31 March 2025	(92,523,384)
Profit and total comprehensive income for the year	163,813
At 31 March 2026	(92,359,571)