

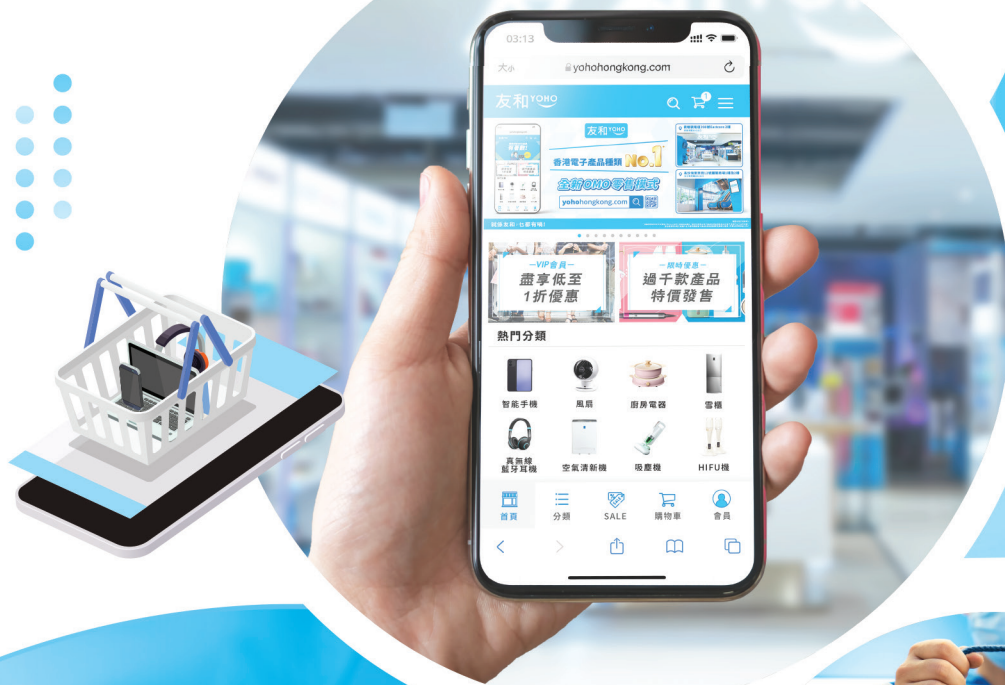
友和YOHO

# 友和集團控股有限公司

## YOHO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2347



就係友和  
乜都有啲

hongkong.com

2023/24  
Annual Report

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## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)

Ms. Tsui Ka Wing (*Chief Operating Officer*)

### NON-EXECUTIVE DIRECTORS

Mr. Man Lap

Mr. Hsieh Wing Hong Sammy

Mr. Adamczyk Alexis Thomas David (*Resigned on 2 February 2024*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Qian Sam Zhongshan

Mr. Chan Shun (*Resigned on 31 July 2023*)

Mr. Ho Yun Tat

Dr. Leung Shek Ling Olivia (*Appointed on 31 July 2023*)

### AUDIT COMMITTEE

Mr. Ho Yun Tat (*Chairman*)

Mr. Chan Shun (*Resigned on 31 July 2023*)

Mr. Adamczyk Alexis Thomas David (*Resigned on 2 February 2024*)

Dr. Leung Shek Ling Olivia (*Appointed on 31 July 2023*)

Mr. Man Lap (*Appointed on 2 February 2024*)

### NOMINATION COMMITTEE

Mr. Wu Faat Chi (*Chairman*)

Dr. Qian Sam Zhongshan

Mr. Chan Shun (*Resigned on 31 July 2023*)

Dr. Leung Shek Ling Olivia (*Appointed on 31 July 2023*)

### REMUNERATION COMMITTEE

Mr. Chan Shun (*Chairman*) (*Resigned on 31 July 2023*)

Dr. Leung Shek Ling Olivia (*Chairwoman*) (*Appointed on 31 July 2023*)

Ms. Tsui Ka Wing

Mr. Ho Yun Tat

### STRATEGY AND INVESTMENT COMMITTEE

Mr. Man Lap (*Chairman*)

Mr. Wu Faat Chi

Ms. Tsui Ka Wing

Mr. Hsieh Wing Hong Sammy

### COMPANY SECRETARY

Mr. Lam Wai Chiu (*Resigned on 31 July 2023*)

Ms. Chan Sau Ling (*Appointed on 31 July 2023*)

### AUTHORISED REPRESENTATIVES

Mr. Wu Faat Chi

Mr. Lam Wai Chiu (*Resigned on 31 July 2023*)

Ms. Chan Sau Ling (*Appointed on 31 July 2023*)

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9A, Bamboos Centre

52 Hung To Road

Kwun Tong, Kowloon

Hong Kong

### REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

### INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

35/F, One Pacific Place

88 Queensway

Hong Kong

## CORPORATE INFORMATION

### COMPLIANCE ADVISER

CMBC International Capital Limited  
45/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman  
KY1-1102  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited

### COMPANY WEBSITE

[www.yohohongkong.com](http://www.yohohongkong.com)

### STOCK CODE

2347

## FINANCIAL HIGHLIGHTS

	FY23/24 <sup>(Note 1)</sup>	FY22/23	FY21/22	FY20/21	FY19/20
Revenue (HK\$'000)	<b>841,148</b>	855,076	790,054	523,029	259,953
Gross profit (HK\$'000)	<b>121,833</b>	131,200	122,748	91,062	53,257
Gross profit margin	<b>14.5%</b>	15.3%	15.5%	17.4%	20.5%
Profit (loss) for the year (HK\$'000)	<b>22,304</b>	6,303	(225)	28,733	18,324
Adjusted net profit <sup>(Note 2)</sup> (HK\$'000)	<b>23,379</b>	23,036	26,162	28,733	17,632
Adjusted net profit margin <sup>(Note 3)</sup>	<b>2.8%</b>	2.7%	3.3%	5.5%	6.8%

	FY23/24	FY22/23	FY21/22	FY20/21	FY19/20
Net cash position (HK\$'000)	<b>230,889</b>	211,266	126,256	37,561	43,208
Total equity (HK\$'000)	<b>274,805</b>	264,861	78,746	78,971	70,393
Adjusted return on equity <sup>(Note 4)</sup>	<b>8.5%</b>	8.7%	33.2%	36.4%	25.0%
Gearing ratio <sup>(Note 5)</sup>	<b>N/A</b>	N/A	N/A	0.01	N/A

### Notes:

1. FYX/Y refers to the financial year ended on 31 March of the year Y. For example, "FY23/24" refers to the year ended 31 March 2024.
2. Adjusted net profit is defined as non-HKFRS measures as profit for the year adjusted by (i) fair value change in convertible redeemable preferred shares of our Company; (ii) expenses relating to the listing of shares (the "Listing") of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in June 2022; (iii) share-based payment rewarding the outstanding employees by our controlling shareholder; and (iv) share options grant to Directors and certain employees of the Company.
3. Adjusted net profit margin is calculated as adjusted net profit divided by revenue.
4. Adjusted return on equity is calculated as adjusted net profit divided by total equity as at year-ended date for the respective financial year.
5. Gearing ratio is calculated as interest-bearing gross debt (including bank overdraft) divided by total equity at the end of the year.

## OPERATIONAL HIGHLIGHTS

	FY23/24	FY22/23	FY21/22	FY20/21	FY19/20
Gross merchandise value (the “GMV”) <sup>(Note 1)</sup> (HK\$ million)	<b>926.3</b>	929.2	873.8	533.5	284.7
Number of registered members <sup>(Note 2)</sup>	<b>1,108,000</b>	961,000	775,000	539,000	334,000
Number of orders intake <sup>(Note 3)</sup>	<b>475,000</b>	477,000	463,000	311,000	186,000
Basket value <sup>(Note 4)</sup> (HK\$)	<b>1,948</b>	1,950	1,887	1,716	1,529

### Notes:

- The “GMV” for a particular financial year is equivalent to the total gross sales dollar value of all relevant orders intake for products and services during that financial year, regardless of whether the products and services are delivered, returned or cancelled; before deductions for discounts offered by us and set-offs by virtue of conversion of membership points; and inclusive of shipping and handling charges, duty and taxes.
- An individual may enroll as a “registered member” through our e-commerce platform at [www.yohohongkong.com](http://www.yohohongkong.com) (desktop version) or [m.yohohongkong.com](http://m.yohohongkong.com) (mobile version) (the “Yoho E-commerce Platform”) as a prerequisite to the placement of any order on the platform), or upon a purchase completed at any of our retail stores (as he/she wishes).
- The “number of orders intake” for a particular financial year consists of orders placed with us, orders made by our customers at our retail stores, and orders from consumers received via online redemption platform(s) of third-party reward scheme(s) and third-party online marketplaces during that financial year.
- The “basket value” for a particular financial year is calculated by dividing our GMV by the number of orders intake during that financial year.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

I would like to extend my sincere gratitude to all stakeholders, including our customers, suppliers, business partners, employees, and the shareholders of Yoho Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), for their unwavering support and trust over the years. We are dedicated to creating value for all stakeholders and look forward to your continued support in this dynamic business environment.

## Business Overview and Results Highlights

We operate our business under an Online-Merge-Offline (“**OMO**”) model (the “**Yoho OMO Business**”), which harnesses both online and offline presence by leveraging technology, allowing our customers to enjoy the myriad benefits of a seamless shopping experience created through the integration of online and offline retail channels. Our direct-to-consumer platform (the “**1P Business Model**”) focuses on the sale of consumer electronics and electronic appliances, while our marketplace platform (the “**3P Business Model**”) expanded to more diverse product categories in FY23/24, now encompassing beauty and skincare, health and wellness, mother and baby, household, pet supplies, wines and spirits, toys, menswear, womenswear, and kidswear, as well as supermarket groceries. Collectively, our 1P Business Model and 3P Business Model span across 20 major categories, catering to a wide spectrum of consumer shopping demands.

Capitalizing on the Yoho OMO Business, we recorded a GMV of approximately HK\$926.3 million in FY23/24, maintaining a stable performance relative to a GMV of approximately HK\$929.2 million recorded in FY22/23, despite a challenging market landscape.

In light of investors' expectations on dividend distribution, the Board has proposed to declare a final dividend of HK\$0.030 per share for FY23/24 (compared to HK\$0.024 for FY22/23) in an aggregate amount of approximately HK\$14.9 million, which is subject to approval by the shareholders in the annual general meeting scheduled for 30 August 2024.

## Annual Review

Over the past year, the rhythm of economic recovery has remained uncertain. In navigating this ambiguity, we implemented a strategy focused on seeking progress in stability, channeling our resources towards key developmental initiatives and rigorously managing costs. While our performance this year fell short of previous years' growth, I believe that we still managed to achieve an industry-leading performance.

**Economic Landscape:** The economic climates of both Hong Kong and Mainland China continue to be sluggish, significantly slowing Hong Kong's recovery pace. High interest rates have dampened the real estate market and financial asset valuations, consequently weakening local consumer spending power. Due to decreased disposable income, consumers are exercising increased caution in terms of expenditure, scaling back on discretionary spending. Additionally, the economic deceleration in China has altered the spending habits of mainland tourists visiting Hong Kong who no longer engage in lavish spending during their visits and have become more budget-conscious, with some even choose to stay overnight in Shenzhen to save costs and simply stroll around Hong Kong.

## CHAIRMAN'S STATEMENT

**Greater Bay Area (“GBA”) Integration:** The concept of Guangdong-Hong Kong-Macao GBA has been established for years, but it has swiftly become an unavoidable trend and the new normal in the aftermath of the pandemic. The changing consumption behaviors of mainland tourists traveling southward and the trend of Hong Kong residents traveling northward have now become the new norm. In this new normal, the industry is experiencing a significant reshuffle. Companies that are slow to pivot are facing extremely challenging conditions, and those lacking robust capabilities will quickly be phased out from the competitive field.

**Merger and Acquisition Opportunities:** Over the past year, we have dedicated resources to identifying and evaluating merger and acquisition opportunities with the aim of accelerating the Company’s growth. We have encountered several promising prospects and expect to initiate actions in the near future.

**Artificial Intelligence (“AI”):** During the year, we have witnessed rapid advancements in AI technology. The widespread adoption of AI makes previously unattainable applications more accessible and lowers technological barriers. We have planned dozens of AI features aimed at enhancing customer experiences and streamlining internal operations. In March 2024, we introduced the Yoho AI Assistant on the Yoho E-commerce Platform, a personal AI shopping assistant to tackle various shopping queries, with plans to progressively roll out its features. Additionally, several AI tools designed to improve our internal operations have already been adopted, significantly enhancing our operational efficiency.

**Share Buyback:** In the context of sustained high interest rates and the unavoidable depreciation of asset values, we have initiated ongoing share repurchases on the open market during the year. Our management believes that the current stock price does not accurately reflect the value of the Company nor its prospective future potential. As such, timely repurchases are considered beneficial for all shareholders.

### Prospects

**1P Business Model:** We are steadfast in our commitment to intensify our focus on our core 1P business centering on electronics and appliances, in pursuit of an augmented market share. Currently, we see considerable untapped potential, including fortifying our supply chain alliances, venturing into unexplored product categories, and bolstering our presence in sectors where our market share remains modest. Furthermore, the departure of some entrenched competitors from the market carves out avenues for our organic growth. Despite the forecasted complexities in Hong Kong’s retail landscape over the forthcoming year, we remain resolutely optimistic about our growth trajectory.

**3P Business Model:** While the Company has not disclosed extensive data, this new business sector has consistently demonstrated steady growth throughout the year, evidenced by increases in the number of merchants, product offerings, and GMV. We initially designed the platform to serve a wide demographic as a mid-tier department store, featuring an array of premium merchants and products. Supported by various strategic initiatives, the monthly basket value has consistently remained at a high level, aligning with our positioning. Several prestigious brands have onboarded the platform and achieved commendable results. Moreover, we have made multiple enhancements to the platform’s infrastructure to fuel future growth. We look forward to achieving a more significant result with the 3P Business Model in the next fiscal year.



## CHAIRMAN'S STATEMENT

GBA: The earlier discussion touched upon the challenges arising from the Guangdong-Hong Kong-Macao GBA. Yet, opportunity lies in crisis, and we have identified various prospects in this new normal, particularly beneficial for a youthful company like ours, which is more equipped to seize these new opportunities. We aim to expand our target consumer market across the GBA, and leverage the region's cost-effective and abundant resources to strengthen our operations in Hong Kong. Having laid a foundation over the past year, we are poised to implement definitive strategies in the upcoming fiscal year.

Southeast Asia: Over the past year, we have garnered valuable experiences and resources, unveiling opportunities we previously overlooked. In the coming year, we will adopt a more proactive approach in exploring the growth potential in Southeast Asia and will lay the groundwork for expansion. We look forward to expanding our business footprint across the broader Southeast Asian market, leveraging the necessary resources and strategic alignment.

**Wu Faat Chi**

*Chairman and Executive Director*

27 June 2024

# MAJOR MILESTONES AND EVENTS

The overview of the major business milestones accomplished by the Group is presented below:

## 2014 ▶



- In March, we created the “友和 YOHO” YouTube Channel to enhance our digital presence. As of this annual report’s date, “友和 YOHO” YouTube Channel recorded a total of 11 million views, of which our flagship advertising campaign video – “Mr. Yoho is coming! Muscular Brothers – Mr. Yoho wants to define ‘convenience’...”, has captivated audiences with over 425,000 views.
- We introduced our first Double 11 Shopping Festival in November, positioning us as a pioneer of large-scale Double 11 promotions among Hong Kong’s e-commerce landscape.

## 2016 ▶



- We conducted a comprehensive upgrade on our data processing system to synchronise online and offline information, including those relating to our members, products and discounts available to our customers.
- We introduced the viewing of real-time stock level by our customers on the Yoho E-commerce Platform.

## 2018 ▶



- We launched the “Auto-pricing System” to monitor and adjust the price of our products automatically.
- In July, the Yoho E-commerce Platform had over 20,000 SKUs.

## ◀ 2013

- Established in 2013, the Group started to engage in OMO retail business by launching the Yoho E-commerce Platform and opening our first physical store in Kwun Tong.



## ◀ 2015

- In June, we introduced Iris Ohyama, a 60-year-old Japanese brand, and also introduced the dust mite vacuum cleaner, an innovative product, to Hong Kong and Macau markets. Iris Ohyama has been one of the best-selling brands on the Yoho E-commerce Platform.



## ◀ 2017

- We reached more than 100,000 registered members on the Yoho E-commerce Platform by the end of 2017.
- We became a loyal supporter of the Make-A-Wish programme launched by the Hong Kong Christian Service, which supports grassroots families in Hong Kong.



## MAJOR MILESTONES AND EVENTS

2020



- In November and December, we collaborated with HSBC to offer customers discounts for reaching a certain spending amount during the Double Eleven and Double Twelve online shopping festivals. The collaboration resulted in a record-breaking year-on-year growth of over 200% in November monthly sales.

2019

- We obtained pre-IPO investments for a total amount of HK\$40,000,000 from Biz Cloud Investments Limited (“**Beyond Ventures Vehicle**”) and The Innovation and Technology Venture Fund Corporation (“**ITVFC**”).



- In November, we were awarded the “Deloitte HK Top 10 Tech Fast Award”.
- We opened our flagship store in Cheung Sha Wan.



- We introduced digital price tags at our retail stores to achieve automatic synchronisation of pricing information on the Yoho E-commerce Platform and at our retail stores.

2021



- In March, we had 500,000 registered members and the Yoho E-commerce Platform was the most-visited electronic and home appliances e-commerce platform with the highest online retail sale volume in Hong Kong. (Source: Frost & Sullivan)
- In May, pre-IPO investors (*note 1*) subscribed for a total of 15,031,101 series A convertible preferred share(s) of our Company (the “**Series A Preferred Shares**”) at a total consideration US\$8,250,000.

Note:

- i.e. the 2021 Pre-IPO New Shares Investors as defined in the prospectus of the Company dated 26 May 2022 (the “**Prospectus**”), comprising (1) Japan Home Centre (Management) Ltd; (2) Method King Limited; (3) Triple Gold Enterprise Limited; (4) Cell Rising Capital (BVI) Limited; (5) EVO Fund; (6) Wealth Power Asia Investment Ltd; (7) Ms. Chiu Wing Kwan Winnie; (8) Ms. Chiu Jennifer Wendy; (9) Mr. Hoong Cheong Thard; (10) Mr. Adamczyk Alexis Thomas David (one of our non-executive Directors, resigned on 2 February 2024); (11) Mr. Rondouin Hugues Louis Gabriel; (12) Ms. Lam Suk Ling Shirley; (13) Infinity Evergreen Limited; (14) Mr. Chiu Ka Kui Kenneth; (15) Mr. Leung Hon Fai Kevin; (16) Mr. Tsoi Yiu Ting; (17) Mr. Wu Arthur; (18) Mr. Wu Shang Hong Jason; (19) Ms. Li Ying; (20) Ms. Geffner Xin Yue Jasmine; and (21) Ms. Shi Huiting

## MAJOR MILESTONES AND EVENTS

2022 ▶

- In February, we were awarded the Caring Company Logo 2021/22 by The Hong Kong Council of Social Service.
- On 10 June, our Company became the first B2C e-commerce platform successfully listed on the Main Board of the HKEX.



- In October, we opened our largest flagship store in Causeway Bay, spanning 12,000 square feet on the 9th floor of Hang Lung Centre. Our offline retail network now covers Kowloon East, Kowloon West and Hong Kong Island.
- In November, we launched our 3P Business Model, where quality third-party merchants may sell their products that are beyond the categories we offer under our 1P Business Model, through the Yoho E-commerce Platform.

◀ 2023

- In February, we were awarded the Caring Company Logo 2022/23 by The Hong Kong Council of Social Service for the second consecutive year.
- On 13 March, we marked our 10th anniversary and launched a series of thanksgiving campaigns throughout March.
- In March, we launched a strategic partnership with JHC to offer free pickup services at 30 JHC stores across Hong Kong in the first phase of the partnership, with a guarantee of "Same-day Collection".
- In May, we were awarded the 12th Junzi Corporation Award by The Hang Seng University of Hong Kong which recognizes companies that embrace ethical business values and promote the five virtues of "Benevolence, Righteousness, Propriety, Wisdom, and Trustworthiness".
- As at the date of this annual report, we had more than 1,000,000 registered members.



## MAJOR MILESTONES AND EVENTS

2024 ▶



- In February, we were awarded the Caring Company Logo 2023/24 by The Hong Kong Council of Social Service for the third consecutive year.
- In March, we officially launched the Yoho AI Assistant, a personal AI shopping assistant on the Yoho platform, designed to comprehensively address customers' various shopping queries, marking a pivotal milestone in the Yoho AI e-commerce blueprint.
- In March, to commemorate our 11th anniversary, we unveiled a pioneering citywide "Best Price Guarantee" shopping promotion. We pledged to reimburse the price difference should our customers find a better deal elsewhere, to reciprocate the continuous support of our customers.
- As at the date of this annual report, we had more than 1,130,000 registered members.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

### Overall performance

During FY23/24, despite the lifting of the gloom from the COVID-19 pandemic, the retail landscape in Hong Kong continued to confront substantial hurdles. The sector grappled with the repercussions of global economic uncertainties, a sluggish recovery in China and the persistent high interest rates that stifled both the stock and real estate markets. These factors collectively curtailed the local consumer confidence and spending power, leading to more cautious shopping behaviors. Additionally, the significant migration trend of Hong Kong residents traveling northward for shopping has led to a diversion of consumer spending away from Hong Kong and diminished the vibrancy of the local retail environment. The situation was further complicated by changes in the spending patterns of mainland tourists, with many shifted from traditional shopping to engaging in street check-ins and pursuing in-depth cultural tourism in Hong Kong, adding another layer of complexity to the city's retail dynamics.

Amid a challenging business environment, the Group inevitably felt the impact. However, leveraging our agile OMO retail model, precise market strategies, and efficient inventory management, we successfully maintained stable operational performance in FY23/24. Our GMV and revenue reached approximately HK\$926.3 million and approximately HK\$841.1 million, respectively. Despite a slight decline in GMV and revenue for the year influenced by adverse external market conditions, our swift response to the evolving business landscape enabled us to significantly improve our performance in the second half of FY23/24, with approximately a 10.2% increase in GMV and a 9.3% increase in revenue compared to the same period last year. The performance rebound effectively counterbalanced the greater sales pressure the Group experienced in the first half of FY23/24.

In response to subdued retail sentiment, we escalated our promotional efforts and strategically boosted sales of certain high-demand products with lower margins during the year. This strategic adjustment resulted in a reduction in our gross margin to 14.5%, however, we anticipate that the gross margin will remain steady at this level going forward. Despite these challenges, our adaptable cost structure and robust cost discipline have safeguarded our profitability. Remarkably, our net profit surged approximately 253.9% to approximately HK\$22.3 million, and our adjusted net profit increased by approximately 1.5% to approximately HK\$23.4 million, underscoring our ability to navigate market fluctuations effectively.

Given that the stock price within the year has not adequately reflected the Group's intrinsic value and prospective developments, with a steadfast dedication to upholding shareholder interests, the Group repurchased a total of approximately 2.2 million shares on the Stock Exchange in FY23/24. Concurrently, after a thorough consideration of the Group's robust business resilience and future business growth needs, the Board has recommended a final dividend of HK\$0.03 per share, reaffirming our commitment to the sustained creation of shareholder value.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Debut of Yoho AI assistant to transform e-commerce experience

During FY23/24, the Group took a major step forward in fusing AI technology with the retail experience by unveiling its Yoho AI Assistant, a personal AI shopping assistant on the Yoho E-commerce Platform. The Yoho AI Assistant is the cornerstone of the Group's commitment to creating a shopping experience embodying five core objectives of personalization, professionalism, convenience, efficiency, and cost-effectiveness. It offers a wide array of features designed to assist customers at every step of their shopping journey, including summarized product information, personalized product search, product comparisons, price comparisons, aggregated product reviews, product recommendations, 24/7 customer service, and shopping reminders. With a planned phased rollout, users can gradually adapt to and benefit from each new functionality as it becomes available, thereby elevating the overall shopping experience.

## 1P Business Model

In a difficult year characterized by slow recovery in the local retail market and a trend of Hong Kong residents toward increased consumption in mainland China, the Group managed to achieve stable performance and profitability through strategic recalibrations across its business operations. Our 1P business continued to serve as a pivotal contributor, laying a solid foundation for the exploration of our new business ventures. To counter the consumer trend towards more conservative spending, we amplified our marketing focus on major appliances which are typically seen as necessities and therefore considered to have inelastic demand. This approach enabled the Group to sustain a robust sales performance, with the major appliances category reporting a revenue increase of approximately 29.2% year-over-year, amounting to approximately HK\$180.9 million.

Meanwhile, the Group has actively enhanced its core strengths to prepare itself for a resurgence in the retail sector, by focusing on continuous enhancements to the Yoho E-commerce Platform and expanding its membership base. As of 31 March 2024, the number of registered members exceeded 1.1 million, boasting an industry-leading basket value of approximately HK\$1,948. In a parallel stride, the Group has further improved its logistics capabilities by partnering with third-party providers to offer same-day delivery for selective orders placed before noon. This logistical prowess has consistently elevated customer satisfaction and cemented a stronger bond of loyalty among consumers.

## 3P Business Model

During FY23/24, the Group strategically invested to advance its marketplace, concentrating on upgrading the Yoho E-commerce Platform's functionality and settings to better merchant experience and provide them with innovative features tailored to their marketing needs. Throughout the year, the Group saw a marked rise in sales commission revenue, as well as a significant expansion in the number of merchants and the variety of Stock Keeping Units ("SKU") available. As of 31 March 2024, the Yoho E-commerce Platform had drawn in approximately 620 merchants, offering over 30,000 SKUs. This growth broadened the Group's product lineup and opened up numerous cross-selling opportunities.

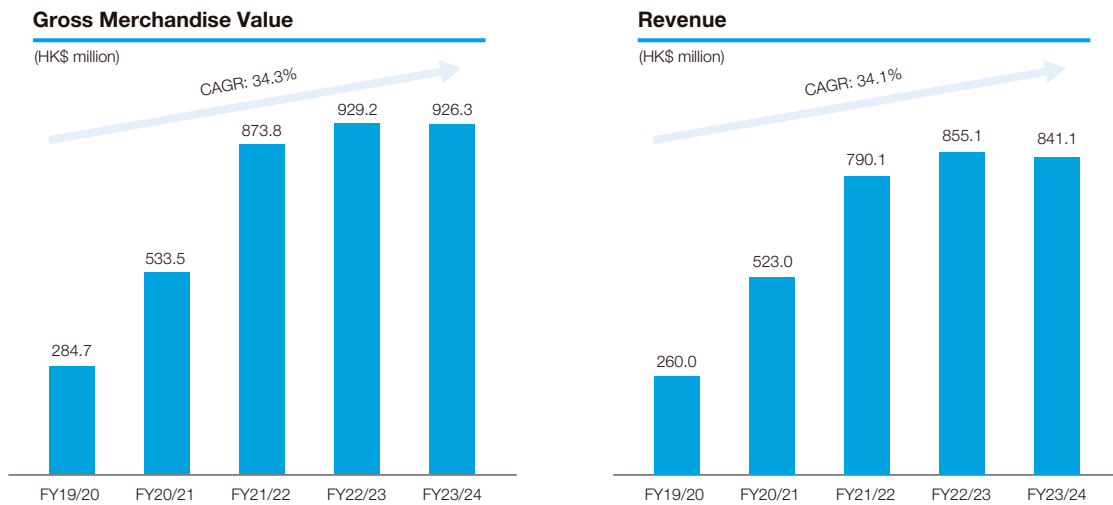
Additionally, the Group has made significant headway in securing partnerships with well-known brands across diverse sectors such as toys, household, and health and wellness. These established brands come with loyal customer bases and their significant market presence also contributes to attracting new customers, in turn boosting the Yoho E-commerce Platform's visibility and enriching its overall ecosystem.

To better address the needs of our merchants and enhance conversion rates, we launched a series of targeted marketing initiatives such as flash sales, displays in physical stores, and themed product fairs, throughout the year. These promotional activities not only stimulated consumer buying interest but also reinforced the Group's position as a top retailer of premium products. Furthermore, we introduced specialized advertising services for high-potential merchants, designed to ensure their marketing campaigns effectively reach their intended audiences while generating new revenue streams for the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

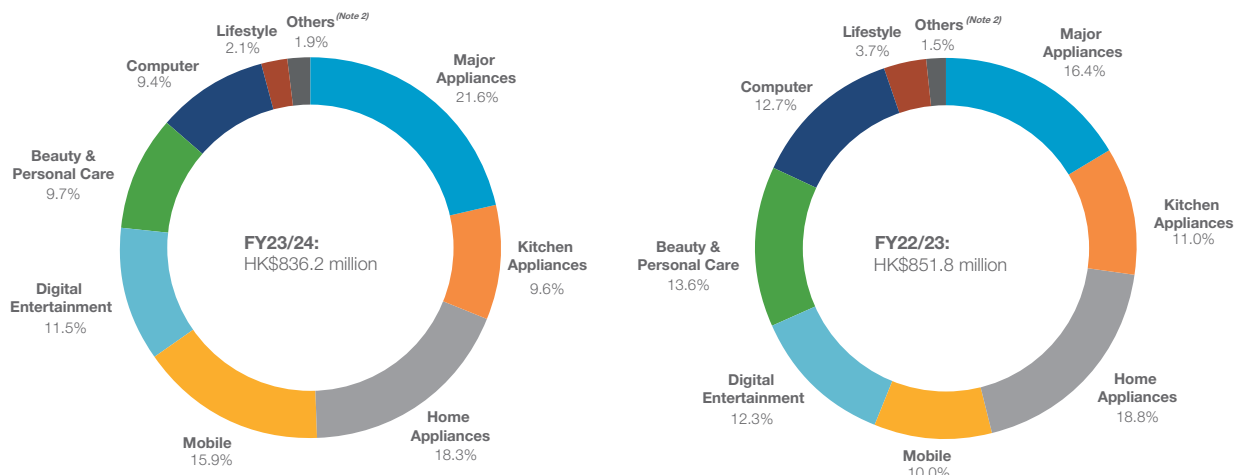
## Business performance

For FY23/24, our GMV and revenue reached approximately HK\$926.3 million and approximately HK\$841.1 million, respectively, representing a slight decline in GMV and revenue from FY22/23 which was attributable to adverse external market conditions.



In terms of product category, the below graph demonstrated the diversity in our product offering to satisfy customers' demand.

### Revenue breakdown by product category <sup>(Note 1)</sup>



**Notes:**

1. Excluding revenue generated from the provision of advertising services.
2. Others refers to Toys, Makeup & Skincare, Household, Health & Wellness, Mother & Baby, Pet Supplies and Wine & Spirits.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business highlights

With an established presence both online (via the Yoho E-commerce Platform) and offline (via our retail store network, which currently comprises our offline retail stores located in the Kwun Tong, Cheung Sha Wan and Causeway Bay districts) and utilising the power of technologies, we are primed to run our retail business under the Yoho OMO Business. Our customers enjoy a host of benefits resulting from the synergies created through the combination of online and offline retail channels.

### OMO business model

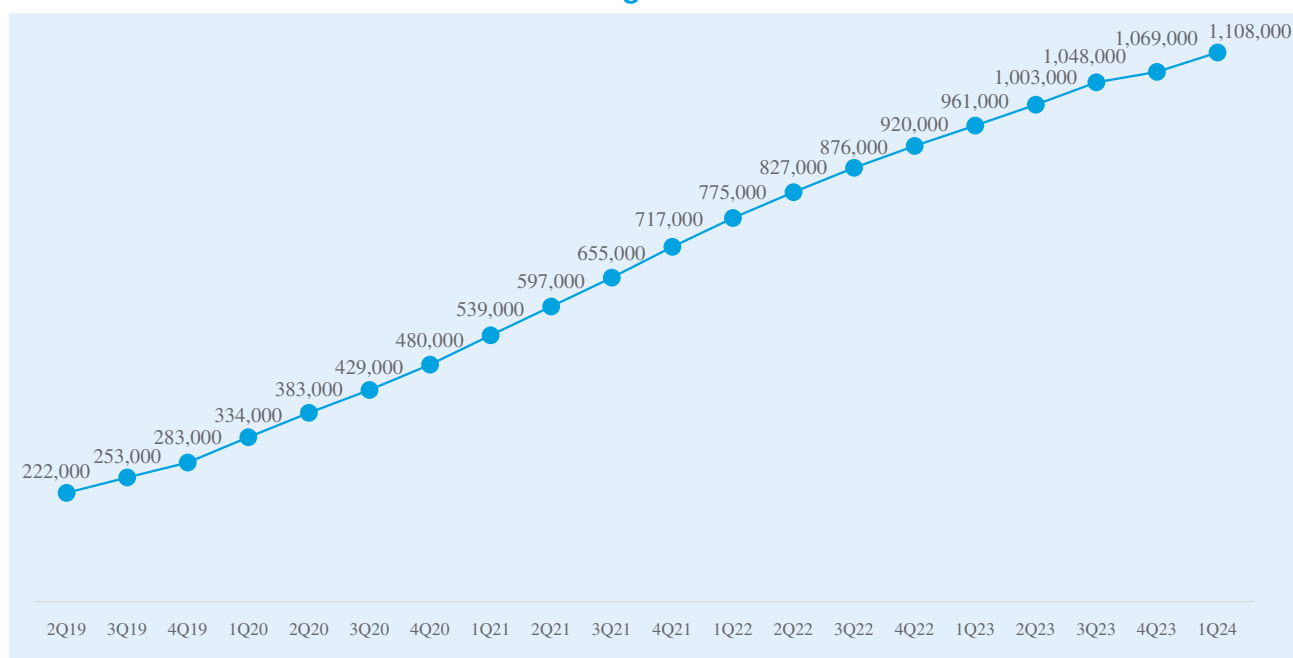
We believe our OMO business has enabled us to enhance customer experience, which helped drive the significant increase in our customer base and the scale of operation during the years indicated below:

	FY23/24	FY22/23	Movement
GMV (HK\$ million)	926.3	929.2	-0.3%
Number of registered members	1,108,000	961,000	15.3%
Number of orders intakes	475,000	477,000	-0.4%
Basket value (HK\$)	1,948	1,950	-0.1%

### Growing customer base

We have established a customer base comprising over 1,108,000 registered members as at 31 March 2024.

#### Number of Registered Members



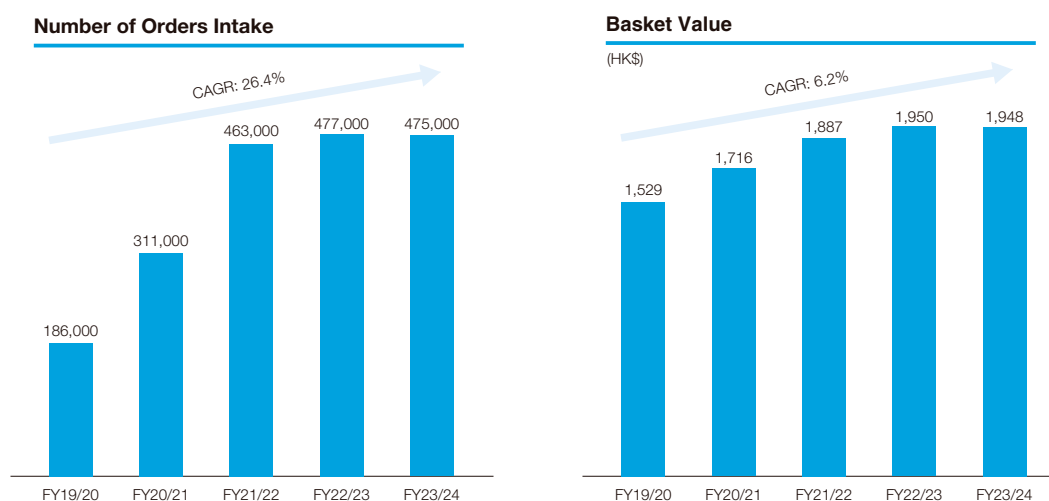
Source: Internal system.

The above result was facilitated by our membership programme in strengthening customer loyalty and incentivising our customers to make repeat purchases. The growing customer base also echoed with our brand name which encapsulates our ideology to create a one-stop e-commerce platform to cater both online and offline retail market under our OMO business model.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Sustained performance in meeting increased demand

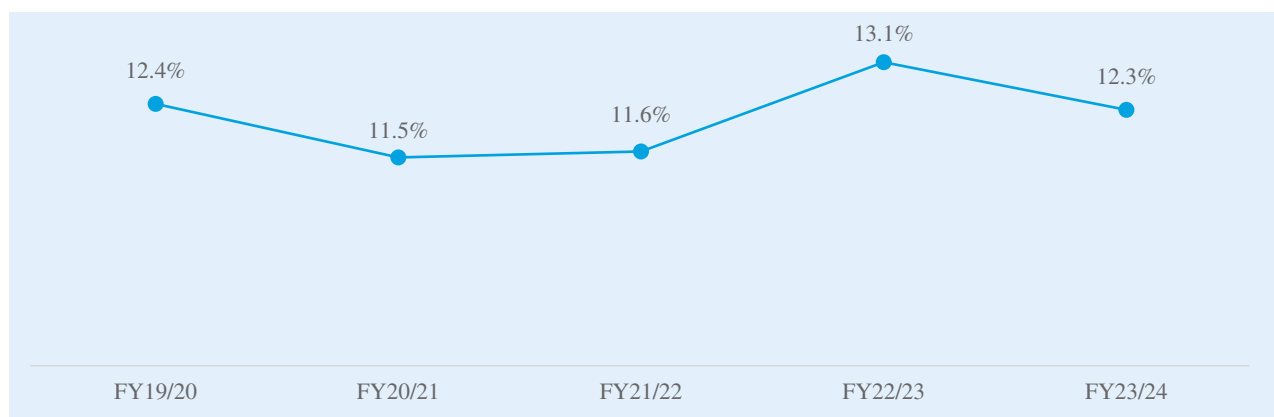
The number of orders intake and the basket value of purchase by our customers remain steady in FY23/24, representing a year-on-year slight decrease of 0.4% and 0.1%, respectively, compared to FY22/23.



### Disciplined cost efficiency

We have implemented robust cost discipline while growing our business scale and revenue sustainably. We have managed to keep major cost items at a reasonable percentage to our revenue by achieving economies of scale. Total operating expenses, being the total sum of selling and distribution expenses and administrative expenses, for FY22/23 and FY23/24 remained relatively stable at approximately 13.1% and 12.3% of our total revenue for the relevant year, respectively.

#### Total Operating Expenses (as % of total revenue)



# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Review

### Revenue

Our revenue decreased from approximately HK\$855.1 million for FY22/23 to approximately HK\$841.1 million for FY23/24, representing a decrease of approximately 1.6%. The decrease in our revenue was primarily due to a decrease in revenue through online sales in the Yoho OMO Business, as a result of purchasing power of Hong Kong consumers being constrained by the volatile global economic environment and overall weakened local consumer sentiment.

### Gross profit

Our gross profit decreased from approximately HK\$131.2 million for FY22/23 to approximately HK\$121.8 million for FY23/24, representing a decrease of approximately 7.1%, which was mainly due to revenue decrease mentioned above. Furthermore, our gross profit margin decreased from approximately 15.3% for FY22/23 to approximately 14.5% for FY23/24, mainly due to our continuous expansion of product portfolio, a more aggressive position in our pursuit of competitive pricing and launches of promotional campaigns during FY23/24, which became new dimensions of our proactive market share acquisition strategy.

### Other income

Our other income increased from approximately HK\$6.2 million for FY22/23 to approximately HK\$8.9 million for FY23/24, which was primarily due to the increase in interest income in the amount of approximately HK\$4.8 million.

### Other gains and losses

We recorded other losses of approximately HK\$2.1 million and HK\$4,000 for FY22/23 and FY23/24, respectively. The decrease in other losses was primarily due to the decrease in fair value loss in convertible redeemable preferred shares from approximately HK\$2.3 million for FY22/23 to nil for FY23/24.

### Selling and distribution expenses

Our selling and distribution expenses decreased from approximately HK\$76.5 million for FY22/23 to approximately HK\$66.6 million for FY23/24 primarily due to (i) a decrease in logistics and storage cost; and (ii) a decrease in transaction cost charged by third party service providers which corresponds with the stringent cost management control.

### Administrative expenses

Our administrative expenses increased from approximately HK\$35.7 million for FY22/23 to approximately HK\$36.5 million for FY23/24 primarily due to an increase in management fee in respect of leased premises.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Finance costs

Our finance costs increased from approximately HK\$0.9 million for FY22/23 to approximately HK\$1.2 million for FY23/24, due to an increase in the incremental borrowing rate of the renewal of office and warehouse rentals.

## Income tax expense

Our income tax expense increased from approximately HK\$3.5 million for FY22/23 to approximately HK\$4.1 million for FY23/24.

Notwithstanding the fact that we recorded an increase in profit before tax of approximately HK\$26.4 million for FY23/24 (FY22/23: approximately HK\$9.8 million), we recorded a lower effective tax rate of approximately 15.4% (FY22/23: approximately 36.0%) for FY23/24. The decrease in effective tax rate was mainly due to the decrease in the expenses which are not deductible for tax purpose including (i) the decrease in fair value loss in convertible redeemable preferred shares of the Company from approximately HK\$2.3 million for FY22/23 to nil for FY23/24; and (ii) the decrease in Listing expenses from approximately HK\$12.5 million for FY22/23 to nil for FY23/24.

## Profit for the year

As a result of the foregoing, we recorded a net profit of approximately HK\$22.3 million for FY23/24 as compared with a net profit of approximately HK\$6.3 million for FY22/23. Our net profit margin increased from approximately 0.7% for FY22/23 to approximately 2.7% for FY23/24. The increase in net profit was primarily attributable to (i) a decrease in Listing expenses from approximately HK\$12.5 million for FY22/23 to nil for FY23/24; and (ii) stringent cost management measures.

## Trade receivables

Our trade receivables increased from approximately HK\$7.0 million as at 31 March 2023 to approximately HK\$9.8 million as at 31 March 2024. Our days sales outstanding remained stable at 4 days as of 31 March 2024 (3 days as of 31 March 2023).

The Group's trade receivables are of high quality. Current and overdue balances of less than 30 days accounted for 90% of gross trade receivables as at 31 March 2024 (compared to 81% as at 31 March 2023).

## MANAGEMENT DISCUSSION AND ANALYSIS

The following is an ageing analysis of trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period:

	<b>As at 31 March 2024 HK\$'000</b>	As at 31 March 2023 HK\$'000
Within 30 days	8,057	5,709
31 to 60 days	778	623
61 to 90 days	72	348
Over 91 days	878	336
	<b>9,785</b>	7,016

### Trade payables

Our trade payables increased from approximately HK\$31.3 million as at 31 March 2023 to approximately HK\$50.0 million as at 31 March 2024 primarily due to rise in inventory levels to support future growth and meet anticipated demand. Our days purchases outstanding remained stable at 21 days as of 31 March 2024 (18 days as of 31 March 2023).

The following is an ageing analysis of trade payables of our Group presented based on the invoice dates at the end of each reporting period:

	<b>As at 31 March 2024 HK\$'000</b>	As at 31 March 2023 HK\$'000
Within 30 days	41,240	25,241
31 to 60 days	5,162	3,102
61 to 90 days	54	253
Over 91 days	3,518	2,743
	<b>49,974</b>	31,339

## MANAGEMENT DISCUSSION AND ANALYSIS

### Non-HKFRS measures

In order to supplement our consolidated statements of profit or loss and other comprehensive income, which are presented in accordance with HKFRS, we also use adjusted net profit as non-HKFRS measures as an additional financial measure, which is not required by, or presented in accordance with, HKFRS. We believe that these non-HKFRS measures help identify underlying trends in our business that could otherwise be distorted by the effect of the expenses that we include in income from operations and net profit, and therefore provide useful information to investors and others in understanding and evaluating our results of operation by eliminating potential impacts of such items. We also believe that these non-HKFRS measures provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects, and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

We define adjusted net profit as non-HKFRS measures as profit for the year adjusted by (i) fair value change in convertible redeemable preferred shares; (ii) Listing expenses; (iii) share-based payment rewarding the outstanding employees by our controlling shareholder and (iv) share options grant to directors and certain employees. Given that (i) fair value change in convertible redeemable shares was resulted from the conversion right to ordinary share granted to the holders of the Series A Preferred Shares which has been exercised upon Listing; and (ii) the Listing expenses were incurred for the purpose of the Listing, these items will no longer exist after the Listing. The use of adjusted net profit as non-HKFRS measures has material limitations as an analytical tool because they do not reflect all items of income and expenses that affect our operations. When assessing our operating and financial performance, you should not consider adjusted net profit as non-HKFRS measures in isolation from or as a substitute for our profit or loss for the year, gross profit or any other financial performance measure that is calculated in accordance with HKFRS. The term “adjusted net profit as non-HKFRS measures” is not defined under HKFRS, and such term may not be comparable to other similarly titled measures used by other companies.

The following table sets forth our adjusted net profit as non-HKFRS measures for the years indicated:

	FY23/24 HK\$'000	FY22/23 HK\$'000
Profit for the year	22,304	6,303
Adjusted for:		
Fair value change in convertible redeemable preferred shares	–	2,261
Listing expenses	–	12,483
Share-based payment rewarding the outstanding employees by our controlling shareholder	–	1,989
Share options grant to directors and certain employees	1,075	–
Adjusted net profit as non-HKFRS measures	23,379	23,036

### Pledge of assets

As at 31 March 2024, bank deposits in the amount of approximately HK\$1.3 million (31 March 2023: HK\$1.3 million) had been pledged against bank guarantee letters for a subsidiary of the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Liquidity and capital resources

Since the Listing, there has been no change in capital structure of the Group. The capital of the Group comprises of issued ordinary share capital and capital reserves. The Group had share capital of approximately HK\$388,000 as at 31 March 2024, decreased by HK\$12,000 from 31 March 2023, as the Group repurchased 2,178,000 shares near year end.

The Group's sources of funding comprise of its cash and cash equivalents and short-term bank deposits. The Group's total cash position recorded an increase by 9.4% from approximately HK\$209.9 million (excluding the pledged deposits of approximately HK\$1.3 million) as at 31 March 2023 to approximately HK\$229.6 million (excluding the pledged deposits of approximately HK\$1.3 million) as at 31 March 2024 mainly due to the increase in short term bank deposits with over 3 months maturity from approximately HK\$80.7 million as at 31 March 2023 to approximately HK\$101.6 million as at 31 March 2024 and net of the cash flow generated from operating activities of approximately HK\$34.5 million offset by net of the cash flow used in investing activities of approximately HK\$12.4 million and net cash used in financing activities of approximately HK\$23.4 million. The cash and cash equivalents and short-term bank deposits of the Group, mainly denominated in HK\$, are generally deposited with authorised financial institutions.

As at 31 March 2024 and 2023 respectively, the Group had not utilised any uncommitted banking facilities. Our total cash and cash equivalents consisted of cash at bank and in hand and short-term deposits within three months of maturity. As at 31 March 2024, bank deposits in the amount of approximately HK\$1.3 million (31 March 2023: HK\$1.3 million) had been pledged against bank guarantee letters for a subsidiary of the Company. The Group was in a net cash position as of 31 March 2024 and 2023 and hence no gearing ratio was presented in our financial statements. The Directors are of the opinion that, after taking into consideration the available internal financial resources, the Group has sufficient funds to finance its operations and to meet the financial obligations as and when they fall due. During FY23/24, the Group invested approximately HK\$78,000 on capital expenditure as compared to approximately HK\$8.0 million in FY22/23. For the upcoming capital expenditure requirements, we will remain cautious and it is expected to be funded by internal resources within the Group. Overall, the Group's financial position remains sound for continued business expansion.

## Gearing ratio

Gearing ratio (i.e. interest-bearing gross debt divided by total equity) was at nil as at 31 March 2024 and 2023, respectively.

## Use of net proceeds from the Global Offering

On 26 May 2022, the Company offered 55,000,000 ordinary shares (the "**Shares**") for subscription by the public in a global offering. The offer price per Share was determined at HK\$2.10 and the Shares were successfully listed on the Main Board of the Stock Exchange on 10 June 2022 (the "**Listing Date**"). The net proceeds (after deduction of underwriting fees and commissions and other Listing expense) from the global offering was approximately HK\$74.7 million. It was intended that net proceeds has been and would be applied in manners described under the section headed "Future Plans and Use of Proceeds" to the prospectus of the Company dated 26 May 2022 ("**Prospectus**").

## MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the utilisation of the net proceeds from the Listing Date up to 31 March 2024 is set out below:

	Percentage	Allocated use of proceeds (HK\$ million)	Utilised as of 31 March 2024 (HK\$ million)	Unutilised balance as of 31 March 2024 (HK\$ million)	Proposed timetable for the use of unutilised net proceeds
Capturing a larger market share through organic growth	20.4%	15.2	12.5	2.7	On or before 31 March 2025
Expanding the product offerings on our e-commerce platform(s) through the launch of online marketplace operations	7.1%	5.3	1.1	4.2	On or before 31 March 2026
Expanding our services to customers in the PRC and, in particular, the Greater Bay Area	8.6%	6.4	–	6.4	On or before 31 March 2026
Strengthening our supply chain capabilities	9.2%	6.9	0.2	6.7	On or before 31 March 2026
Further investing in brand management and marketing to increase mass awareness of our group and the effectiveness of our marketing activities	11.8%	8.8	2.0	6.8	On or before 31 March 2026 <sup>(1)</sup>
Expanding our teams of staff in support of our business strategies	19.2%	14.4	7.0	7.4	On or before 31 March 2026
Acquiring companies in e-commerce-related industries	13.7%	10.2	–	10.2	On or before 31 March 2026 <sup>(1)</sup>
General working capital	10.0%	7.5	7.5	–	On or before 31 March 2026
	100.0%	74.7	30.3	44.4	

Note:

- (1) Since the Company received the net proceeds from the global offering, the Board and the management of the Company have actively promoted the project related work and prudently planned the use of the allocated net proceeds in light of actual needs. However, although the feasibility of the relevant projects has been fully demonstrated in the early stage, the actual implementation process is affected by many factors such as the market environment and the overall project progress. After careful consideration, the Company decided to extend the expected timeline for utilizing the remaining allocated net proceeds for further investment in brand management and marketing, to address the need for additional time to adapt to evolving market conditions and to strategically evaluate and implement marketing efforts that resonate with current consumer trends. Additionally, the Company also decided to extend the expected timeline for utilizing the remaining allocated net proceeds for acquiring companies in e-commerce-related industries, to allow adequate time for conducting thorough due diligence and identifying acquisition targets that are in line with our strategic growth objectives. The Board is of the view that the extension will not have any material adverse impacts on the operations of the Company and is in the best interests of the Company and the Shareholders as a whole.



## MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 March 2024, the amount of unutilised net proceeds amounted to approximately HK\$44.4 million. The unutilised net proceeds are placed in interest-bearing deposits with authorised financial institutions in Hong Kong.

Up to 31 March 2024, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

### Principle Risks and Uncertainties

Our Group's financial condition, results of operations and business prospects may be affected by a number of principal risks and uncertainties directly or indirectly pertaining to our Group's business. The following list is a summary of certain principal risks and uncertainties faced by our Group which are not exhaustive and therefore other risks and uncertainties may also exist:

- we face significant competition in our business and our profitability and prospects for future growth depend on our ability to compete effectively with the other competitors;
- our business depends on our ability to maintain existing and attract new customers;
- incidents of counterfeit products could adversely affect the demand of our products, our brand, reputation and profitability;
- our business and results of operations may be materially and adversely affected if we are unable to maintain daily operations and security of the Yoho E-commerce Platform and systems;
- we are exposed to cybersecurity risks and may be liable for our users' privacy being compromised which may materially and adversely affect our reputation and business;
- the independent warehousing service provider and independent courier service providers engaged by us may increase their service charges and our net profit margin and results of operations may be affected as a result;
- we may not be able to provide electronic appliances to our customers in a timely manner or at all, which may subject us to refund of advances received in relation to the sales of electronic appliances; and
- our business, financial conditions and results of operations could be affected if we fail to attract and retain our key personnel, management team and our employees.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Prospect

We expect that the retail landscape in Hong Kong to remain challenging, yet business pressures might ease in the latter half of the year. Anticipated decreases in global interest rates starting from the second half of 2024 will likely energize both the stock and real estate markets, potentially boosting consumer confidence and spending capacity. Additionally, the appreciation of the Renminbi should help narrow the longstanding price disparities between Hong Kong and Mainland China, reducing the tendency for cross-border shopping by Hong Kong residents and redirecting consumer expenditure back towards the Hong Kong market. The restoration of multiple-entry permits for mainland tourists is also expected to bolster the local retail activity by encouraging more frequent visits.

Furthermore, Hong Kong governmental initiatives such as “Hello Hong Kong” and “Night Vibes Hong Kong” are expected to rejuvenate the retail scene by promoting late-night shopping and entertainment. With these factors converging, the retail sector is anticipated to experience a certain uptick in the second half of 2024, marking a positive shift for an industry that has navigated considerable challenges in recent times.

## 1P Business Model

1P Business is poised to remain the primary contributor to the Group in the short to medium term. Despite the ongoing transformational phase within the Hong Kong retail market, the sector remains endowed with distinct advantages, particularly in the electronics and appliances domains. These include a selection of globally recognized brands, a diverse product range, and guarantees of authentic goods. Despite a turbulent business climate, as the leading B2C e-commerce player in Hong Kong, we recognize the massive opportunities for growth fueled by ample room for further e-commerce adoption and increasing our market share. We are set to proactively harness our leading position in the electronics vertical, drawing on our sophisticated supply chain infrastructure, sharp market insight and effective inventory management, to significantly broaden our customer base and fortify enduring customer loyalty.

Coinciding with the debut of the Yoho AI Assistant, the Group is well-positioned to spearhead further innovation by seamlessly integrating AI technology into the retail experience. We intend to utilize our extensive data across the Yoho E-commerce Platform for advanced big data analytics to improve our understanding of consumer preferences and behaviors. The insights will be skillfully applied to refine customer service and foster AI-powered interactive shopping experiences. Moreover, the Group is making steady progress in developing the Yoho mobile application, aiming to deepen our customer engagement by offering a more personalized and intuitive shopping experience.

## MANAGEMENT DISCUSSION AND ANALYSIS

On the offline front, the primary purpose of our offline presence is to offer consumers a tangible product experience rather than being the main avenue for customer acquisition. Considering the prevailing weak market sentiment and the significant initial and ongoing operational expenses associated with establishing physical stores, the Group has not set a definitive schedule for opening new stores in the eastern and western New Territories. We will remain vigilant in monitoring market trends and changes in consumer behaviors to ensure that our strategies are well-matched with the market dynamics.

### 3P Business Model

The 3P Business Model is a critical component of the Group's future development. We anticipate that it will drive substantial GMV in the coming years while unlocking valuable upselling and cross-selling opportunities that synergize with our 1P Business Model to boost traffic and transactions. Presently, the 3P business makes a modest contribution, largely because repositioning the Group in the minds of customers is a gradual process. It will take time for our clientele to adapt to purchasing a broader array of products beyond electronics and appliances on the Yoho E-commerce Platform. To accelerate this transition, we will continue to make substantial investments in promoting the 3P Business Model, fostering its growth through aggressive marketing campaigns, diversified product offerings, enhanced logistics capabilities, and data-driven sales strategies.

The Group will remain dedicated to enhancing its recruitment of prestigious brands to the Yoho E-commerce Platform while enhancing features that aid in merchant monetization. Through strategic partnerships with high-potential merchants, we plan to implement innovative promotional campaigns designed to optimize order conversion rates and bolster customer retention. Furthermore, we will soon enhance our support by offering advertising services and introducing third-party logistics (3PL) services to selected merchants, aiming to motivate them to expand their commercial engagements on the Yoho E-commerce Platform. These efforts are expected to assist merchants to scale their operations, boost our order management efficiency, strengthen our merchant relationships and cultivate profitable new revenue streams.

### Cross-border

Currently, our cross-border operation is still in the nascent stages of development, with both PRC and international orders contributing minimally to our overall business. However, as our OMO model fully matures, we are prepared to replicate our successful business model in other geographical markets. Our initial focus will be on cities within the GBA, chosen for their cultural and lifestyle affinities with Hong Kong, enabling us to effectively ride on existing resources to quickly identify and fulfill local consumer demands.

Despite the fierce competition dominated by well-known e-commerce giants in Mainland China, our strategy involves differentiation instead of head-head competition. The expansive consumer market of mainland China offers ample room to accommodate our growth aspirations. We aim to carve out a niche by catering to unfulfilled demands with premium imported products and exclusive branded products. We are currently assembling a specialized team focused on the mainland China market to formulate and execute localized strategies, aiming to significantly increase our order volumes in the region over the short to medium term. Furthermore, we are exploring potential expansions into the Southeast Asian market, though these plans are still at an exploratory stage. Any concrete developments will be announced to the market as they arise.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Information

### Talent remuneration

Including the Directors, as at 31 March 2024, our Group had 102 permanent full-time employees as compared with 105 as at 31 March 2023. Our Group provides remuneration package consisting of basic salary, bonus, and other benefits to our employees. Bonus payments are discretionary and dependent on both our Group's and individual performances. Our Group also provides comprehensive medical and life insurance coverage, competitive retirement benefits schemes, and staff training programs and operates a share option scheme.

### Capital expenditure

During FY23/24, our Group acquired property, plant and equipment of approximately HK\$78,000 (FY22/23: approximately HK\$8.0 million).

### Capital commitments and contingent liabilities

As at 31 March 2024, the Group did not have any significant capital commitment nor contingent liability (2023: Nil).

### Foreign exchange exposure

Substantially all of our Group's monetary assets and liabilities are primarily denominated in Hong Kong dollars ("HK\$"), United States dollars ("US\$") and Japanese yen ("JPY"). Given the pegged exchange rate between HK\$ and US\$, the exposure of entities that use HK\$ as their respective functional currencies to the fluctuations in US\$ is minimal. However, exchange rate fluctuations between HK\$ and JPY could affect our Group's performance and asset value. Our Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging arrangements for significant foreign currency exposure should the need arise.

### Treasury policy

Several principal subsidiaries of the Group are exposed to foreign currency risk primarily through sales and purchases which give rise to monetary assets and monetary liabilities that are denominated in HK\$, US\$ and JPY. During the year, the Group did not enter into any financial derivatives for hedging purpose. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the management when the exchange rate fluctuations become significant.

### Material acquisitions, disposals, significant investments and future plans of material investments

During the Reporting Period, the Group did not have material acquisition, disposal, significant investments and future plans of material investment.

### Events after the Reporting Period

Subsequent to the reporting period, the Group has repurchased a total of 714,000 shares through the Stock Exchange at total consideration of HK\$472,000, the shares have not been cancelled up to the date of this report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This Environmental, Social and Governance Report (“**ESG Report**”) is issued by the Group in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the “**Guide**”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). This ESG report provides a comprehensive overview of the Group’s ESG policies, initiatives, and performance from 1 April 2023 to 31 March 2024 relating to our OMO retail operations. The scope of this ESG Report encompasses our operations in Hong Kong, including our headquarter, 3 retail stores located in Cheung Sha Wan, Kwun Tong and Causeway Bay, as well as our warehouse in Kwai Chung.

## REPORTING PRINCIPLES

The reporting principles of materiality, quantitative, balance, and consistency have been strictly applied in determining and compiling the content of the ESG Report in order to maintain high-quality disclosure.

Materiality	Sufficiently important and pertinent information as determined by the Group’s stakeholders is covered in this ESG Report. In prioritising the identified ESG issues, a materiality assessment is conducted which is disclosed in the section of Materiality Analysis of this ESG Report.
Quantitative	To facilitate the objective evaluation of our ESG performance and management effectiveness, quantitative information is provided, with standards, methodologies, assumptions and calculation tools disclosed where appropriate.
Balance	Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of our overall ESG performance.
Consistency	We ensure consistency of the reporting standards, data collection and calculation methods adopted and provide figures over the reporting years to allow meaningful comparison.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## FY23/24 SUSTAINABILITY HIGHLIGHTS

### WASTE MANAGEMENT



- Partnered with Christian Family Service Centre to recycle small electrical appliances beyond the eight types of regulated electrical equipment, to prevent potential contamination and environmental risks that may arise from improper handling during transfer, storage and dismantling processes



- Collaborated with ALBA IWS, a leading e-waste management and recycling company, and Vessel Repair, an environmental organization dedicated to the refurbishment of small electrical appliances, to revitalize appliances with minor defects and donate them to various vulnerable groups



- Launched a premium service offering that streamlines the logistics process by enabling simultaneous delivery and collection of waste electrical and electronic equipment (“WEEE”), to minimize the transportation-related carbon footprint and ensure the compliant and responsible recycling of WEEE



- Implemented effective measures to repurpose paper boxes and optimize packaging material utilization, leading to a significant reduction in overall material consumption



- Transitioned from paper bags to reusable eco-friendly bags, further diminishing our dependency on packaging materials

### COMMUNITY ENGAGEMENT AND INVESTMENT



- Continued our steadfast support for the “Make-A-Wish” programme by Hong Kong Christian Service for eight consecutive years by donating new electrical products to a diverse group of beneficiaries, including low-income or single-parent families, the elderly, children with special needs, disabled individuals, and ethnic minorities



- Extended ongoing discounts to seniors holding elderly card, JoyYou card or elder Octopus, offering them year-round savings at Yoho offline stores and extra discounts during promotional events, to further enhance the affordability of the products they need

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SUPPORT TO LOCAL STARTUPS AND CHARITIES



- Ongoing efforts to promote Y Incubator and Y Charity, programs that support qualifying startups and local charitable organizations to join the Yoho E-commerce Platform for sales and fundraising activities with the exemption of listing fee, annual fee, and commission

### FY23/24 AWARDS AND RECOGNITION



**12th JUNZI  
CORPORATION  
AWARD**



香港恒生大學  
THE HANG SENG UNIVERSITY  
OF HONG KONG

School of Business  
The Hang Seng University of Hong Kong  
*A Dynamic School that CARES*

Junzi Corporation Project  
君子企業計劃

By The Hang Seng University of Hong Kong

Recognize companies that embrace ethical business values and promote the five virtues of “Benevolence, Righteousness, Propriety, Wisdom and Trustworthiness”





**商界展關懷**

**caringcompany**<sup>2021-24</sup>

Awarded by The Hong Kong Council of Social Service  
香港社會服務聯會頒發

By The Hong Kong Council of Social Service

Recognize companies which demonstrate good corporate citizenship

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG GOVERNANCE

Intending to identify sustainability priorities and create sustainable value for the Group and its stakeholders, we have formulated a governance framework to sharpen our focus on ESG initiatives. Our corporate social responsibility structure consists of two main components, the board of directors (the “**Board of Directors**”) and the ESG working group (the “**ESG Working Group**”).

The Board of Directors exercises comprehensive oversight over the governance and development of the Group’s ESG management approach, strategies, priorities, targets and objective. It has adopted a detailed policy on ESG governance responsibilities (the “**ESG Policy**”) in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practicing corporate social responsibility in our daily operations, including (i) appropriate risk governance on ESG matters, including climate-related risks and opportunities; (ii) identification of key stakeholders and communication channels for engagement; (iii) ESG governance structure; (iv) ESG strategy formation procedures; (v) ESG risk management and monitoring; and (vi) identification of key performance indicators, relevant measurements and mitigating measures.




In particular, our audit committee takes the lead on the Group’s ESG efforts, focusing on identifying, assessing, and managing ESG-related risks, including those associated with climate. They also ensure the implementation of suitable and effective ESG risk management and internal control policies. Furthermore, our senior management plays a pivotal role by approving the ESG budget annually and strategically outlining the key focus areas and target demographics for the year’s ESG activities.

Delegated by the Board of Directors, the ESG Working Group, comprising senior members of the ESG and Talent and Community Departments, is tasked with developing the implementation plan in line with the Board’s directives. The ESG Working Group leads collaborative efforts with various non-governmental organizations and volunteer groups, managing and executing initiatives that enhance community engagement and impact. The ESG Working Group is also responsible for the strategic implementation of ESG policies and measures across the organization, including the collection and analysis of internal ESG data, feedback review of external stakeholders, communication to the Board for key ESG matters, as well as preparation of the ESG report, upholding the highest standards of transparency and regulatory compliance.

To uphold our ESG commitment and continually enhance our sustainability performance, we have established the following targets. We will consistently monitor our progress towards the environmental targets through the implementation of environmental practices and measures described in the “Environmental” section below.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Aspects	Targets
 <b>Air emissions</b>	<ul style="list-style-type: none"> <li>Closely monitor our air emissions intensity and ensure its alignment with business growth by FY26/27</li> </ul>
 <b>Wastes</b>	<ul style="list-style-type: none"> <li>Closely monitor our non-hazardous waste intensity and ensure alignment with business growth by FY26/27</li> <li>Continue to replace packaging paper boxes with recycled paper boxes by FY26/27</li> </ul>
 <b>Energy consumption</b>	<ul style="list-style-type: none"> <li>Closely monitor our energy consumption intensity and ensure its consumption is in line with business growth by FY26/27</li> <li>Incorporate energy efficiency as one of the criteria for the procurement of electronic devices (e.g. Grade 1 energy label) by FY26/27</li> </ul>






Note: As the Group does not have significant water consumption, we have not disclosed our water consumption amount and thus, have not set a target for water consumption.

## STAKEHOLDER ENGAGEMENT

Our stakeholder engagement approach is designed to gather insights into the perspectives and expectations of our present and future sustainability strategies. We have engaged stakeholders that are directly impacted by the Group's operations, including investors, customers, employees, suppliers, the local community, and regulatory bodies. By maintaining ongoing communication with these key groups, we aim to better understand their concerns and interests related to our operations and sustainability performances. Feedback collected through the stakeholder engagement exercises has been instrumental in shaping our strategic development and has significantly informed the preparation of this ESG Report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table of communication channels with stakeholders:

Stakeholders	Communication Channels
<p><b>Shareholders / Investors</b></p> 	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual reports and interim reports</li> <li>• Company website</li> <li>• Press releases</li> <li>• Non-deal roadshows</li> <li>• Investor meetings</li> </ul>
<p><b>Employees</b></p> 	<ul style="list-style-type: none"> <li>• Staff meetings</li> <li>• Company activities</li> <li>• Staff training sessions</li> </ul>
<p><b>Customers</b></p> 	<ul style="list-style-type: none"> <li>• Feedback</li> <li>• Satisfaction surveys</li> </ul>
<p><b>Suppliers and subcontractors</b></p> 	<ul style="list-style-type: none"> <li>• Quotation and tendering</li> <li>• Supplier and subcontractor evaluation mechanism</li> <li>• Regular meetings</li> </ul>
<p><b>Community</b></p> 	<ul style="list-style-type: none"> <li>• Community services</li> <li>• Company website</li> <li>• Press releases</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

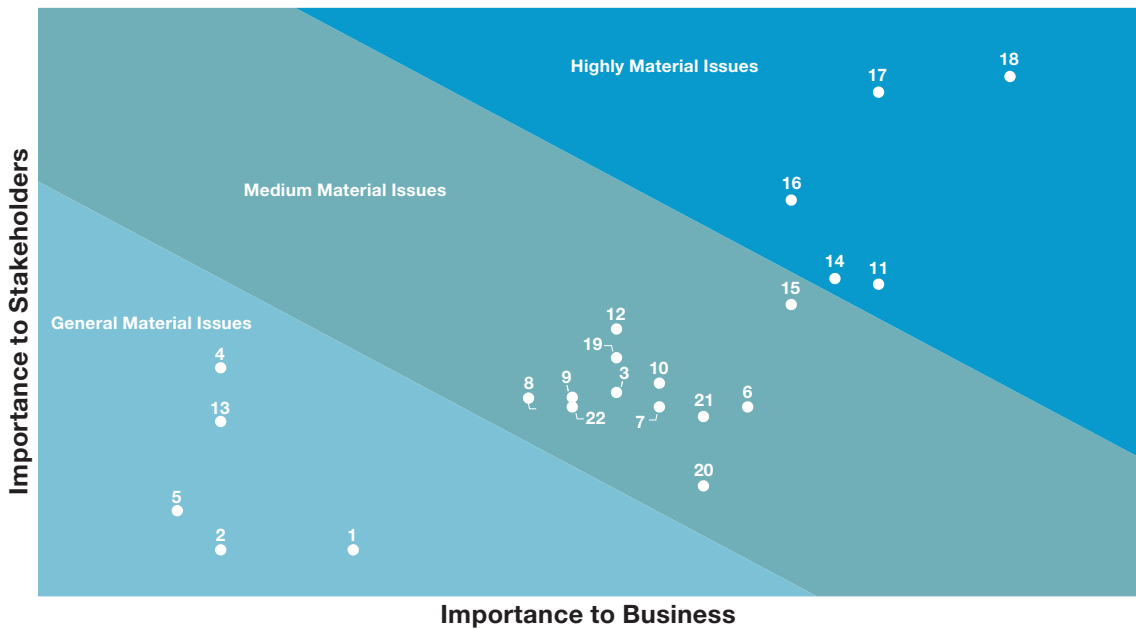
## MATERIALITY ASSESSMENT

To better allocate resources and ensure the effective rollout of our ESG strategies, during the Reporting Period, the Group adhered to the Guide of the Hong Kong Stock Exchange and invited both internal and external stakeholders to participate in an online questionnaire covering various ESG issues, allowing us to better understand our stakeholders' expectations and pinpoint the ESG topics most critical to the Group.

The materiality assessment addressed 22 material ESG topics, with stakeholders rating each on two scales, i.e. importance to stakeholders and significance to the business. The Group prioritized these ESG topics based on the feedback gathered to ensure that the assessment results were accurate and objective. Following thorough analysis, 22 material ESG topics were categorized, including 5 of high materiality, 12 of medium materiality, and 5 of general materiality.

The following important ESG topics have been approved and confirmed by the Board of Directors.

**Yoho's Materiality Matrix**



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Highly Material Issues		Medium Material Issues		General Material Issues	
11	Occupational health and safety	3	Non-hazardous waste management	1	Air and greenhouse gas emissions
14	Supply chain management and monitoring	6	Packaging material	2	Climate change response
16	Quality and safety management of services and products	7	Driving environmental protection practice in the industry	4	Energy consumption and efficiency
17	Customer information protection	8	Equal employment opportunities and diversity	5	Water consumption and efficiency
18	Customer satisfaction	9	Staff recruitment and termination	13	Prohibition of child labour and forced labour
		10	Employee promotion, remuneration, and working conditions		
		12	Employee training and career development		
		15	Green procurement		
		19	Intellectual property rights		
		20	Advertising and labelling		
		21	Prevention of bribery, corruption and money laundering		
		22	Charity support		

This ESG Report addresses the concerns raised by our stakeholders by detailing the Group's policies, measures and performance concerning key ESG topics over the Reporting Period. Going forward, we will periodically review the relevant ESG policies and make appropriate adjustments to align with our stakeholders' expectations.

### COMPLIANCE WITH LAWS AND REGULATIONS

Compliance with applicable laws, rules and regulations with regard to environmental and social aspects is of paramount importance and we recognize that non-compliance can be detrimental to the Group. The Group has implemented systems and allocated staff resources to ensure ongoing legal compliance. As our operations are primarily conducted in Hong Kong, we ensure that our establishment and operations adhere strictly to the laws and regulations applicable in Hong Kong.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL

The Group is committed to managing long-term environmental risks and mitigating impacts to ensure sustainable operations. We have actively cooperated with employees and contractors to heighten their awareness of environmental protection priorities, specifically targeting reductions in greenhouse gases (“GHG”) emissions, enhancement in energy efficiency, and optimization of waste disposal. In addition, we make certain that all employees comprehend the environmental responsibilities tied to their positions and are equipped to fulfill these duties effectively.

Compliance with both local and international legal and regulatory frameworks is rigorously monitored by the Group. Key legislations such as the Air Pollution Control Ordinance, Waste Disposal Ordinance, along with regulations enforced by the Environmental Protection Department of Hong Kong, are identified to have a significant impact on our environmental strategy.

During the Reporting Period, the Group did not identify any material non-compliance with environmental laws and regulations in Hong Kong.

Considering the nature of our business as an OMO retailer, our operations do not involve substantial water consumption and the production of hazardous waste, hence the relevant disclosures are not applicable.

### Air and Greenhouse Gases' Emissions

The major source of our emissions is the indirect GHG emissions generated from our electricity usage. The total indirect GHG emissions and intensity for FY23/24 were 426.17 tonnes CO<sub>2</sub>e (FY22/23: 397.05) and 0.0074 tonnes CO<sub>2</sub>e per square foot area (FY22/23: 0.0069), respectively. This rise in GHG emissions is largely attributable to the full-year operation of the Causeway Bay Store in FY23/24, compared to only six months in the previous year. The breakdown of our GHG emissions is as follows:



#### Scope 1:

Direct greenhouse gas emissions

**0.00 Tonnes CO<sub>2</sub>e in FY23/24**

**0.00 Tonnes CO<sub>2</sub>e in FY22/23**



#### Scope 2:

Energy indirect greenhouse gas emissions

**426.17 Tonnes CO<sub>2</sub>e in FY23/24**

**397.05 Tonnes CO<sub>2</sub>e in FY22/23**

Note: These carbon emissions are calculated with reference to Appendix 2: Reporting Guidance on Environmental KPIs published by the Stock Exchange.

Our scope 2 energy indirect emissions include those associated with the consumption of purchased electricity. To achieve our air emissions target, the Group has consistently worked on implementing a range of energy conservation measures, including the adoption of energy-efficient appliances in our offices.

For details of our measures to control indirect GHG emissions, please refer to the section “Energy Consumption and Efficiency” below.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Waste Management

We adhere to the “3R” approach to environmental conservation, i.e. reduction of waste, reuse of resources and recycling of used materials, to the largest practicable extent in our business operations, underscoring our dedication to sustainability and our proactive role in fostering sustainable development.

Given the nature of our business, the Group inevitably generates non-hazardous waste which we categorize for either recyclable or non-recyclable for disposal. Since our inception, we have made efforts to recycle items like waste paper, cartons, and general office waste whenever feasible. Recyclable wastes are reused internally as much as possible, and any excess is sent to certified disposal companies. During FY23/24, the Group generated 2.20 tonnes of paper (FY22/23: 1.94) and 11.8 tonnes of general office waste (FY22/23: 12.2), with a total of 0.00024 tonnes of non-hazardous waste per square foot area (FY22/23: 0.00025). Our paper consumption primarily stems from printing invoices, which are typically issued during in-store purchases or pickups. The increase in paper consumption is largely due to the full-year operation of the Causeway Bay Store in FY23/24, compared to only six months in the previous year. To further minimize waste, efficiently manage resources, and achieve our waste reduction targets, the Group has launched various initiatives as follows:

### Proper Disposal and Recycling of Regulated Electrical Equipment (REE) and Small Electrical Appliances



- In addition to directing the eight types of REE (including air-conditioners, refrigerators, washing machines, televisions, computers, printers, scanners and monitors) to licensed recycling facilities for proper treatment and recycling, we also partnered with Christian Family Service Centre to recycle small electrical appliances to prevent potential contamination and environmental issues that may arise from mishandling during transfer, storage and dismantling processes

### Refurbishment and Donation Initiatives



- We joined hands with ALBA IWS, a leading e-waste management and recycling company, and Vessel Repair, an environmental organization dedicated to the refurbishment of small household appliances to revitalize appliances with minor defects and donate them to different vulnerable groups

### Premium Service for Eco-friendly Delivery and Collection



- We offered a premium service that combines delivery of new units with the collection of WEEE for recycling, effectively reducing the carbon footprint by merging these activities into a single trip

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Adoption of Digital Price Tags



- We adopted digital price tags in all offline retail stores which automatically update to reflect the most current pricing, thereby synchronizing with the Yoho E-commerce Platform and significantly reducing the reliance on paper tags

### Introduction of Recycled Shopping Bags



- We introduced the “‘I Used To Be Plastic Bottle’ RPET Shopping Bag”, made of recycled polyethylene terephthalate (**PET**) extracted from used plastic bottles, providing an eco-friendly alternative to traditional plastic or nylon shopping bags derived from fossil fuels for our customers

### Reduction of Paper Consumption



- We utilized e-invoices for transactions in all offline retail stores, providing physical copies only upon customer request. We also encouraged double-sided printing and utilized electronic communication platforms to lessen our consumption of office paper

### Promotion of Refurbished Items



- We fostered a culture of sustainability by encouraging the use of refurbished products. We generally provide our employees with refurbished computers for business purposes unless specifically requested otherwise

### Energy Consumption and Efficiency

We are conscious of our carbon footprint and our utilization of natural resources across our operations. We fully recognize the importance of energy conservation and climate change mitigation, and we are committed to improving our energy efficiency. During FY23/24, the amount and intensity of electricity consumed directly by the Group were 966,576.00 kWh (FY22/23: 926,467.10) and 16.77 kWh per square foot of area (FY22/23: 16.07) respectively. The Group's energy consumption rose from last year due to the electricity consumption at our Causeway Bay store which was only partially included for six months in FY22/23 whereas it was accounted for the entire year in FY23/24.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is dedicated to managing electricity consumption and the corresponding GHG emissions to meet our energy use target, and hence the following energy-saving principles and initiatives were developed and implemented to align sustainability concepts with our business operations during the Reporting Period:

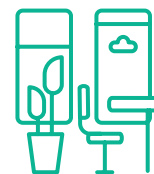
### OFFICE

We are committed to enhancing the energy efficiency of our properties. Our employees are proactive in reducing energy intensity through regular energy tracking, facility replacement and upgrades, awareness promotion and internal benchmarking. We also advocate for the use of energy-efficient appliances in our offices, such as LED lighting and bottled water machine with Grade 1 Energy Label



### OFFICE RETAIL STORES

Our retail stores, with their extended operating hours, contribute significantly to our energy consumption. At our offline stores, we are dedicated to monitoring and managing our energy usage while making a conscious effort to reduce the use of air conditioning and lighting on the premises



### WAREHOUSE

We have been paving the way for sustainable logistics by working together with our third-party service providers to improve our energy efficiency. Initiatives include optimizing delivery routes to shorten distances and avoid congested areas, innovating packaging design to decrease material use, and shifting to recyclable and biodegradable materials. These efforts help to lessen both our carbon and air emissions



### Packaging Materials

In light of our ongoing business growth, which may naturally increase our usage of paper boxes for order delivery, we have taken initiatives to incorporate more sustainable practices into our packaging processes. Our goal is to employ environmentally-friendly packaging solutions, such as plain paper boxes that are more conducive to recycling. Since the Group's inception, we have been progressively substituting some of our standard packaging with recycled materials for customer shipments. Furthermore, after carefully assessing the condition of the paper boxes received from our suppliers, those in good condition are reused for shipping products to our customers.

During FY23/24, we consumed 1.06 tonnes of packaging materials (FY22/23: 4.34)<sup>1</sup>, including cartons and wrapping paper. During the Reporting Period, our warehouse team has effectively implemented measures to reuse paper boxes and optimize the use of packaging materials, resulting in a significant reduction in overall material consumption. Additionally, in support of environmental sustainability, we transitioned from using paper bags to reusable eco-friendly bags last year, further minimizing our dependency on new packaging resources.

<sup>1</sup> Since the calculation formula has been updated, the consumption of FY22/23 packaging materials has been revised.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Environmental Management System

We are obliged to proactively strengthen and refine our actions in mitigating the environmental impacts of our operations. We strive not only for compliance with environmental regulations but also for the realization of a sustainable workplace and business practices.

The key features of our environmental management system are summarized below:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate Change

We have identified the following climate-related risks that may have an impact on the business, strategy and financial performance of the Group:

PHYSICAL RISK		RISK
		<ul style="list-style-type: none"> <li>Increased frequency of typhoons, storms, flooding, and other severe weather conditions</li> </ul>
POSSIBLE FINANCIAL IMPACTS		
<ul style="list-style-type: none"> <li>Significant damage to our retail stores, warehouse, office and other physical assets, potentially leading to substantial repair and replacement costs</li> </ul>		<ul style="list-style-type: none"> <li>Interruptions to business operations and supply chain can lead to loss of productivity, delayed deliveries, and shutdowns, impacting revenue streams and increasing operational costs</li> </ul>
<ul style="list-style-type: none"> <li>Inadequate preparation and response to severe weather events can harm a company's reputation, affecting customer trust and long-term profitability</li> </ul>		<ul style="list-style-type: none"> <li>Safety hazards for employees may lead to additional expenses, including medical treatments, compensation, and legal fees</li> </ul>
MITIGATION STRATEGIES		
<ul style="list-style-type: none"> <li>Invest in strengthening physical assets to withstand severe weather conditions, such as reinforcing buildings, elevating critical infrastructure, and installing flood defenses</li> </ul>		
<ul style="list-style-type: none"> <li>Develop and regularly update a comprehensive business continuity plan that includes strategies for ensuring safe operations during and after severe weather event</li> </ul>		<ul style="list-style-type: none"> <li>Diversify supply chain and logistics options to reduce dependency on single routes or suppliers</li> </ul>
<ul style="list-style-type: none"> <li>Implement a robust communication strategy to keep stakeholders informed during and after severe weather events, helping to maintain trust and manage reputational risk</li> </ul>		<ul style="list-style-type: none"> <li>Regularly review insurance coverage to ensure it is adequate to cover potential damages from severe weather and consider options for additional coverage for extreme events</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

TRANSITION RISKS	
<b>RISK</b>	<ul style="list-style-type: none"> <li>• Shifts in consumer preferences towards more sustainable lifestyles</li> <li>• Regulatory changes requiring increased disclosure on energy consumption levels</li> <li>• Implementation of schemes like the Mandatory Energy Efficiency Labelling Scheme by the Hong Kong Government</li> </ul>
POSSIBLE FINANCIAL IMPACTS	
<ul style="list-style-type: none"> <li>• Potential decrease in demand for less eco-friendly products, affecting sales and revenue</li> </ul>	
<ul style="list-style-type: none"> <li>• Adapting product lines and services to meet eco-friendly standards might involve higher production and operational costs</li> </ul>	<ul style="list-style-type: none"> <li>• Significant growth opportunities in markets for sustainable products and services</li> </ul>
<ul style="list-style-type: none"> <li>• Increased operational costs associated with gathering, monitoring, and reporting energy data as required by new disclosure requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Potential fines or penalties for non-compliance</li> </ul>
MITIGATION STRATEGIES	
<ul style="list-style-type: none"> <li>• Research and invest in more energy-efficient product lines</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing sustainability practices within company operations</li> </ul>
<ul style="list-style-type: none"> <li>• Leverage marketing to highlight the environmental benefits of products, appealing to eco-conscious consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Stay ahead of potential regulations by voluntarily adopting higher standards of energy disclosure</li> </ul>
<ul style="list-style-type: none"> <li>• Train staff to be compliant with new regulatory requirements and to understand the importance of energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate budget for compliance costs in financial planning</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To counteract the significant risks that climate change posed to the value of the Group's investments, we have established a robust climate change policy. This policy ensures the prompt detection and efficient management of climate-related risks by conducting regular climate risk assessments and embedding climate considerations into our strategic planning. It details mitigation strategies aimed at shielding our assets from both immediate and long-term environmental effects. Additionally, the policy enhances management's ability to adapt, thereby increasing the resilience of our operations and safeguarding shareholder interests.

In addition, the Group has implemented contingency plans to manage the impacts of extreme weather events effectively. Climate change risks are an integral part of our risk management framework, influencing critical business decisions. We also keep abreast of and comply with regulatory changes related to climate change, ensuring that all pertinent departments are informed and adhere to new legal mandates. This comprehensive approach not only prepares us for current environmental challenges but also positions us to navigate future regulatory landscapes.

## SOCIAL

### Employment

The Group acknowledges the critical importance of adhering to regulatory requirements and understand the risk associated with non-compliance concerning employment laws and regulations. This includes but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), anti-discrimination ordinances implemented by The Equal Opportunities Commission. Our employees have always been the indispensable assets of our Group. We have invested years in promoting a people-centric workspace in which our employees feel cared for and valued at work. During the Reporting Period, the Group did not identified any material non-compliance with the relevant laws and regulations that have a significant impact on the business and operation.

### Recruitment and Termination

Our Talent and Community Department leads our recruitment efforts by leveraging sophisticated channels such as the Yohu E-commerce Platform and prominent online job portals, ensuring we consistently attract and employ top-tier talents. We engage potential employees through open market advertising and assess candidates against pre-established criteria, including interview performance, relevant experience, and academic and professional qualifications. Our employment contracts are meticulously crafted, outlining duties, remuneration, bonuses, confidentiality, non-competition terms, and termination conditions, as well as details on working hours, salaries, benefits, and other terms. This comprehensive approach fosters a transparent, fair, and mutually beneficial work environment, securing a continuous influx of qualified candidates while safeguarding both the interests of our employees and the organization.

To protect our employees from unjust termination, we have developed a comprehensive set of disciplinary and discharge procedures. The Group clearly specifies the types of inappropriate behaviors that may lead to disciplinary actions or termination, reinforcing a transparent and equitable work environment for all employees.

### Performance Evaluation and Employee Development Strategies

Our performance evaluation and retention strategies are centered around quarterly performance evaluations, which are crucial for assessing and recognizing employee contributions. Our decisions regarding compensation and promotion eligibility are awarded solely based on an individual's appraisal results, ensuring fairness and transparency in career progression. Additionally, our robust appraisal system supports applications for internal rotation, promoting a culture of continuous learning and professional growth.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Additionally, our Performance Improvement Plan provides essential support for employees who need extra help to meet performance standards, while also offering opportunities for high achievers to advance their careers. These initiatives foster a culture of excellence and inclusivity, support employee development, and enhance operational efficiency, aligning with our commitment to sustainable business practices.

### Compensation and Enhanced Benefits

Our strategic compensation framework is designed to be highly competitive, aligning seamlessly with industry standards while upholding the principles of internal equity. We offer competitive compensation packages that include not only competitive salaries and discretionary bonuses but also a comprehensive suite of paid leave options. To enhance work-life balance and remain attractive in the market, we provide flexible working hours and exclusive shopping discounts. Additionally, we support our employees with a broad range of leave entitlements, including annual, birthday, marriage, maternity, paternity, sick, and compassionate leave. These benefits are part of our commitment to fostering an employee-friendly work environment.

We recognize consistent dedication through our monthly attendance bonus program, further incentivizing exemplary attendance and punctuality within our workforce. Additionally, during the Reporting Period, colleagues from retail team who achieved outstanding performance in sales metrics and customer evaluations received an additional bonus, aiming to enhance employee appreciation and motivation while nurturing an appreciative company culture.



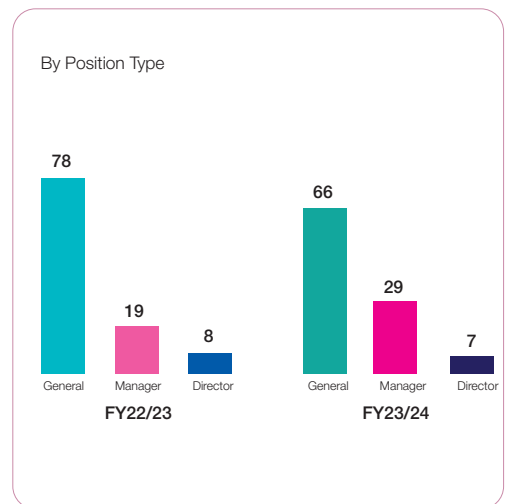
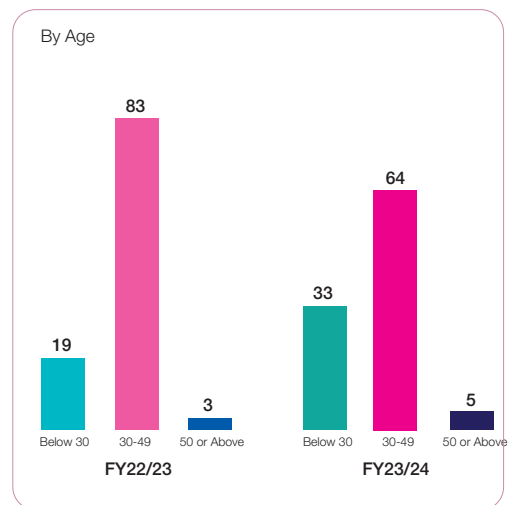
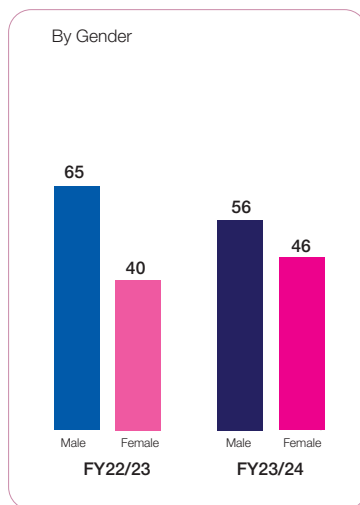
Additionally, to reinforce our commitment to rewarding excellence, we have introduced share option schemes for our high-performing staff, aligning their growth with our corporate success.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Equal Opportunities, Diversity and Anti-Discrimination

We are deeply committed to fostering a workplace environment characterized by fairness, equity, and inclusivity. In alignment with this commitment, our decisions regarding staff engagement, compensation, welfare, promotion, and dismissal are exclusively based on individual competence and performance. It is our steadfast policy to treat all employees with equality, regardless of their age, gender, race, ethnicity, nationality, political affiliation, religion, marital status, pregnancy status, sexual orientation, disability, or any other characteristic unrelated to their professional aptitude or job performance. Thanks to our unwavering commitment to equal opportunities, we have fostered a diverse workforce, attracting individuals from diverse backgrounds, ranging from recent graduates to seasoned professionals.

As at March 31 2024, the Group had 102 employees (FY22/23: 105) in Hong Kong. Our employee profile was as follows:



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Employee Turnover Rate<sup>1</sup>

In accordance with the calculation methodology for employee turnover rate defined in the Guide published by the Stock Exchange, during the Reporting Period, the Group's male employee turnover rate was 27.27% (FY22/23: 14.47%), while the female employee turnover rate was 20.69% (FY22/23: 38.46%). The employee turnover rate by age group was 17.50% for those under the age of 30 (FY22/23: 38.71%), 28.09% for those aged between 30 and 50 (FY22/23: 21.70%), and 16.67% for those aged above 50 (FY22/23: 40.00%). As for the employee turnover rate by geographical region, the rate in Hong Kong was 24.44% (FY22/23: 25.53%).

To provide a more accurate reflection of our workforce stability and employee engagement following the initial probationary period, the post-probation employee turnover rate was as follows:

<b>Post-Probation Employee Turnover Rate<sup>2, 3</sup></b>	<b>FY23/24 Percentage</b>	<b>FY22/23 Percentage</b>
<b>By Gender</b>		
Male	22.22%	8.45%
Female	17.86%	25.93%
<b>By Age</b>		
Below 30	13.16%	32.14%
30 – 50	23.81%	11.70%
Above 50	16.67%	0.00%
<b>By Geographical Region</b>		
Hong Kong	20.31%	16.00%

Notes:

- (1) Employee Turnover Rate per category = Number of employees in the category leaving employment during the Reporting Period/(Number of employees in the category as at year-end + Number of employees in the category leaving employment during the Reporting Period). The calculation method is in accordance with Appendix 3: Reporting Guidance on Social KPIs published by the Stock Exchange.
- (2) All employee resignations are voluntary.
- (3) Post-Probation Employee Turnover Rate = Number of employees in the category leaving employment after probation period/(Number of employees in the category as at year-end + Number of employees in the category leaving employment after probation period).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, we were not aware of any case of material non-compliance with employment and labour-related laws and regulations in Hong Kong, including but not limited to the Employment Ordinance, Employees' Compensation Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Mandatory Provident Fund Schemes Ordinance.

In an effort to strengthen employee cohesion, solidarity and their sense of belonging within the Group, we have organized a variety of employee-centric activities.

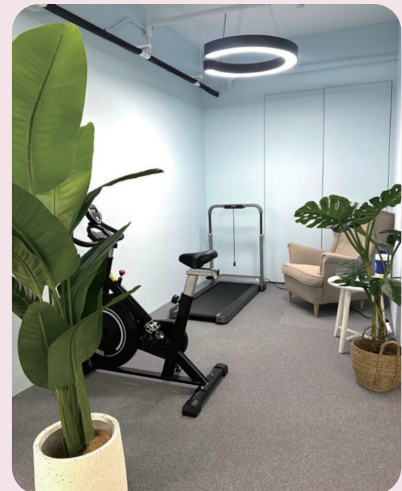
### Mental and Physical Well-being

The Group utilizes festive occasions to host office parties to boost morale, strengthen interdepartmental relationships, and enhance the overall sense of unity within the team. By bringing employees together in a relaxed and festive environment, we encourage open communication and mutual respect among diverse groups within the organization



Mid-Autumn Festival Party

To further support the well-being and work-life balance of our employees, the company has established a Fitness Corner within the office premises. This facility is designed to provide staff with convenient access to physical fitness resources, encouraging employees to adopt healthier lifestyles. By facilitating regular physical activity, the Fitness Corner helps in enhancing employee productivity, alleviating stress, and fostering a more vibrant and energized work environment



Workplace Fitness Corner



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Occupational Health and Safety

We place a strong emphasis on work safety. We are committed to meeting all health and safety statutory requirements and exceeding them wherever reasonably practicable.

In line with this commitment, all new warehouse employees are required to complete a rigorous safety training program upon starting employment. This training is designed to equip them with the necessary skills and knowledge to navigate the workplace safety. Regular refresher courses are also mandated to ensure ongoing compliance and awareness of the latest safety procedures. Additionally, to prepare for potential service disruptions caused by unforeseen events such as extreme weather or man-made incidents, we have also established a business continuity plan, including proactive measures whenever possible to minimize the risks of injury and fatalities among employees and operational disruptions, thus ensuring a rapid recovery of operations once employee safety is guaranteed. Moreover, in the event of a fire hazard, established evacuation procedures are in place, with designated personnel responsible for managing the evacuation and conducting a roll call at the assembly point.

We have adopted a total ban on smoking in all of our facilities. Smoking is strictly prohibited in all enclosed areas in the offices, including private offices, conference rooms, warehouse, common areas, pantries, washrooms and reception areas.



incidents

During the Reporting Period, the Group did not encounter any significant incidents or accidents in relation to workers' safety. There were no fatalities recorded for our employees in the past three years, including the Reporting Period, and there were no lost days due to work injuries during the Reporting Period

We strictly adhere to all relevant legal requirements, such as the Occupational Safety and Health Ordinance. Specifically, under the Employee's Compensation Ordinance, the employer is obligated to compensate for injuries or fatalities that employees suffer during accidents that occur in the course of their employment. During the Reporting Period, we have not identified any significant non-compliance issues with occupational health and safety regulations in Hong Kong.

## Employee Training and Career Development

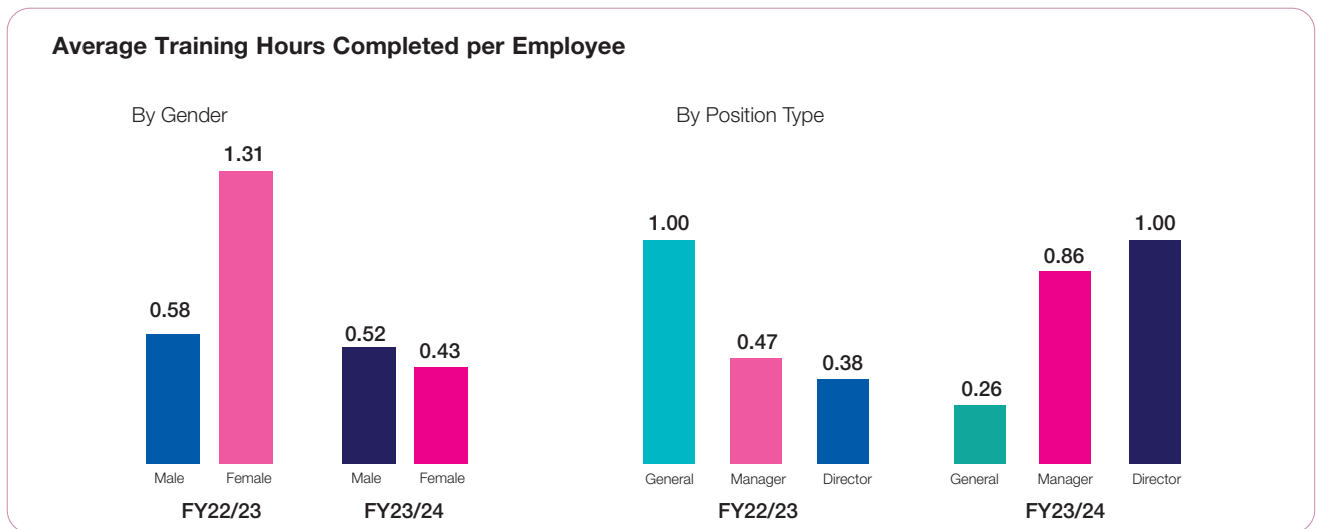
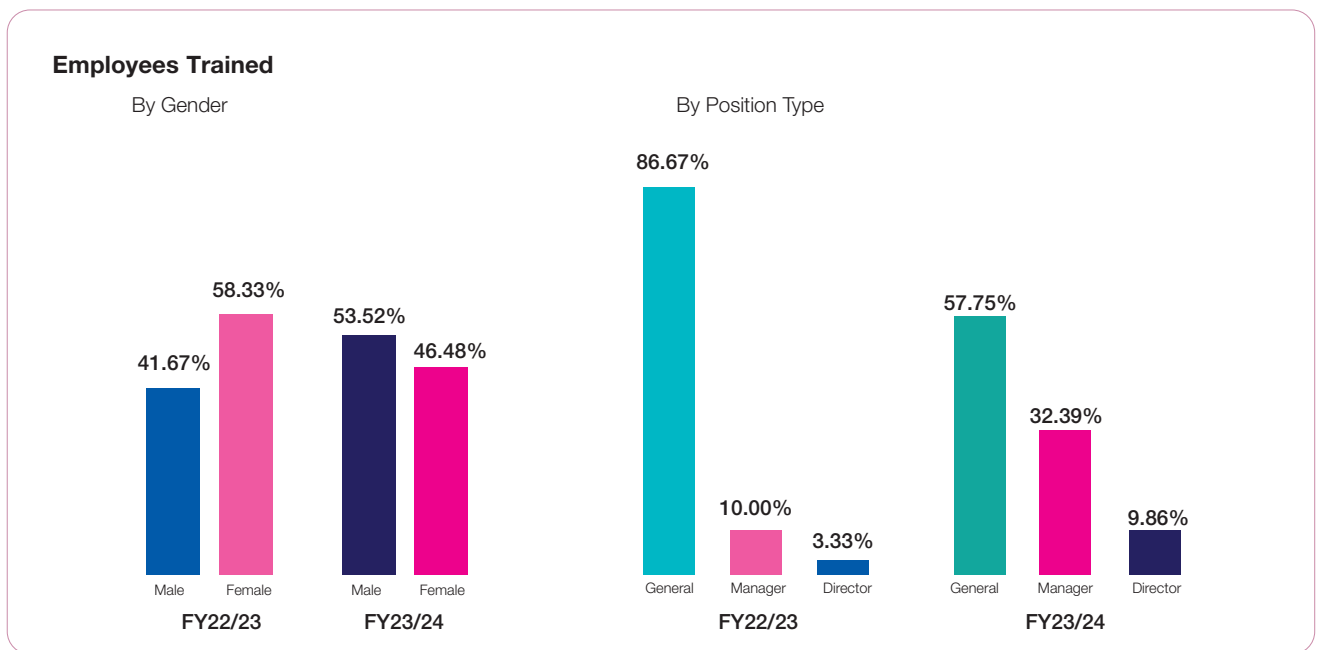
To foster continuous employee growth and enhance performance, we have developed a comprehensive suite of training programs that cater to various stages of an employee's career. We initiate this process with onboarding training, meticulously designed to acquaint new recruits with the Group's culture, values, mission, and operational framework, ensuring their smooth integration into their roles. For ongoing professional development, we offer targeted workshops specifically tailored to refine and enhance the skills pertinent to an employee's current responsibilities and anticipated career trajectory. Continuous in-house training also plays a crucial role, keeping team members abreast of business operations and equipping them with advanced professional skills necessary for their success within the Company.

Alongside these formal training efforts, a robust performance feedback mechanism is in place, where supervisors actively engage in providing constructive feedback to their subordinates. This feedback highlights achievements and identifies areas for improvement, supported by regular meetings to review key tasks, performance expectations, and specific goals. For front-line employees, we provide on-the-job training that encompasses coaching, mentoring, or job shadowing with experienced colleagues to foster skill development and workplace confidence, ensuring all employees are well-supported in their professional growth and career aspirations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is unwavering in our commitment to offering education and development opportunities for our employees, ensuring they possess the requisite professional skills to thrive in their positions. We are dedicated to expanding our commitment to employee development through enhanced training opportunities in the future.

The breakdown of employees trained, and average training hours completed per employee by gender and position type during the Reporting Period are as follows:



Remark: Percentage of employees trained by category = Employees in the category who took part in training/Employees who took part in the training. Average training hours for employees by category = Total number of training hours for employees in the category/Number of employees in the category. The calculation method is in accordance with Appendix 3: Reporting Guidance on Social KPIs published by the Stock Exchange.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Prohibition of Child Labour and Forced Labour

The Group firmly believes that fostering labour relations characterized by mutual respect and equality will boost employee morale and unity. Therefore, we adopted policies to safeguard the interest of our employees, including the prohibition of unlawful employment practices such as child and forced labour. All employees must have reached the statutory age and possess valid identification documents before commencing work. Employment contracts should be signed voluntarily, without any coercion. Should any violations be discovered, the responsible person will be subjected to internal investigations, or be referred to the appropriate authorities when deemed necessary. By upholding these principles, we aim to create a respectful, fair, and supportive work environment for all employees.

During the Reporting Period, the Group was not aware of any case of material non-compliance with child labour and forced labour-related laws and regulations in Hong Kong, including Immigration Ordinance, in relation to unauthorized entrants to Hong Kong and employment of illegal workers.

## Supply Chain Monitoring

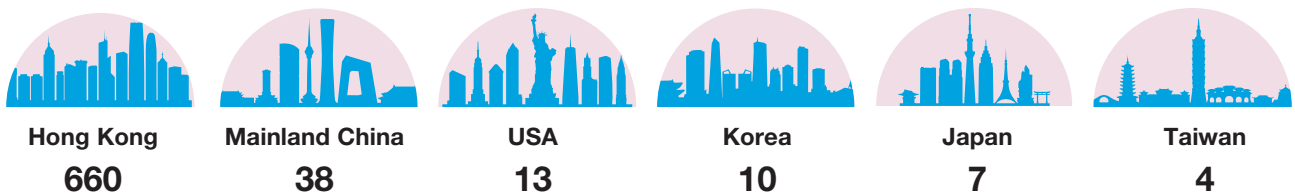
We collaborate with a diverse array of global and local suppliers, offering us an extensive range of products. We strive to minimize the potential risks and negative impacts that may emerge from disruptions along our supply chain. To achieve this, we have instituted robust corporate governance measures, including screening processes, obtaining product safety certifications, and verification checks on our suppliers. We prioritize suppliers who adhere to exemplary environmental and social practices. As part of our selection process, we rigorously assess the environmental awareness and management mechanisms of potential suppliers. We actively avoid engaging with suppliers involved in unethical business practices, corruption, forced labour or any violations of local laws and regulations.

By upholding these stringent criteria, we ensure that our supply chain remains both responsible and sustainable, fostering an ethical and environmentally-conscious business environment.

For more details on our measures to manage our supplier quality, please refer to the section “Quality Management” below.

The numbers of suppliers by geographical regions engaged in the Reporting Period are as follows. We have implemented the mentioned environmental and social-related management procedures for all of our suppliers.

## Supplies by Regions



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Quality Management

To ensure the authenticity and quality of products procured from our suppliers, we procure items exclusively from those on our pre-approved list. This list is comprised of suppliers selected based on criteria such as their reputation, brand image, track records of product offering. We also endeavour to procure our products either directly from brand owners or their authorized distributors to guarantee the authenticity and quality. Our procurement team, administration supervisor and senior management regularly review and update the pre-approved list. New suppliers are added to the list only after completing thorough background checks, including verifying their business registration certificates and/or certificate of incorporation or other documents that confirm their status as brand owners or authorized distributors. Should any supplier fail to meet our standards for authenticity and quality, we terminate the relationship immediately. For internal control, our chief executive officer reviews the list of pre-approved suppliers semi-annually, safeguarding the high standards of product quality and authenticity within our supply chain.

To promote environmental sustainability and social responsibility, the procurement of goods and services that meet the following environmental and social criteria shall be prioritized.

### Sustainable materials:

Products that incorporate eco-friendly and sustainable materials, such as recycled paper, organic cotton, bamboo, and biodegradable packaging materials



### Energy efficiency:

Energy-efficient products that meet the energy efficiency standards set by the government or international organizations such as Energy Star or the European Union, preferably those with Grade 1 energy labels or smart technology, which help reduce users' energy consumption and lower their carbon footprint



### End-of-life considerations:

Products designed for easy disassembly, recycling, or proper disposal at the end of their useful life



### Packaging reduction:

Products with minimal packaging and those using recyclable or biodegradable materials for packaging wherever possible



### Green transportation:

Products that promote the use of electric or hybrid vehicles for transportation to reduce emissions and prefer sourcing from local suppliers to minimize transportation distances



### Waste reduction:

Suppliers who have established a comprehensive and mature waste reduction program that includes recycling and reuse initiatives



### Warranty and maintenance:

Products that come with a warranty and are designed for easy maintenance and repair to extend their useful life



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Upon receipt of products from our suppliers, they are stored in our warehouse or retail stores, where experienced members of our warehousing and logistics team inspect them. These colleagues are responsible for verifying the quantity and checking for authenticity (for example, inspecting anti-counterfeit labels or warranty cards from brand owners or authorized distributors) and assess the condition of the product packaging. We also may require suppliers to provide relevant safety compliance certificates to further verify the quality and authenticity of the products destined for our customers. Should any issues with quality or authenticity be detected, our warehousing and logistics team will immediately report to our procurement team for liaison with our suppliers for refund or return of the problematic products. Suppliers that consistently fail to meet our standards may be removed from our pre-approved list.

In terms of advertising and marketing labels, we rigorously verify all product labels, promotional documents, website information, and advertisements before product launches or advertisement releases, to ensure that product advertisements and labels accurately reflect the product's actual features and maintain legal compliance in marketing practices.

If a complaint arises, we conduct an internal investigation to determine the cause of the issue. Should the complaint be substantiated, we take swift action to resolve the matter as soon as practicable. In case of any product recalls due to safety and health reason, we immediately investigate the issue and hold the relevant supplier accountable, which may include imposing penalties or blacklisting repeat offenders.



**During the Reporting Period, the Group did not receive any complaints due to poor quality and safety that materially impacted the Group's business operations and financial position, nor were there any product labels or products sold or shipped subject to recalls for safety and health reasons**

The Group is deeply committed to the rigorous protection of privacy, confidentiality, and intellectual property rights, which are pivotal to our standing as a trusted retailer. We meticulously manage and store all sensitive data, including strategic insights and information pertaining to past, present, or potential customers, service providers, suppliers, and subcontractors, ensuring it is used strictly for job-related duties.

Our approach adheres to the six core principles of data protection: data collection, accuracy, use, security, openness, and access and correction, aligning our practices with industry standards and regulatory expectations. Furthermore, personal information is securely maintained in our enterprise management systems, with access tightly controlled. Only a select group of employees are authorized to access customer personal data, and even then, only to an extent that matches their job responsibilities.

In addition to these robust data management practices, we have implemented specific risk management and internal control procedures to further safeguard data privacy. Our e-commerce operations employ advanced cybersecurity measures like robust encryption protocols, regular security audits, and continuous monitoring systems to prevent unauthorized access and ensure data integrity. Employees play a crucial role in maintaining these security standards, they are expected to adhere to strict confidentiality clauses as delineated in the employee handbook and undergo regular training on the latest data protection practices and technologies. Unauthorized removal of information from our premises, whether physically or via the Group's network, is strictly prohibited unless prior approval is granted. This comprehensive framework not only helps us comply with legal requirements but also reinforces our ethical commitment to data protection, ensuring the continued trust of our customers and partners.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For our intellectual property rights, we currently operate our business, the Yoho E-commerce Platform and our retail stores under our brand names “Yoho” and “友和”. The Group had also registered the domain name yohohongkong.com which is material in relation to the Group’s e-commerce business. During the Reporting Period, we were not aware of any material infringement of intellectual property rights owned by us.

During the Reporting Period, we were not aware of any case of material non-compliance regarding quality management and data privacy-related laws and regulations in Hong Kong, including the Personal Data (Privacy) Ordinance, and Trade Description Ordinance.

### Preventing Bribery and Corruption

As a socially responsible company, we employ a zero-tolerance approach towards bribery, extortion, fraud, money laundering and any other form of corruption as a means to uphold business ethics, in order to minimize the business risks that our stakeholders may be exposed to and avoid any detrimental effect that may be posed on society.

We have established a “Code of Ethics and Anti-Fraud and Anti-Bribery Policy” tailored to the specific circumstances of the Group to ensure integrity and moral behavior. Risk management and internal control policies are in place across the Group to combat corruption. Such measures also provide our employees with clear guidance and training in dealing with receiving gifts and donations, conflicts of interest, etc. For example, employees are required to follow a self-declaration protocol whenever they receive gifts or sample products. Furthermore, we regularly hold training sessions within the Group to reinforce our staff’s commitment to anti-corruption policies and practices. During the Reporting Period, we enhanced our commitment to ethical practices by partnering with the Independent Commission Against Corruption (**ICAC**) to deliver specialized anti-corruption training to our directors and employees. These sessions focused on our specific anti-corruption policies, the associated risks in our operations, and included relevant case studies to ensure applicability to our organizational context. This targeted training, which also covered common challenges and pitfalls in our business activities, complemented general anti-corruption training sessions attended by all directors and staff during the same reporting period.

The Group has established a comprehensive company documentation portal that encompasses all of our policies and guidelines, including anti-corruption training materials. It is mandatory for new employees to study these documents thoroughly prior to onboarding. This is an essential step in ensuring that everyone is well-informed about the Group’s policies and guidelines, which are designed to maintain a safe and ethical work environment.

We also require all employees to revisit these documents on the documentation portal regularly to stay up-to-date. Our policies and guidelines may change from time to time as we strive to improve our work environment and keep in line with legal and regulatory requirements. Furthermore, We expect all employees to uphold high standards of business conduct and to comply with all applicable laws and regulations. To support such, we have put in place procedures for reporting serious concerns that might impact our operations and reputation, urging employees to voice their concerns as early as possible so that the Group can respond effectively and promptly.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have stringent whistleblowing procedures in place to safeguard our employees. Upon the receipt of a whistleblowing report, our senior management will conduct a thorough review to determine the necessary course of action. This may range from an internal inquiry to a more formal investigation. Management will communicate with the reporting employee if further assistance is required from their end. The Group will make every effort to keep the whistleblower's identity confidential unless it becomes necessary to disclose the whistleblower's identity for instance if such a report leads to a criminal investigation, ensuring that employees can report misconduct without fear of retaliation, fostering a transparent and accountable workplace.

During the Reporting Period, the Group was not aware of any case of material non-compliance with corruption-related laws and regulations in Hong Kong, including the Prevention of Bribery Ordinance. The Group and our employees have no concluded legal cases regarding corrupt practices during the Reporting Period.

### Community Investment

The Group has developed a policy on community engagement to understand the needs of the local community and ensure that our activities align with the community's interests. We embraced an ESG philosophy with a "Business to Community" (B2C) focus, striving to contribute to a sustainable world by starting with the community we serve. Our focus areas of contribution include but not limited to environment, community engagement and innovative spirit. During the Reporting Period, the Group has made cash and product donations to support our local community.

### Environment

#### Donation of Refurbished Appliances



We collaborated with NGOs to provide electrical safety workshops in the neighborhood and repair appliances with minor faults, transforming them into refurbished appliances. After rigorous safety and performance testing, these appliances were donated to various vulnerable communities, including low-income families and households in inadequate housing, to achieve a sustainable model of resource reallocation and utilization

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Community Engagement

### Coffee Meditation Workshop



We collaborated with the Hong Kong Christian Service to organize a “Coffee Meditation Workshop” specifically designed for caregivers. The workshop cultivated a tranquil and supportive atmosphere, allowing caregivers to detach from their daily obligations momentarily. The act of brewing and tasting coffee is a meditative exercise, enabling participants to concentrate on the present moment and offering therapeutic and calming benefits. Furthermore, the workshop facilitated meaningful dialogues between the Yoho volunteer team and the caregivers that aimed to mitigate the daily stress experienced by caregivers and promote their mental and physical well-being. The caregivers also engaged in open discussions with peers who encountered similar challenges, fostering a sense of community and providing emotional support, significantly enhancing the overall stress relief experience.

### Make-A-Wish

We have been a loyal supporter of the “Make-A-Wish” programme launched by the Hong Kong Christian Service for eight consecutive years, which gives away electronic and electrical appliances needed by intended beneficiaries including low-income or single-parent families, the elderly, children with special needs, disabled persons and ethnic minorities.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Year-round Discounts for Seniors*

Holders of the Elderly Card / JoyYou Card / Elder Octopus can enjoy year-round shopping discounts at Yoho offline stores and receive additional discounts during various promotional events, allowing seniors to purchase the products they need at even more favorable prices



### *Charitable Mooncakes*

During our Mid-autumn festival celebration this year, we took a proactive approach to philanthropy by distributing charitable mooncakes from Christian Family Service Centre to our team members. The proceeds from these mooncakes directly benefit underprivileged families, the elderly, and people with disabilities, allowing us to integrate meaningful philanthropic support into our festive activities



### **Innovative spirit**

### *Y Incubator*

Y Incubator, a Hong Kong start-up support program, invites qualifying start-ups in the city to join the Yoho E-commerce Platform for sales with exemptions of listing fees, annual fees, and commissions, thereby assisting startups in significantly reducing operational costs and fostering a thriving startup ecosystem in Hong Kong

**Y Incubator**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Y Charity*

Y Charity, a Hong Kong charity support program, allows over 10,000 charitable institutions and trusts with tax exemptions under Section 88 of the Inland Revenue Ordinance to onboard the Yoho E-commerce Platform for fundraising and charitable sales for free. All funds raised are directly transferred to the nonprofits, with the Group not charging any administrative fees, aiming to significantly enhance the visibility of fundraising campaigns and minimize administrative costs for these organizations



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Appendix C2 Environmental, Social and Governance Reporting Guide Content Index

Reporting Guide Requirements	Description	Relevant Section
Overall Approach	The board has overall responsibility for an issuer's ESG strategy and reporting.	ESG Governance
Governance Structure	<p>(a) A disclosure of the board's oversight of ESG issues;</p> <p>(b) The board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses);</p> <p>(c) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	ESG Governance
Reporting Principles	<p>(a) Materiality</p> <p>(b) Quantitative</p> <p>(c) Consistency</p> <p>(d) Balance</p>	Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report, and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Introduction

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Reporting Guide Requirements

## Description

## Relevant Section

### A1 Emissions

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issue relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental
KPI A1.1	The types of emissions and respective emissions data.	Air and Greenhouse Gases Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Air and Greenhouse Gases Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	ESG Governance, Air and Greenhouse Gases Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ESG Governance, Waste Management

### A2 Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption and Efficiency
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption and Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Not Applicable
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ESG Governance, Energy Consumption and Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ESG Governance
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Reporting Guide

Requirements	Description	Relevant Section
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Management System
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management System
<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
<b>B1 Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment, Recruitment and Termination, Promotion, Remuneration and Working Conditions, Compensation and Enhanced Benefits, Equal Opportunities, Diversity and Anti-Discrimination, Performance Evaluation and Employee Development Strategies
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Equal Opportunities, Diversity and Anti-Discrimination
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Equal Opportunities, Diversity and Anti-Discrimination

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Reporting Guide

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Reporting Guide

Requirements	Description	Relevant Section
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Monitoring
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Monitoring
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Monitoring
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Monitoring
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Monitoring
<b>B6 Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Customer Information and Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of Customer Information and Intellectual Property Rights

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Reporting Guide

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



## PROFILE OF DIRECTORS

### EXECUTIVE DIRECTORS

#### Mr. Wu Faat Chi (胡發枝)

*Chief Executive Officer*

Mr. Wu Faat Chi (“**Mr. Wu**”), aged 38, co-founded our Yoho OMO Business in 2013, is an executive Director and Chairman of our Board. Mr. Wu is responsible for formulating the strategic development plans of the Group and overall management of the Group. Mr. Wu has more than 16 years of experience in the consumer electronics and home appliances industry in Hong Kong and the PRC. Prior to commencing the Group’s e-commerce business in 2013, he was involved in the trading and distribution of consumer electronics through offline channels in Hong Kong from 2008 to 2013. He was also engaged in the trading of consumer electronics in the PRC from 2011 to 2013. Mr. Wu holds a degree of Bachelor of Business Administration with a major in Economics and a minor in Humanities and China Studies from the Hong Kong University of Science and Technology. Mr. Wu is also one of the directors of each of our subsidiaries. Mr. Wu is the spouse of Ms. Tsui Ka Wing.

#### Ms. Tsui Ka Wing (徐嘉穎)

*Chief Operating Officer*

Ms. Tsui Ka Wing (“**Ms. Tsui**”), aged 40, co-founded our Yoho OMO Business in 2013, is an executive Director. Ms. Tsui is responsible for designing and implementing business strategies, overseeing regulatory compliance, and managing the daily operations of the Group. With over 11 years of experience in the Hong Kong e-commerce industry, Ms. Tsui has a diverse background. Prior to joining the Group, she co-founded Usamimi International Limited, an O2O fashion e-commerce business, in 2012 and worked as an audit associate at Deloitte Touche Tohmatsu in 2009. Ms. Tsui holds a Bachelor of Economics and Finance degree from the University of Hong Kong. She is also one of the directors of each of our subsidiaries. Ms. Tsui is the spouse of Mr. Wu.

### NON-EXECUTIVE DIRECTORS

#### Mr. Man Lap (文立)

Mr. Man Lap (“**Mr. Man**”), aged 50, has been appointed as our Non-executive Director. He was appointed as a Director in May 2021, and was re-designated as a Non-executive Director in June 2021. As confirmed by Mr. Man, he is a Director nominated by Beyond Ventures. Mr. Man is the Co-founder & Managing Partner of Beyond Ventures, a Hong Kong-based venture capital firm founded in 2017. With the slogan “From Hong Kong, For Hong Kong”, Beyond Ventures aims to revitalize and transform the city’s innovation ecosystem by being Hong Kong’s most impactful venture capital firm. He is primarily responsible for identifying potential start-ups and driving the investment decisions. Beyond Ventures portfolio companies include SenseTime (stock code: 20.HK), Smartsens (stock code: 688213.SH), Prenetics (Nasdaq: PRE), Yoho (stock code: 2347.HK), HKTaxi (acquired by Uber in 2021) and many more. Since 2018, Beyond Ventures has been appointed as a Co – investment Partner of HKSAR Government’s Innovation and Technology Venture Fund (ITVF).

## PROFILE OF DIRECTORS

Mr. Man founded DYXnet Group in 1999 and he was the CEO from September 1999 to September 2018. Under Mr. Man's leadership, the company became the leading corporate virtual private network (VPN) service provider in Greater China and was acquired by 21Vianet Group (Nasdaq: VNET), the largest carrier-neutral Internet and data center service provider in China in 2014. Prior to founding DYXnet Group, Mr. Man was one of the brains behind LinkAGE Online from June 1995 to August 1999, which became the largest corporate Internet service provider in Hong Kong before being acquired by PSINet in 1998. Mr. Man obtained a degree of Bachelor of Arts from the Chinese University of Hong Kong in December 1997.

### Mr. Hsieh Wing Hong Sammy (薛永康)

Mr. Hsieh Wing Hong Sammy ("Mr. Hsieh"), aged 51, was appointed as a non-executive Director in June 2021. Mr. Hsieh has been a co-founder and a director of the board of iClick Interactive Asia Group Limited (an online marketing and enterprise data solution provider listed on NASDAQ with stock code: ICLK) since 2009, where he is responsible for providing strategic advice. Since 2021, Mr. Hsieh has also been an independent director of Magnum Opus Acquisition Limited (a special purpose acquisition company, which focuses on investing in companies in the consumer, technology or media sectors in Asia and listed on the New York Stock Exchange with stock code: OPA) and an independent director of Black Spade Acquisition Limited (a special purpose acquisition company, which focuses on investing in companies in the entertainment industry, enabling technology, lifestyle brands, products or services and entertainment media and listed on the New York Stock Exchange with stock code: BSAQ). From 2000 to 2008, Mr. Hsieh was a director of the search marketing team in Yahoo Hong Kong, where he was responsible for managing the overall business activities. Mr. Hsieh was a general manager in Efficient Frontier, a digital marketing company, where he was responsible for overseeing its business in the PRC. Mr. Hsieh obtained a degree of Bachelor of Arts in Economics from the University of California, Los Angeles in the United States in September 1995.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Dr. Qian, Sam Zhongshan (錢中山)

Dr. Qian, Sam Zhongshan ("Dr. Qian"), aged 60, is our independent non-executive Director and joined the Group in May 2022. Dr. Qian has been the chief executive officer of Star Plus Development Limited since October 2020. Dr. Qian was appointed as the chief executive officer and executive Director of Star Plus Legend Holdings Limited (a company listed on the Stock Exchange with stock code: 6683) in September 2021, where he is responsible for formulating overall business strategy and corporate finance strategy. From March 2000 to March 2004, he was a vice president in Sohu.com Limited, which was formerly known as Sohu.com Inc. (a company listed on the NASDAQ with stock code: SOHU), where he was responsible for overseeing the finance, real estate and automobile channels. From April 2004 to June 2006, Dr. Qian was the president and chief financial officer of China Finance Online Co., Ltd (a company listed on the NASDAQ with stock code: JRJC), where he was responsible for the overall management and financial affairs of the company. From June 2013 to October 2019, he was a responsible officer of ExaByte Capital Management (HK) Limited to carry on Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Ch. 571 of the Laws of Hong Kong) (the "SFO"). Dr. Qian obtained a degree of Doctor of Philosophy from Columbia University in the United States in February 1991 and a degree of bachelor in Physics from the University of Science and Technology of China in the PRC in July 1985.

## PROFILE OF DIRECTORS

### **Dr. Leung Shek Ling Olivia (梁碩玲)**

Leung Shek Ling Olivia (formerly known as Leung Wai Fong Olivia, “**Dr. Leung**”), aged 52, is a Canadian Chartered Accountant, PhD and associate professor of teaching in Accounting. Dr. Leung has been the principle lecturer of the Faculty of Business and Economics of The University of Hong Kong since July 2011 and the associate dean of the Faculty of Business and Economics of The University of Hong Kong since January 2020. Her primary working experience includes assistant professor and principle lecturer of accounting at The City University of Hong Kong from August 2004 to June 2011, director of the International Business and Global Management Program of The University of Hong Kong from June 2016 to October 2018 and assistant dean of the Faculty of Business and Economics of The University of Hong Kong from June 2016 to December 2019. Dr. Leung obtained a bachelor’s degree from The University of British Columbia in Canada and a doctorate degree from The Chinese University of Hong Kong in June 1994 and June 2004, respectively. Since June 2020, Dr. Leung has been an independent non-executive director of GF Securities Co., Ltd. (廣發証券股份有限公司) a company listed on the Main Board of the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776).

### **Mr. Ho Yun Tat (何潤達)**

Mr. Ho Yun Tat (“**Mr. Ho**”), aged 38, is our independent non-executive Director and joined the Group in May 2022. Mr. Ho has been a financial director of Klook Travel Technology Limited, a global travel activities and services booking platform, since April 2020, where he is responsible for managing and leading the financial reporting, financial planning and analysis functions of the company. From October 2009 to July 2015, Mr. Ho was an associate in the tax department of PricewaterhouseCoopers with his last position as a manager in the assurance department in the financial services practice. From September 2015 to January 2016, Mr. Ho worked as an associate in the internal audit division of Morgan Stanley Asia Limited in Hong Kong. From January 2016 to November 2019, Mr. Ho worked as a financial director in GOGO Tech Limited, a technology platform in provision of logistics solutions. Mr. Ho obtained a degree of Bachelor of Business Administration in Professional Accounting from the Hong Kong University of Science and Technology in November 2009. Mr. Ho has been a member of Hong Kong Institute of Certified Public Accountants since March 2013.

## CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the Reporting Period.

### CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

### CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules as the basis of the Company’s corporate governance practices throughout the Reporting Period.

In the opinion of the Directors, save for the deviation from the code provision C.2.1 disclosed in the subsection headed “Chairman and Chief Executive Officer” below, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period.

# CORPORATE GOVERNANCE REPORT

## DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted its own securities dealing code regarding the code of conduct of Directors and employees (who are likely to be in possession of inside information of the Company) on dealings in the Company's securities (the "**Securities Handling Policy**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Securities Handling Policy throughout the Reporting Period.

## BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

### Board Composition

The composition of the Board as at the date of this annual report is as follows:

#### Executive Directors

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)

Ms. Tsui Ka Wing (*Chief Operating Officer*)

#### Non-Executive Directors

Mr. Man Lap

Mr. Hsieh Wing Hong Sammy

Mr. Adamczyk Alexis Thomas David (resigned on 2 February 2024)

#### Independent Non-Executive Directors

Dr. Qian Sam Zhongshan

Mr. Chan Shun (resigned on 31 July 2023)

Mr. Ho Yun Tat

Dr. Leung Shek Ling Olivia (appointed on 31 July 2023)

The biographical information of the Directors is set out in the section headed "Profile of Directors and Senior Management" on pages 64 to 66 of this annual report.

Dr. Leung Shek Ling Olivia, who has been appointed as the Independent Non-executive Director on 31 July 2023, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 31 July 2023, and she has confirmed she understood her obligations as a director of a listed issuer.

Mr. Wu is the spouse of Ms. Tsui. Save as disclosed in this annual report, there is no financial, business, family or other relationships between the members of the Board.

## CORPORATE GOVERNANCE REPORT

### Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. During the Reporting Period, the Board held four Board meetings for the purposes of, among others, approving the (i) final results, and (ii) interim results of the Group for the Reporting Period.

A summary of the attendance records of the Directors at the Board meetings, the Board Committee meetings and the general meetings of the Company held during the Reporting Period is set out below:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategy and Investment Committee	Annual General Meeting
Mr. Wu Faat Chi	4/4			1/1	1/1	1/1
Ms. Tsui Ka Wing	4/4		1/1		1/1	1/1
Mr. Man Lap	4/4				1/1	1/1
Mr. Hsieh Wing Hong Sammy	4/4				1/1	1/1
Mr. Adamczyk Alexis Thomas David <sup>1</sup>	3/3	1/1				1/1
Dr. Qian Sam Zhongshan	4/4			1/1		1/1
Mr. Chan Shun <sup>2</sup>	4/4	2/2	1/1	1/1		1/1
Mr. Ho Yun Tat	4/4	2/2	1/1			1/1
Dr. Leung Shek Ling Olivia <sup>3</sup>	2/2	1/1	1/1	1/1		1/1

#### Notes:

1. Mr. Adamczyk Alexis Thomas David resigned as non-executive Director on 2 February 2024.
2. Mr. Chan Shun resigned as independent non-executive Director on 31 July 2023.
3. Dr. Leung Shek Ling Olivia appointed as independent non-executive Director on 31 July 2023.

Apart from regular Board meetings, the Chairman also held one meeting with the independent non-executive Directors without the presence of other Directors during the year.

The independent non-executive Directors and non-executive Directors have attended the annual general meeting of the Company to gain and develop a balanced understanding of the view of the Shareholders.

## CORPORATE GOVERNANCE REPORT

### Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

The positions of chairman and chief executive officer are held by Mr. Wu. While this will constitute a deviation from code provision C.2.1, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of seven Directors, and the Company believe there is sufficient check and balance on the Board; (ii) Mr. Wu and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of the Company and will make decisions of our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Group.

Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both the Board and senior management levels.

Finally, as Mr. Wu is one of the founders of the Yoho OMO Business, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

# CORPORATE GOVERNANCE REPORT

## Independent Non-Executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

## Board independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions the Company need to take to maintain and improve the Board's performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Reporting Period, all Directors have completed the independence evaluation in the form of a questionnaire individually and supplemented by individual interviews. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.



## CORPORATE GOVERNANCE REPORT

### Re-election of Directors

Under the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Articles of Association also provides that all Directors appointed to fill a casual vacancy or as an addition to the Board, shall hold office only until the first annual general meeting of the Company after appointment. The retiring Directors shall be eligible for re-election.

Each of the executive Directors, Mr. Wu and Ms. Tsui, has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either the executive Director or the Company.

Each of the non-executive Directors, Mr. Man and Mr. Hsieh, has entered into a letter of appointment with the Company for a term of one year commencing from the Listing Date and entered into a letter of renewal with the Company for a term of one year commencing from 10 June 2023, which may be terminated by not less than one month's notice in writing served by either the non-executive Director or the Company. The term shall thereafter continue on a month to month basis unless otherwise agreed by the Directors and the Company.

Each of the independent non-executive Directors, Dr. Qian, and Mr. Ho, has entered into a letter of appointment with the Company for a term of one year commencing from the Listing Date and entered into a letter of renewal with the Company for a term of one year commencing from 10 June 2023 and Dr. Leung has entered into a letter of appointment with the Company for a term of one year commencing from 31 July 2023, which may be terminated by not less than one month's notice in writing served by either the independent non-executive Director or the Company. The term shall thereafter continue on a month to month basis unless otherwise agreed by the Directors and the Company.

### Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

## CORPORATE GOVERNANCE REPORT

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### Continuous Professional Development of Directors

The Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Directors attended a training organised by the Company and conducted by the Hong Kong legal advisers of the Company for all Directors on ongoing obligations and Directors' duties and responsibilities of a publicly listed company under certain applicable Hong Kong laws and regulations, including the Listing Rules.

## CORPORATE GOVERNANCE REPORT

The training records of the Directors for the Reporting Period have been provided to the Company and are summarised as follows:

<b>Directors</b>	<b>Type of training attended</b> <sup>Note</sup>
<b>Executive Directors</b>	
Mr. Wu Faat Chi	A and B
Ms. Tsui Ka Wing	A and B
<b>Non-Executive Directors</b>	
Mr. Man Lap	A and B
Mr. Hsieh Wing Hong Sammy	A and B
Mr. Adamczyk Alexis Thomas David <sup>1</sup>	A and B
<b>Independent Non-Executive Directors</b>	
Dr. Qian Sam Zhongshan	A and B
Mr. Chan Shun <sup>2</sup>	A and B
Mr. Ho Yun Tat	A and B
Dr. Leung Shek Ling Olivia <sup>3</sup>	A and B

*Notes:*

1. Mr. Adamczyk Alexis Thomas David resigned as non-executive Director on 2 February 2024.
  2. Mr. Chan Shun resigned as independent non-executive Director on 31 July 2023.
  3. Dr. Leung Shek Ling Olivia appointed as independent non-executive Director on 31 July 2023.
- A Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B Reading relevant news alerts, newspapers, journals, magazines and relevant publications

## BOARD COMMITTEES

The Board has established four committees, namely, the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”), the nomination committee (the “**Nomination Committee**”) and the strategy and investment committee (the “**Strategy and Investment Committee**”), for overseeing particular aspects of the Company’s affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company’s website and the Stock Exchange’s website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under “Corporate Information” on page 2 of this annual report.

# CORPORATE GOVERNANCE REPORT

## Audit Committee

The Audit Committee consists of three members, namely Mr. Man (non-executive Director), Mr. Ho and Dr. Leung (independent non-executive Directors). Mr. Ho is the chairman of the Audit Committee. At least one of the committee members possesses appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules and none of the committee members is a former partner of or has any financial interest in the Company's existing external auditors within two years before his appointment as a member of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company and managing the relationship with the external auditors, including but not limited to making recommendation to the Board on the appointment, reappointment and removal of external auditors, receiving and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, discussing with the auditors the nature and scope of the audit and reporting obligations, and developing and implementing policy on engaging an external auditor to provide non-audit services.

The Audit Committee held two meetings during the Reporting Period to review the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works.

The Audit Committee also met the external auditors twice without the presence of the Executive Directors.

## Remuneration Committee

The Remuneration Committee consists of three members, namely Ms. Tsui (executive Director), Dr. Leung and Mr. Ho (independent non-executive Directors). Dr. Leung is the chairwoman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The Remuneration Committee adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of the individual executive Directors and senior management. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee held one meeting during the Reporting Period to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the executive Directors.

## CORPORATE GOVERNANCE REPORT

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board.

The Remuneration Committee also made recommendations to the Board on the terms of letters of renewal of the non-executive Directors and independent non-executive Directors.

### Nomination Committee

The Nomination Committee consists of three members, namely Mr. Wu (executive Director), Dr. Qian and Dr. Leung (independent non-executive Directors). Mr. Wu is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee held one meeting during the Reporting Period to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the Annual General Meeting, to review the Board Diversity Policy and Director Nomination Policy. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

## CORPORATE GOVERNANCE REPORT

### Strategy and Investment Committee

The Strategy and Investment Committee consists of four members, namely Mr. Wu and Ms. Tsui (executive Directors), as well as Mr. Man and Mr. Hsieh (non-executive Directors). Mr. Man is the chairman of the Strategy and Investment Committee.

According to the terms of reference of the Strategy and Investment Committee, its principal duties include, without limitation, reviewing and evaluating investment projects for the long-term development of the Group (including mergers and acquisition, joint venture and equity investments), studying and making recommendations to the Board on major investments, financial solutions and capital investments and supervising the implementation of the investments approved by the Board.

The Strategy and Investment Committee held one meeting during the Reporting Period to discuss the investment projects for the long-term development of our Group as well as other related matters.

### Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 March 2024:

	Female	Male
<b>Board</b>	28.60% (2)	71.40% (5)
<b>Other employees</b>	46.30% (44)	53.70% (51)
<b>Overall workforce</b>	45.10% (46)	54.90% (56)

The Board had targeted to achieve and had achieved at least 28.60% (2) of female Directors, and 46.30% (44) of female employees of the Group and considers that the above current gender diversity is satisfactory. The Board will continue to review the gender diversity of the Group from time to time to ensure their appropriateness.

Details on the gender ratio of staff of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 28 to 63 of this Annual Report.

### Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, qualification, skills, experience, knowledge, length of service and any other factors that the Board would consider relevant and applicable from time to time taking into account the Company's business model and specific needs.

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

## CORPORATE GOVERNANCE REPORT

As at the date of this annual report, the Board's composition based on the measurable objectives can be summarised by the following main diversity perspectives:

	<b>Number of Directors</b>
<b>By Gender</b>	
Female	2
Male	5
<b>By Ethnicity</b>	
Chinese	7
<b>By Age</b>	
Below 40	2
40-49	1
50 or above	4
<b>By Length of Service</b>	
Over 1 year	1
Over 2 years	6

Our Directors also have a balanced mix of knowledge and skills and obtained degrees in various majors. We have three independent non-executive Directors with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the Nomination committee and the Board are of the view that the composition of our Board satisfies the Board Diversity Policy.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

### Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

## CORPORATE GOVERNANCE REPORT

The Director Nomination Policy sets out the following factors for assessing the suitability and the potential contribution to the Board of a proposed candidate:

- whether the individual's educational background and qualification, skills and experience are relevant to the Company's business model and specific needs;
- individual's character and reputation for integrity;
- whether the individual would be able to devote sufficient time to the Board;
- (in respect of appointment and reappointment of independent non-executive Directors) Independence of the individual with reference to the independence criteria set out in Rule 3.13 of the Listing Rules;
- how the individual would be able to contribute to the diversity of the Board with reference to the factors set out in the Board Diversity Policy of the Company from time to time in force; and
- Board succession planning considerations.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings as follows:

### Appointment of New Director

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.



## CORPORATE GOVERNANCE REPORT

### Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

During the year ended 31 March 2024, the Nomination Committee recommended to the Board the appointment of a new Independent Non-executive Director, namely Dr. Leung Shek Ling Olivia. The appointment was subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee will review the Director Nomination Policy regularly to ensure its effectiveness. The Nomination Committee will also conduct annual review on the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

### Corporate Governance Functions

The Board is responsible for determining corporate governance policy of the Company and performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. A Corporate Governance Policy setting out various corporate governance policies and procedures has been adopted by the Company, which applies to assist the Board and the top management to better perform their corporate governance duties to the Group and delegate the responsibilities to the Board committees.

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, the Company engaged an independent internal control consulting firm to perform an overall assessment on certain of our procedures, systems and internal controls. During the course of the internal control review, the consulting firm has provided some recommendations for our Group to enhance its internal control measures.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

The management of our Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system and ensuring that our Group establish and maintain appropriate and effective systems. The management also assists the Board in the implementation of our Group's policies, procedures and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Risk management process involves operation management input to the risk identification, evaluation and management of significant risks. Operation management team makes decisions regarding which risks are acceptable and how to address those that are not. The Group periodically reviews our policies and procedures, code of business conduct, the Anti-corruption Policy and the Whistleblowing Policy.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

## CORPORATE GOVERNANCE REPORT

The Company has adopted a Whistleblowing Policy to facilitate employees of our Group and other stakeholders who deal with our Group to raise, in confidence, concerns about possible improprieties in the practices and procedures, including financial reporting, internal control and other matters. It enables employees and stakeholders to report matters that may constitute (i) non-compliance to laws or regulations; (ii) malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matter; (iii) endangerment of the health and safety of an individual; (iv) damage caused to the environment; (v) improper conduct or unethical behaviour likely to prejudice the standing of the Company; and (vi) deliberate concealment of any of the above.

The Company has developed the Information & Communication Policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

The Company has engaged an external professional firm which assists the Board and the Audit Committee in their review of the adequacy and effectiveness of the risk management and internal control systems. The Company has also established its internal audit function to examine key issues in relation to the accounting practices and all material controls.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems throughout the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report, has conducted its annual review of the effectiveness of the Group's risk management and internal control systems. The annual review also covered the financial reporting, internal audit function and staff qualifications, experiences and relevant resources. The Board considered that, throughout the Reporting Period, the risk management and internal control system and procedures of our Group were reasonably effective and adequate, and that no material deficiencies had been identified.

### NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Our controlling Shareholders, namely The Mearas Venture Limited ("**The Mearas Venture**"), The Wings Venture, Yo Cheers (BVI) Limited ("**Yo Cheers (BVI)**"), Mr. Wu and Ms. Tsui, have entered into a deed of non-competition in favour of the Company on 18 May 2022 (the "**Deed**"), details of which have been set out in the section headed "Relationship with Our Controlling Shareholders" in the Prospectus.

The Company has received written declarations from each controlling Shareholder in respect of his/her/its and/or his/her/its close associates' compliance with the terms of the Deed during the Reporting Period up to the date of this annual report. The independent non-executive Directors have also reviewed the compliance with the Deed and enforcement of the terms of the Deed by the controlling Shareholders, and they confirmed that the controlling Shareholders have been in compliance with the Deed throughout the Reporting Period up to the date of this annual report.

## CORPORATE GOVERNANCE REPORT

### DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 110 to 113 in this annual report.

There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

### AUDITORS' REMUNERATION

An analysis of the total remuneration to the external auditor of the Company, Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the Reporting Period is set out below:

<b>Service Category</b>	<b>Total Fees</b>
Audit Services	HK\$1,550,000
Non-audit Services	
– Hong Kong profit tax for filing services	HK\$71,500
– Review services in relation to the interim report	HK\$350,000
– Others	HK\$260,000
	HK\$2,231,500

# CORPORATE GOVERNANCE REPORT

## COMPANY SECRETARY

Mr. Lam Wai Chiu (“**Mr. Lam**”) has resigned as the company secretary and an authorised representative of the Company under Rule 3.05 of the Listing Rules with effect from 31 July 2023. Following Mr. Lam’s resignation, Ms. Chan Sau Ling (“**Ms. Chan**”) has been appointed as the company secretary and an authorised representative of the Company under Rule 3.05 of the Listing Rules with effect from 31 July 2023. Ms. Chan is currently a Director of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. During the Reporting Period, Ms. Chan has undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

## SHAREHOLDERS’ RIGHTS

The Company engages with its Shareholders through various communication channels.

To safeguard Shareholders’ interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

### Convening an Extraordinary General Meeting

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s).

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

### Putting Forward Proposals at General Meetings

Any Shareholder who wishes to put forward proposals at a general meeting of the Company shall submit such proposals to the Board in writing for the Board’s consideration either via mail to the Company’s principal place of business in Hong Kong or via email not less than 15 business days prior to the date of the general meeting. The mail address and email address are set out in the subsection headed “Contact Details” below.

## CORPORATE GOVERNANCE REPORT

### Putting Forward Enquiries to the Board

For enquiries about shareholdings, share registration and related matters, Shareholders shall direct their enquiries to the Company's Hong Kong branch share registrar and the contact details are set out as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Email: [is-enquiries@vistra.com](mailto:is-enquiries@vistra.com)

Telephone: (852) 2980 1333

Fax: (852) 2810 8185

For any other enquiries to be brought to the attention of the Board, Shareholders shall send their written enquiries to the Company either via mail to the Company's principal office in Hong Kong or via email. The mail address and email address are set out in the subsection headed "Contact Details" below.

### Contact Details

Shareholders can send their proposals and enquiries as mentioned above to the Company as follows:

Address: 9A, Bamboos Centre, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong (For the attention of the Board of Directors)

Email: [info@yohohongkong.com](mailto:info@yohohongkong.com)

Telephone: (852) 3001 1077

Fax: (852) 3011 3130

For the avoidance of doubt, Shareholder(s) must deposit and send the duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

The Company will not normally deal with verbal or anonymous enquiries.

# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

The general meetings of the Company provide a forum for communication between the Board and the Shareholders. The Chairman of the Board and the chairmen of the Nomination Committee, the Remuneration Committee, the Audit Committee and the Strategy and Investment Committee (or their delegates) will make themselves available at the annual general meetings to meet Shareholders and answer their enquiries. The annual general meeting of the Company for the Reporting Period (the "AGM") will be held on Friday, 30 August 2024 and the notice of AGM will be sent to Shareholders of the Company at least 21 days before the AGM.

To promote effective communication, the Company maintains a website at [www.yohohongkong.com](http://www.yohohongkong.com) where up-to-date information and updates on the Company's financial information, corporate governance practices and other information are posted.

### Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

#### (a) Corporate Communication

The Company has adopted and issued a new arrangement for Corporate Communications, which took effect on 28 March 2024. Pursuant to the amended Rule 2.07A of the Listing Rules and the Company's Articles of Association, the Company will disseminate its Corporate Communications to Shareholders electronically and only send Corporate Communications in printed form to Shareholders upon request. "Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company's website ([www.yohohongkong.com](http://www.yohohongkong.com)) in a timely manner as required by the Listing Rules. Details of the arrangements (i) for dissemination of Corporate Communications and (ii) for requesting printed copy of Corporate Communications and Actionable Corporate Communications are published under the section "Corporate News" in the Company's website ([www.yohohongkong.com](http://www.yohohongkong.com)).

## CORPORATE GOVERNANCE REPORT

**(b) Announcements and Other Documents pursuant to the Listing Rules**

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website and Company's website in a timely manner in accordance with the Listing Rules.

**(c) Corporate Website**

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website.

**(d) Shareholders' Meetings**

The AGM and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

**(e) Shareholders Enquiries**

***Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company***

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: [info@yohohongkong.com](mailto:info@yohohongkong.com) or by post to 9A, Bamboos Centre, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

**(f) Other Investor Relations Communication Platforms**

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a required basis.



# CORPORATE GOVERNANCE REPORT

## CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted an amended and restated Memorandum and Articles of Association by a special resolution passed on 20 May 2022 and which became effective on the Listing Date. An up-to-date version of the Company's Memorandum and Articles of Association is also available on the Company's website and the Stock Exchange's website. Save as disclosed above, there was no change in the constitutional documents of the Company during the Reporting Period and up to the date of this annual report.

## DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

The Board shall review the Dividend Policy as and when necessary.

Declaration and payment of any dividends would require the recommendation of our Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to the Shareholders' approval, but no dividend shall be declared in excess of the amount recommended by the Board. A decision to declare or to pay any dividend in the future, and the amount of any dividend, depend on a number of factors, including the actual and expected results of operations, financial condition, the payment of cash dividends by our subsidiaries to us, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions of the Company, and other factors which our Board deems to be relevant. There is no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Company in the future.

## REPORT OF THE DIRECTORS

The Board is pleased to present their annual report together with the audited consolidated financial statements for the Reporting Period.

### REGISTERED OFFICE

The Company is a company incorporated registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands and has its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

### PRINCIPAL ACTIVITIES

The principal activities of our Group are (i) provision of both online and offline e-commerce retail services and (ii) offline wholesale and trading of consumer electronics and home appliances. The principal activities of its major subsidiaries are detailed in note 34 to the consolidated financial statements.

### BUSINESS REVIEW

The business review of our Group for the Reporting Period is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” from pages 6 to 8 and pages 13 to 27 of this annual report, respectively. Description of the principal risks and uncertainties that our Group faces is set out in the section headed “Principal Risks and Uncertainties” on page 24 of this annual report.

### RELATIONSHIPS WITH STAKEHOLDERS

Our Group understands that it is important to maintain a good relationship with its business partners, customers, suppliers and merchants to achieve its long-term goals. Accordingly, our management have maintained a solid communication channel and shared business updates with them when appropriate. This communication provides valuable feedback for our business and assists us to understand stakeholders’ needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

An account of the Company’s relationships with its talents is set out in the sections headed “Management Discussion and Analysis” from page 13 and “Environmental, Social and Governance Report” from pages 28 to 63 of this annual report.

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, our Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by our Group.

### CHANGES TO DIRECTORS’ INFORMATION

During the Reporting Period and up to the date of this annual report, save as disclosed in this annual report, there had been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## REPORT OF THE DIRECTORS

### DIRECTORS' EMOLUMENT

Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 11 to the consolidated financial statements in this annual report.

### ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Our Group recognises its corporate responsibility to promote environmental and social sustainability and has therefore taken up various initiatives with a view to reducing energy consumption, food and paper waste. Through the initiatives taken to control electricity consumption by using energy-efficient retrofits and air-conditioning and lighting control measures in workplaces, we have seen continued improvement in reducing the use of electricity.

Going forward, our Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in our Group's daily operation of our Group's business and also continue to promote environmental practices and social sustainability through various initiatives consistent with its policies and relevant laws and regulations.

In addition, discussion on our Group's environmental policies and performance are contained in the section headed "Environmental, Social and Governance Report" on pages 28 to 63 of this annual report.

### CONSOLIDATED FINANCIAL STATEMENTS

The financial performance of our Group for the Reporting Period and the financial position of our Group as at that date are set out in the consolidated financial statements from pages 114 to 116 of this annual report.

### ANALYSIS ON FINANCIAL PERFORMANCE

An analysis of the Group's performance during the Reporting Period is set out in the sections headed "Financial Highlights", "Operational Highlights" and "Management Discussion and Analysis" on page 4, page 5 and from pages 13 to 27 of this annual report, respectively.

### DIVIDENDS

The Board has recommended the declaration of a final dividend of HK\$0.030 per Share for FY23/24 (FY22/23: HK\$0.024) representing a total amount of HK\$14,934,660, subject to the approval of shareholders of the Company at the forthcoming annual general meeting to be held on Friday, 30 August 2024. The proposed final dividend will be paid to the Shareholders on or about Friday, 27 September 2024 whose names appear on the Company's register of members on Wednesday, 11 September 2024.

## REPORT OF THE DIRECTORS

### CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend and vote at the 2024 AGM, and the eligible Shareholders' entitlement to the proposed final dividend, the Register of Members will be closed as appropriate as set out below:

- (i) For determining the Shareholders' eligibility to attend and vote at the 2024 AGM:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Friday, 23 August 2024
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Closure of the Register of Members	Monday, 26 August 2024 to Friday, 30 August 2024 (both days inclusive)
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Record Date	Friday, 30 August 2024
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- (ii) Subject to the passing of the final dividend proposal agenda at the 2024 AGM, for determining the eligible Shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Thursday, 5 September 2024
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Closure of the Register of Members	Friday, 6 September 2024 to Wednesday, 11 September 2024 (both days inclusive)
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Record Date	Wednesday, 11 September 2024
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For purposes mentioned above, all properly completed transfer form(s) accompanied by the relevant share certificate(s) must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in note 25 to the consolidated financial statements. Shares were issued during the year on the exercise of share options. Details on the issuance of shares are also set out in note 25 to the consolidated financial statements. The Group has repurchased some shares during the year.

## REPORT OF THE DIRECTORS

### EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed “Share Option Scheme” as set out on pages 98 to 106 of this annual report, no equity-linked agreement was entered into by our Group during the Reporting Period or subsisted at the end of the Reporting Period.

### DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2024, calculated in accordance with the provision of Part 6 of Companies Ordinances (Cap. 622) of the laws of Hong Kong, amounted to approximately HK\$46.0 million (2023: approximately HK\$35.6 million).

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2024 are set out in note 14 to the consolidated financial statements.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

### BORROWINGS

The Group had no outstanding borrowings as at 31 March 2024.

### LOAN AND GUARANTEE

During the year ended 31 March 2024, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the controlling Shareholders or their respective connected persons.

### SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report and based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

# REPORT OF THE DIRECTORS

## TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

## DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

### Executive Directors

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)

Ms. Tsui Ka Wing (*Chief Operating Officer*)

### Non-executive Directors

Mr. Man Lap

Mr. Hsieh Wing Hong Sammy

Mr. Adamczyk Alexis Thomas David (*resigned on 2 February 2024*)

### Independent non-executive Directors

Dr. Qian Sam Zhongshan

Mr. Chan Shun (*resigned on 31 July 2023*)

Mr. Ho Yun Tat

Dr. Leung Shek Ling Olivia (*appointed on 31 July 2023*)

In accordance with Article 16.19 of the Articles of Association, Ms. Tsui Ka Wing, Mr. Man Lap and Dr. Qian Sam Zhongshan will retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, have offered themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either the executive Director or the Company. Each of Mr. Man Lap, Mr. Hsieh Wing Hong Sammy, Dr. Qian Sam Zhongshan and Mr. Ho Yun Tat has entered into a letter of appointment with the Company for a term of one year commencing from the Listing Date and entered into a letter of renewal with the Company for a term of one year commencing from 10 June 2023, which may be terminated by not less than one month's notice in writing served by either party on the other. The term shall thereafter continue on a month to month basis unless otherwise agreed by the Director and the Company. Dr. Leung Shek Ling Olivia has entered into a letter of appointment with the Company for a term of one year commencing from 31 July 2023, which may be terminated by not less than one month's notice in writing served by either party on the other. The term shall thereafter continue on a month to month basis unless otherwise agreed by Dr. Leung and the Company.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under note 26 to the consolidated financial statements, no transaction, arrangement nor contract of significance in relation to our Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

## REPORT OF THE DIRECTORS

### CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance was entered into between the Company or any of its subsidiaries and the controlling Shareholders of the Company or any of its subsidiaries during the Reporting Period or subsisted at the end of the Reporting Period and up to the date of this annual report, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder of the Company or any of its subsidiaries was entered into during the Reporting Period or subsisted at the end of the Reporting Period and up to the date of this annual report.

### BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on pages 64 to 66 of this annual report.

### PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director may be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a director in defending any proceedings whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company had arranged appropriate directors' liability insurance coverage for the Directors as at the date of this annual report.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director/chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Wu <sup>(Notes 1,3)</sup>	Interest in a controlled corporation	168,003,522 (Long position)	33.75%
	Interest of spouse	145,938,186 (Long position)	29.32%
	Beneficial interest	8,014,000 (Long position)	1.61%
Ms. Tsui <sup>(Notes 2,3)</sup>	Interest in a controlled corporation	140,938,186 (Long position)	28.31%
	Interest of spouse	176,017,522 (Long position)	35.36%
	Beneficial interest	5,000,000 (Long position)	1.00%

## REPORT OF THE DIRECTORS

Name of Director/chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Man <i>(Note 4)</i>	Beneficial Interest	4,454,160 (Long position)	0.89%
Mr. Hsieh <i>(Note 5)</i>	Interest in controlled corporation	2,877,598 (Long position)	0.58%
	Beneficial interest	560,000 (Long position)	0.11%
Mr. Ho Yun Tat <i>(Note 6)</i>	Beneficial interest	560,000 (Long position)	0.11%
Dr. Qian Sam Zhongshan <i>(Note 6)</i>	Beneficial interest	560,000 (Long position)	0.11%
Dr. Leung Shek Ling Olivia <i>(Note 6)</i>	Beneficial interest	448,000 (Long position)	0.09%

### Notes:

- The Mearas Venture Limited (the "**Mearas Venture**"), which is wholly-owned by Mr. Wu, is interested in 168,003,522 Shares. Under the SFO, Mr. Wu is deemed to be interested in the 168,003,522 Shares held by the Mearas Venture. Mr. Wu is also beneficially interested in 8,014,000 Shares (including the 5,000,000 share options granted to Mr. Wu by the Company on 21 July 2023).
- The Wings Venture Limited (the "**Wings Venture**"), which is wholly-owned by Ms. Tsui, is interested in 140,938,186 Shares. Under the SFO, Ms. Tsui is deemed to be interested in the 140,938,186 Shares held by the Wings Venture. Ms. Tsui is also beneficially interested in 5,000,000 Shares (representing the share options granted to Mr. Tsui by the Company on 21 July 2023).
- Mr. Wu is the spouse of Ms. Tsui, and therefore Mr. Wu is deemed to be interested in 145,938,186 Shares held by Ms. Tsui, representing the aggregate of Ms. Tsui's interests via the Wings Venture (i.e. 140,938,186 Shares) and her personal beneficial interests (i.e. 5,000,000 Shares) in the Company.

Similarly, Ms. Tsui is deemed to be interested in 176,017,522 Shares held by Mr. Wu, representing the aggregate of Mr. Wu's interests via the Mearas Venture (i.e. 168,003,522 Shares) and his personal beneficial interests (i.e. 8,014,000 Shares) in the Company. As a result, each of Mr. Wu and Ms. Tsui is deemed to be interested in a total of 321,955,708 Shares, representing approximately 64.67% interest of the total issued share capital of our Company as at 31 March 2024..

- In addition to his direct interests in our Company, Mr. Man is indirectly interested in the issued share capital of our Company via Beyond Ventures Vehicle, which is interested in 35,676,935 Shares. 3 Musketeers Limited, which is owned by Mr. Man and his spouse, Ms. Ma Siu Yan Sandra, as to 50% and 50%, respectively, is (i) one of the shareholders of Beyond I Capital Limited (being the general partner of Beyond Ventures) as to approximately 14.3%, (ii) one of the limited partners and strategic partners of Beyond Ventures which directly owned a total of approximately 8.34% partnership interest (comprising approximately 3.69% partnership interest as limited partner and approximately 4.65% partnership interest as strategic partner, among which approximately 2.18% strategic partnership interest was in respect of our Group and approximately 2.47% strategic partnership interest was in respect of other investment projects invested by Beyond Ventures), and (iii) one of the shareholders of Beyond I Special Capital Limited (being a limited partner of Beyond Ventures which owned approximately 5.35% of limited partnership interest of Beyond Ventures) as to 14.29%. For further details, please see the section headed "History, Reorganisation and Corporate Structure – Pre-IPO Investment – Public Float" in the Prospectus. Mr. Man's beneficial interests include 560,000 share options granted under the Share Option Scheme.



## REPORT OF THE DIRECTORS

5. Triple Gold Enterprise Limited, which is ultimately and wholly beneficially owned by Mr. Hsieh, is interested in 2,877,598 Shares. Under the SFO, Mr. Hsieh is deemed to be interested in the 2,877,598 Shares held by Triple Gold Enterprise Limited. Mr. Hsieh's beneficial interests relate to 560,000 share options granted under the Share Option Scheme.
6. These personal interests represented the share options granted to the respective directors under the Share Option Scheme.
7. For details of the share options granted to the Directors, please refer to the section headed "Other information – Share Option Scheme" of this report.

Save as disclosed above, as at 31 March 2024, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## REPORT OF THE DIRECTORS

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

To the best knowledge and information of the Directors after having made all reasonable enquiries, as at 31 March 2024, the following persons (other than the Directors and chief executives of the Company) had interests in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of substantial Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding
The Mearas Venture	Beneficial Interest	168,003,522 (Long position)	33.7%
The Wings Venture	Beneficial Interest	140,938,186 (Long position)	28.3%
Beyond Ventures Vehicle <sup>(Note 1)</sup>	Beneficial Interest	35,676,935 (Long position)	7.2%
Beyond Ventures <sup>(Note 1)</sup>	Interest in controlled corporation	35,676,935 (Long position)	7.2%
Beyond I Capital Limited <sup>(Note 1)</sup>	Interest in controlled corporation	35,676,935 (Long position)	7.2%

*Note:*

- Beyond Ventures Vehicle is wholly-owned by Beyond Ventures, which is an exempted limited partnership registered in the Cayman Islands with (i) Beyond I Capital Limited as its general partner, which is in turn owned by Expand Ocean Limited as to approximately 28.6%, Mr. Fang Yan Zau Alexander as to approximately 28.6%, 3 Musketeers Limited as to approximately 14.3%, Billion Eggs Limited as to approximately 14.2% and Decent Global Limited as to approximately 14.3%, and (ii) various high net worth individuals and institutional and corporate investors as its limited partners and strategic partners. No limited partner or strategic partner has contributed more than one third of the capital to Beyond Ventures. Under the SFO, Beyond Ventures (as the sole shareholder of Beyond Ventures Vehicle) and Beyond I Capital Limited (as the general partner of Beyond Ventures) are deemed to be interested in the 35,676,935 Shares held by Beyond Ventures Vehicle.

Save as disclosed above, as at 31 March 2024, the Directors and chief executives of the Company were not aware of any other persons (other than the Directors and chief executives of the Company) who had interests in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

# REPORT OF THE DIRECTORS

## SHARE OPTION SCHEME

On 20 May 2022, the Company conditionally adopted the Share Option Scheme the principal terms of which are set out below:

### (a) Purpose

The purpose of the Share Option Scheme is to enable our Group to (1) recognise and acknowledge the contributions that eligible participants have (or may have) made or may make to our Group (whether directly or indirectly); (2) attract and retain and appropriately remunerate the best possible quality of employees and other eligible participants; (3) motivate the eligible participants to optimise their performance and efficiency for the benefit of our Group; (4) enhance its business, employee and other relations; and/or (5) retain maximum flexibility as to the range and nature of rewards and incentives which our Group can offer to eligible participants.

### (b) Eligible participants

Eligible participants mean (1) any employee or officer employed by any member of our Group or an affiliate (whether full time or part time) and any of his/her close associates; (2) any director or proposed director of any member of our Group or any company which is an affiliate and their respective close associates; and (3) any consultant, professional, customer, supplier, agent, franchisee, partner, advisor or contractor of any member of our Group or any of the affiliates and their respective close associates, who the Board in its absolute discretion determines to be qualified to be (or, where applicable, to continue to be qualified to be) an eligible participant.

### (c) Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 50,000,000 Shares) (the “**Scheme Mandate Limit**”) and representing 10% of the total issued shares of the Company as at the date of this annual report. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Scheme Mandate Limit may be refreshed if so approved by our Shareholders at general meeting from time to time provided always that the Scheme Mandate Limit so refreshed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by our Shareholders at general meeting. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time.

As no share options were granted since the adoption of the Share Option Scheme and up to the end of the reporting period, the number of options available for grant under the Share Option Scheme at the end of the reporting period was 50,000,000 Shares.

## REPORT OF THE DIRECTORS

### (d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options already granted or to be granted to any grantee (including exercised, cancelled and outstanding options) under the Share Option Scheme, in any 12-month period up to and including the date of such grant shall not exceed 1% of the Shares in issue.

### (e) Period within which the Shares must be taken up under an option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the commencement date subject to the provisions of early termination thereof.

### (f) Minimum period for which an option must be held before it can be exercised

The Board may in its absolute discretion and in accordance with the Listing Rules set a minimum period for which an option must be held and performance targets that must be achieved before an option can be exercised.

### (g) Time of acceptance and the amount payable on acceptance of the option

An offer shall be deemed to have been accepted when the Company receives a duplicate offer letter duly signed from the grantee together with a remittance of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof.

### (h) Basis of determining the exercise price

The exercise price in respect of any particular option shall be a price determined by the Board and stated in the offer letter, and shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and (iii) the nominal value of a Share prevailing on the date of the offer.

### (i) Life of the Share Option Scheme

The Share Option Scheme became unconditional on the Listing Date and shall be valid and effective for a period of ten years commencing therefrom, subject to the early termination provisions contained in the Share Option Scheme. All options granted and accepted and remaining unexercised immediately prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme. Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during the Reporting Period and up to the date of this annual report and there was no outstanding option as at 31 March 2023 and as at the date of this annual report.

On 21 July 2023, the Company granted share options under the Share Option Scheme under which the option holders are entitled to acquire an aggregate of 12,800,000 shares of the Company. Pursuant to the terms of the Share Option Scheme, the options granted are not subject to performance targets nor clawback mechanism. Among the total 12,800,000 share options, 12,800,000 share options are subject to shareholders' approval. For details, please see the Company's announcement dated 21 July 2023.

## REPORT OF THE DIRECTORS

On 22 September 2023, the Company granted share options under the Share Option Scheme under which the option holders are entitled to acquire an aggregate of 14,504,000 shares of the Company. Pursuant to the terms of the Share Option Scheme, the options granted are not subject to performance targets nor clawback mechanism. For details, please see the Company's announcement dated 22 September 2023.

The remuneration committee of the Board (the "**Remuneration Committee**") considered that the performance targets are not necessary for the options granted during the Reporting Period as (i) the value of the options is subject to the future market price of the shares of the Company, which, in turn, depends on the business performance of the Group, to which the grantees would directly contribute, and the grantees will benefit more from the options if the share price increases; and (ii) the options are subject to the vesting periods as stated below and may lapse where the grantee cease to qualify as an eligible participant under the Share Option Scheme, and that such mechanisms would motivate the grantees to be retained for continued contribution to the Group's development.

In addition, the Remuneration Committee considered that a clawback mechanism is not necessary for the options granted during the Reporting Period, having considered that the lapse and cancellation of options under various scenarios has already been provided for under the Share Option Scheme, which could adequately safeguard the Company's interests. The Remuneration Committee believed that, even without additional performance target and clawback mechanism, the grant of the options could align the interests of the grantees with that of the Company and its Shareholders as a whole (in particular, it would serve to incentivise and reinforce the long-term commitment and devotion of the grantees towards the future development, results of operation and growth of the Group) which is in line with the purpose of the Share Option Scheme.

Save as disclosed above, there were no other material matters relating to the Share Option Scheme that were required to be reviewed for approval by the Remuneration Committee during the Reporting Period in accordance with Rule 17.07A of the Listing Rules.

## REPORT OF THE DIRECTORS

The following table discloses movements in the share options under the Share Option Scheme of the Company during the Reporting Period.

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing	Value of the options granted <sup>(3)</sup> (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period <sup>(6)</sup>	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2024)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
				price of the securities immediately before the date on which the options were granted (HK\$)							
Mr. Wu Faat Chi (Chairman, Chief Executive Officer, Executive Director and Substantial Shareholder of the Company)	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Ms. Tsui Ka Wing (Executive Director, Chief Operating Officer and Substantial Shareholder of the Company)	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00

## REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted <sup>(9)</sup> (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period <sup>(8)</sup>	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2024)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Man Lap (Non-executive Director of the Company)	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Mr. Hsieh Wing Hong Sammy (Non-executive Director of the Company)	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00

## REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted <sup>(9)</sup> (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period <sup>(8)</sup>	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2024)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Adamczyk Alexis Thomas David (Non-executive Director of the Company, resigned on 2 February 2024)	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	80,000	0.77	11,154	-	80,000	-	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Dr. Qian Sam Zhongshan (Independent Non-executive Director of the Company)	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00



## REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted <sup>(9)</sup> (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period <sup>(6)</sup>	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2024)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Ho Yun Tat (Independent Non-executive Director of the Company)	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Dr. Leung Shek Ling Olivia (Independent Non-executive Director of the Company)	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.00
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.50
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.00
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.50
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.00

## REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted <sup>(9)</sup> (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period <sup>(8)</sup>	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2024)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.50
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	4.00
Other grantees (being other employees of the Group)	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.00
	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.50
	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.00
	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.50
	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.00
	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.50
	22 September 2023	-	2,008,000	0.68	161,515	-	104,000	1,904,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	4.00
<b>Total</b>		-	<b>27,304,000</b>		<b>3,384,693</b>	-	<b>1,288,000</b>	<b>26,016,000</b>			

## REPORT OF THE DIRECTORS

### Notes:

- Save as disclosed above, no share option was granted to (i) the associates of the directors, substantial shareholders and chief executives of the Group; (ii) participants with options granted and to be granted in excess of 1% of the ordinary shares of the Company in issue; (iii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iv) service providers of the Group (including the suppliers of goods and services of the Group) under the Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.
- Except for the vesting period, there is no minimum holding period before exercise of the option.
- During the year ended 31 March 2024, 12,800,000 and 14,504,000 share options were offered to and accepted by directors and employees of the Group on 21 July and 22 September 2023, respectively. The share options offered on 21 July 2023 were approved by independent shareholders under specific mandate in the Company's annual general meeting on 31 August 2023. The dates of grant of the share options were 31 August and 22 September 2023. The closing prices of the Company's share options immediately before the dates of grant were HK\$0.71 and HK\$0.66, respectively. The fair values of the share options determined at the dates of grant were HK\$2,199,000 and HK\$1,186,000, respectively.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During the Reporting Period, the Group recognised the total expense of approximately HK\$1,075,000 (2023: nil) in relation to share options granted by the Company.

For the details, please refer to the note 27 of the consolidated financial statements in this report.

- The share option, being granted to such grantee(s) on 31 August 2023 shall be vested according to the following schedule:

Percentage of Post-IPO Option to be vested	Vesting Date
25%	21 July 2024
25%	21 July 2025
25%	21 July 2026
25%	21 July 2027

- The share option, being granted to such grantee(s) on 22 September 2023 shall be vested according to the following schedule:

Percentage of Post-IPO Option to be vested	Vesting Date
25%	22 September 2024
25%	22 September 2025
25%	22 September 2026
25%	22 September 2027

- During the Reporting Period, a total of 1,288,000 share option was lapsed.
- As at the date of the annual report, the total number of shares of the Company available for issue under the Share Option Scheme (including the above options outstanding not yet exercised) was 50,000,000, representing approximately 10.0% of the issued share capital of the Company as of the date thereof.

As of 1 April 2023, the number of options available for grant under the Share Option Scheme was 50,000,000. After the grant of options of an aggregate of 27,304,000 and lapsed of options of an aggregate of 1,288,000 during the Reporting Period, the number of options available for grant as of 31 March 2024 was 23,984,000. The number of shares to be issued pursuant to the options granted (i.e. 26,016,000) under the Share Option Scheme of the Company during the Reporting Period divided by the weighted average number of shares issued during the Reporting Period is 5.2%.

## REPORT OF THE DIRECTORS

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Share Option Scheme" above, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors and/or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors and their respecting close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

### EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the CG code, our Company has established the Remuneration Committee to formulate remuneration policies. Directors and senior management members who receive remuneration from our Company are paid in forms of salaries, allowances, discretionary bonuses and other benefits in kind. The remuneration of our Directors and senior management members is determined with reference to their experience, duties and performance and the salaries of comparable companies. Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 11 to the consolidated financial statements in this annual report.

### MANAGEMENT CONTRACTS

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

### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of turnover and purchase for the Reporting Period attributable to the Group's five largest customers and suppliers is less than 30% of total turnover and purchase for the Reporting Period, respectively, and therefore no disclosures with regard to major customers and suppliers are made.

### CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had not entered into any connected transaction or continued connected transactions during the Reporting Period and up to the date of this annual report, which is required to be disclosed under Chapter 14A of the Listing Rules.

To the best knowledge of the Directors, save as disclosed under note 26 to the consolidated financial statements, there was no other related party transaction during the Reporting Period.

# REPORT OF THE DIRECTORS

## CORPORATE GOVERNANCE

The Board has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) throughout the Reporting Period.

In the opinion of the Directors, save for the deviation from the code provision C.2.1 disclosed in the subsection headed “Chairman and Chief Executive Officer” in the Corporate Governance Report of this annual report, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period up to the date of this annual report.

The corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 67 to 88 of this annual report.

## RETIREMENT SCHEME

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

The Group’s contributions under the MPF Scheme are expensed as incurred and will not be reduced by contributions forfeited by those employees who leave the defined contribution plans prior to vesting fully in the contributions.

Particulars of the MPF scheme are set out in note 28 to the consolidated financial statements.

## AUDITOR

The consolidated financial statements for the Reporting Period have been audited by Deloitte Touche Tohmatsu, who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

## REPORT OF THE DIRECTORS

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

On behalf of the Board

**Wu Faat Chi**

*Chairman and Executive Director*

Hong Kong, 27 June 2024

## INDEPENDENT AUDITOR'S REPORT

# Deloitte.

# 德勤

### To the Shareholders of Yoho Group Holdings Limited

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Yoho Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 114 to 167, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT

### Key audit matter

#### Valuation of Inventories

We identified valuation of inventories as a key audit matter due to the use of judgment and estimates by management in identifying slow-moving inventories and estimating the allowance for inventories.

The Group makes allowance for inventories based on an assessment of the net realisable value of inventories after the consideration of the current market conditions, product life cycle, marketing and promotion plans, historical sales records, ageing analysis and subsequent sales of the inventories.

As set out in note 16 to the consolidated financial statements, the Group had inventories of HK\$84,351,000 (net of accumulated allowance of inventories of HK\$3,212,000) as at 31 March 2024. During the year, the Group recognised allowance for inventories of HK\$1,657,000 (2023: HK\$94,000).

### How our audit addressed the key audit matter

Our procedures in relation to the valuation of inventories included:

- Understanding and assessing the reasonableness of the Group's inventory provision policy;
- Obtaining an understanding of the key controls of the Group in relation to identification of slow-moving inventories and preparation of ageing analysis of inventories for estimation of allowance for inventories;
- Testing the ageing analysis of the inventories, on a sample basis, to the source documents;
- Discussing with the management on their basis and judgment in the assessment of slow-moving inventories; and
- Assessing the reasonableness, on a sample basis of the estimation of the net realisable value of inventories with reference to the recent selling prices of inventories.

## OTHER INFORMATION

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

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

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



## INDEPENDENT AUDITOR'S REPORT

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Leung Po Shan.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

27 June 2024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	841,148	855,076
Cost of goods sold		(719,315)	(723,876)
		121,833	131,200
Other income	6	8,870	6,243
Other gains and losses	7	(4)	(2,139)
Selling and distribution expenses		(66,585)	(76,456)
Administrative expenses		(36,535)	(35,697)
Listing expenses		–	(12,483)
Finance costs	8	(1,211)	(872)
Profit before taxation		26,368	9,796
Income tax expense	9	(4,064)	(3,493)
Profit and total comprehensive income for the year		22,304	6,303
Earnings per share –			
Basic (HK cents)	13	4.46	1.31
Diluted (HK cents)		4.46	1.31

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	14	7,448	10,814
Right-of-use assets	15	22,335	26,880
Intangible asset		210	–
Deposits	18	5,498	5,480
Deferred tax assets	9	92	–
		<b>35,583</b>	43,174
<b>Current assets</b>			
Inventories	16	84,351	75,140
Trade receivables	17	9,785	7,016
Other receivables, deposits and prepayments	18	12,044	9,959
Tax recoverable		–	380
Short-term bank deposits with over 3 months maturity	19	101,647	80,709
Pledged bank deposits	19	1,300	1,323
Cash and cash equivalents	19	127,942	129,234
		<b>337,069</b>	303,761
<b>Current liabilities</b>			
Trade payables	20	49,974	31,339
Other payables and accruals	21	8,922	7,582
Contract liabilities	22	11,809	12,971
Lease liabilities	23	8,943	7,178
Tax liabilities		347	–
		<b>79,995</b>	59,070
<b>Net current assets</b>		<b>257,074</b>	244,691
<b>Total assets less current liabilities</b>		<b>292,657</b>	287,865

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	23	17,852	22,835
Deferred tax liabilities	9	–	169
		<b>17,852</b>	23,004
<b>Net assets</b>			
		<b>274,805</b>	264,861
<b>Capital and reserves</b>			
Share capital	25	388	390
Reserves		274,417	264,471
<b>Total equity</b>		<b>274,805</b>	264,861

The consolidated financial statements on pages 114 to 167 were approved and authorised to issue by the board of directors on 27 June 2024 and are signed on its behalf by:

**WU Faat Chi**  
DIRECTOR

**TSUI Ka Wing**  
DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (note)	Share-based payment reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2022	142	-	49,259	-	29,345	78,746
Profit and total comprehensive income for the year	-	-	-	-	6,303	6,303
Conversion of convertible redeemable preferred shares (note 24)	12	71,036	-	-	-	71,048
Capitalisation issue (note 25)	193	(193)	-	-	-	-
Issue of shares under the initial public offerings (the "IPO") (note 25)	43	115,457	-	-	-	115,500
Transaction costs attributable to the IPO	-	(8,725)	-	-	-	(8,725)
Shareholder's contribution in equity-settled share-based expenses (note 27)	-	-	1,989	-	-	1,989
At 31 March 2023	390	177,575	51,248	-	35,648	264,861
Profit and total comprehensive income for the year	-	-	-	-	22,304	22,304
Dividend declared (note 12)	-	-	-	-	(12,000)	(12,000)
Recognition of equity-settled share-based expenses (note 27)	-	-	-	1,075	-	1,075
Repurchase and cancellation of ordinary shares (note 25)	(2)	(1,433)	-	-	-	(1,435)
At 31 March 2024	388	176,142	51,248	1,075	45,952	274,805

Note: Other reserve represents the difference between the amount of share capital and share premium of the Company issued, and the combined share capital of certain subsidiaries of the Group in connection with the Group reorganisation completed in 2021 and also the shareholder's contribution in the equity-settled share-based expenses.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	26,368	9,796
Adjustments for:		
Finance costs	1,211	872
Bank interest income	(8,834)	(3,999)
Depreciation of property, plant and equipment	3,444	2,967
Depreciation of right-of-use assets	10,295	9,151
Provision of impairment loss on inventories, net of reversal	1,657	94
Fair value change in convertible redeemable preferred shares	–	2,261
Equity-settled share-based expenses	1,075	1,989
Operating cash flows before movements in working capital	35,216	23,131
(Increase) decrease in trade receivables	(2,769)	685
Increase in other receivables, deposits and prepayments	(2,103)	(2,168)
Increase in inventories	(10,868)	(8,952)
Increase (decrease) in trade payables	18,635	(6,755)
Increase (decrease) in other payables and accruals	1,164	(9,363)
Decrease in contract liabilities	(1,162)	(2,001)
Cash generated from (used in) operations	38,113	(5,423)
Income taxes paid	(3,598)	(5,340)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>34,515</b>	<b>(10,763)</b>
<b>INVESTING ACTIVITIES</b>		
Payment for the addition to intangible asset	(210)	–
Placement of short-term bank deposits	(202,288)	(381,359)
Placement of pledged bank deposits	(2,633)	(1,323)
Purchase of property, plant and equipment	(78)	(7,974)
Withdrawal of short-term bank deposits	181,350	300,650
Interest received	8,834	3,999
Withdrawal of pledged bank deposits	2,656	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(12,369)</b>	<b>(86,007)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(11,824)	–
Repayments of leases liabilities and related finance cost	(10,179)	(8,607)
Repurchase of ordinary shares	(1,435)	–
Share issue costs paid	–	(7,145)
Proceeds from the IPO	–	115,500
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(23,438)</b>	<b>99,748</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,292)</b>	<b>2,978</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>129,234</b>	<b>126,256</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>127,942</b>	<b>129,234</b>
Represented by:		
Cash and cash equivalents	127,942	129,234

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 1. GENERAL INFORMATION

Yoho Group Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands. The shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the Company’s registered office and the principal place of business are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company and the operating subsidiaries, as disclosed in note 34, are principally engaged in sales of consumer electronics and home appliances and lifestyle products.

The ultimate controlling shareholders of the Company are Mr. Wu Faat Chi (“**Mr. Wu**”) and Ms. Tsui Ka Wing (“**Ms. Tsui**”), spouse of Mr. Wu (collectively referred as “**Controlling Shareholders**”) who owned a total of 62.0% equity interests in the Company through their respective wholly-owned investment holding companies incorporated in the British Virgin Islands (the “**BVI**”), namely The Mearas Venture Limited (“**The Mearas Venture**”), which is owned by Mr. Wu, and The Wings Venture Limited (“**The Wings Venture**”), which is owned by Ms. Tsui. The Controlling Shareholders are the founders of the group entities now comprising the Group and have been acting in concert on their ownerships and exercise their control collectively over the companies now comprising the Group.

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

#### 2.1 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has applied the amendments for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement. The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 3 to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

#### Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 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 HKFRSs issued by the HKICPA. 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. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

### 3.2 Material accounting policy information

#### Basis of consolidation

The consolidated financial statements incorporates 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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 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 and 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.

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.

#### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND 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 (sales of goods and award credits for customers under the Group's customer loyalty programme), 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.

##### Principal versus agent

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

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

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

#### Leases

##### Definition of a 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 "Leases" ("**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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### **Leases (Continued)**

##### **The Group as lessee**

##### ***Right-of-use assets***

The cost of right-of-use assets 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; 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.

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 “Financial Instruments” (“**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 liabilities***

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).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Leases (Continued)

##### The Group as lessee (Continued)

##### *Lease liabilities (Continued)*

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

The Group remeasures lease liabilities (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 assessment.

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

##### *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

##### **Retirement benefits costs**

Payments to the Mandatory Provident Fund Scheme (“**MPF Scheme**”) are charged as an expense when employees have rendered service entitling them to the contributions.

##### **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 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Equity-settled share-based payment transactions

##### Shares/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-based payments reserve). At the end of each reporting period, the Group revises its estimate 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, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and 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-based payment reserve will be transferred to retained profits.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

#### 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 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income 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 each 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Taxation (Continued)

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 each 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 each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

#### Property, plant and equipment

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

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

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

#### 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; 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average 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.

#### 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 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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.

#### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### *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 receivables, other receivables and deposits, short-term bank deposits, pledged bank deposits 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 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, and 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 assesses lifetime ECL for trade receivables.

For all other financial instruments, the Group assesses the loss allowance equal to 12-month ECL, unless when 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### **Financial instruments (Continued)**

##### **Financial assets (Continued)**

##### ***Derecognition of financial assets***

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

##### **Financial liabilities and equity**

##### ***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 a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

##### ***Financial liabilities***

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

##### ***Financial liabilities at amortised cost***

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

##### ***Derecognition of financial liabilities***

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make 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 on-going basis. Revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

#### **Estimated allowance for inventories**

The identification of aged inventories requires the use of judgment and estimates on the conditions and marketability of the inventories. The Group makes allowance for inventories based on an assessment of the net realisable value of inventories after the consideration of the current market conditions, products life cycle, marketing and promotion plans, historical sales records, ageing analysis and subsequent sales of the inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The carrying amount of inventories is HK\$84,351,000 (2023: HK\$75,140,000) (net of allowance of HK\$3,212,000 (2023: HK\$1,555,000)) as at 31 March 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 5. REVENUE AND SEGMENT INFORMATION

#### Revenue

#### Disaggregation of revenue from contracts with customers

	2024 HK\$'000	2023 HK\$'000
Direct merchant sales		
– Major appliances	180,943	139,998
– Kitchen appliances	79,936	93,587
– Mobile	133,212	85,128
– Digital entertainment	95,819	104,602
– Home appliances	152,598	160,490
– Beauty & personal care	81,067	115,980
– Computer	78,208	108,367
– Lifestyle	17,313	31,623
– Others	16,428	11,967
Revenue from direct merchandise sales	<b>835,524</b>	851,742
Provision of advertising services	4,974	3,252
Revenue from concessionaire sales	650	82
Total	<b>841,148</b>	855,076
Geographical markets:		
– Hong Kong	831,703	822,194
– The People's Republic of China (other than Hong Kong)	7,290	28,225
– Others	2,155	4,657
	<b>841,148</b>	855,076
Timing of revenue recognition:		
– A point in time	836,174	851,824
– Over time	4,974	3,252
	<b>841,148</b>	855,076

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Revenue (Continued)

##### Performance obligations for contracts with customers

###### *Direct merchandise sales*

The Group sells products directly to customers through its own retail outlets, internet sales and wholesale.

For sales of products to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the payment for transaction is due immediately. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

For sales of products through wholesale, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the wholesaler's specific location. Transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the wholesalers. The normal credit term is generally 30 days upon delivery.

###### *Provision of advertising services*

Revenue from the provision of advertising services is recognised over time over the period of service as the customers simultaneously receive and consume the benefits provided by the Group when the Group renders the service. Revenue is recognised for the service based on the contract price. The normal credit term is generally 30 days from the date of issue of invoice.

###### *Concessionaire sales*

The Group receives income from concessionaire sales from its marketplace platform. For concessionaire sales, the Group acts as an agent and is not the primary obligor, is not subject to inventory risk, and does not have latitude in establishing prices and selecting customers. Concessionaire sales is recognised on a net basis which is based on a fixed percentage of the sales amount, when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer's specific location.

###### **Customer loyalty programme**

The Group operates a customer loyalty programme for sales through the Group's retail stores and internet sales where customers are awarded points for purchases made to redeem as sales discounts in the future. The transaction price is allocated to the product and the award points on a relative stand-alone selling price basis. The customer loyalty award points expire every year and customers can redeem the award points any time before the specified expiration date. Revenue from the award points is recognised when the award points are redeemed or expired. Contract liabilities are recognised until the award points are redeemed by the award points holders or expired. The sales discounts is recognised and net to the revenue.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Transaction price allocated to the remaining performance obligation for contracts with customers

Contracts with customers with unsatisfied performance obligations, including customer loyalty programme, have original expected durations of one year or less. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts or customer loyalty programme are not disclosed.

#### Segment information

For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 3. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

#### Geographical information

The geographical information of the Group's revenue based on the location of the goods delivered and services rendered is disclosed above. The Group's non-current assets are all located in Hong Kong.

#### Information about major customers

None of the Group's customers contributed over 10% of the Group's total revenue for both years.

### 6. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Bank interest income	8,834	3,999
Government grants (Note)	36	2,244
	<b>8,870</b>	<b>6,243</b>

Note: During the year ended 31 March 2024, the Group recognised government grants of HK\$36,000, in respect of the Maternity Leave Pay Scheme (2023: HK\$2,244,000, in respect of Employment Support Scheme) launched by the Hong Kong government.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 7. OTHER GAINS AND LOSSES

	2024 HK\$'000	2023 HK\$'000
Fair value change in convertible redeemable preferred shares	–	(2,261)
Net foreign exchange (loss) gain	(4)	122
	(4)	(2,139)

### 8. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on lease liabilities	1,211	872

### 9. INCOME TAX EXPENSE/DEFERRED TAX LIABILITIES (ASSETS)

#### Income tax expense

	2024 HK\$'000	2023 HK\$'000
Current tax:		
– Hong Kong Profits Tax	4,043	3,401
Under provision in prior years – Hong Kong Profits Tax	282	72
Deferred tax (credit) charge	(261)	20
	4,064	3,493

Hong Kong Profits Tax for both years is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Group and at 16.5% on the estimated assessable profits above HK\$2,000,000. The profits of other subsidiaries not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

The Company's subsidiaries operating in Hong Kong are eligible for certain tax concessions. The maximum tax concessions eligible for each subsidiary is HK\$3,000 (2023: HK\$6,000) for the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 9. INCOME TAX EXPENSE/DEFERRED TAX LIABILITIES (ASSETS) (CONTINUED)

#### Income tax expense (Continued)

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

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	26,368	9,796
Tax charge at the Hong Kong Profits Tax rate of 16.5%	4,350	1,616
Tax effect of expenses not deductible for tax purpose	1,289	3,710
Tax effect of income not taxable for tax purpose	(1,686)	(1,728)
Under provision in prior years	282	72
Tax concession	(6)	(12)
Tax effect on two-tiered tax rate	(165)	(165)
Income tax expense for the year	4,064	3,493

#### Deferred tax liabilities (assets)

The following is the deferred tax liabilities (assets) recognised and movements thereon during the current and prior years.

	<b>Accelerated (decelerated) tax depreciation</b> HK\$'000
At 1 April 2022	149
Charge to profit or loss	20
At 31 March 2023	169
Credit to profit or loss	(261)
At 31 March 2024	<b>(92)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 10. PROFIT FOR THE YEAR

	2024 HK\$'000	2023 HK\$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration		
– Audit service	1,550	1,455
– Non-audit services	691	707
– Listing related services*	–	1,999
	<b>2,241</b>	4,161
Directors' emoluments (Note 11)	<b>3,807</b>	2,798
Other staff costs (excluding the directors' emoluments)		
– Salaries, allowances and other benefits	<b>32,391</b>	32,579
– Equity-settled share-based expenses	<b>294</b>	1,989
– Retirement benefits schemes contributions	<b>1,422</b>	1,350
Total staff costs	<b>37,914</b>	38,716
Depreciation of property, plant and equipment	<b>3,444</b>	2,967
Depreciation of right-of-use assets	<b>10,295</b>	9,151
Cost of inventories recognised as an expense (including allowance for provision of impairment loss on inventories of HK\$1,657,000 (2023: HK\$94,000), net of reversal)	<b>719,315</b>	723,876

\* Included in the listing expenses

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

#### (a) Directors' and the chief executive officer's emoluments

The emoluments paid or payable to the directors of the Company by the Group are as follows:

#### For the year ended 31 March 2024

Executive directors:	Mr. Wu HK\$'000 (Note a)	Ms. Tsui HK\$'000	Total HK\$'000
Fee	150	150	300
Salaries allowances and other benefits	816	816	1,632
Discretionary bonus	68	68	136
Equity-settled share-based expenses	327	327	654
Retirement benefits scheme contributions	18	18	36
	1,379	1,379	2,758

Non-executive directors:	Mr. Man Lap HK\$'000	Mr. Hsieh Wing Hong Sammy HK\$'000	Mr. Adamczyk Alexis Thomas David HK\$'000 (Note b)	Total HK\$'000
Fee	150	150	126	426
Equity-settled share-based expenses	28	28	–	56
Retirement benefits scheme contributions	8	8	6	22
	186	186	132	504

Independent non-executive directors:	Mr. Chan Shun HK\$'000 (Note c)	Mr. Ho Yun Tat HK\$'000 (Note d)	Dr. Qian Sam Zhongshan HK\$'000 (Note d)	Dr. Leung Shek Ling Olivia HK\$'000 (Note e)	Total HK\$'000
Fee	50	150	150	100	450
Equity-settled share-based expenses	–	28	28	15	71
Retirement benefits scheme contributions	3	8	8	5	24
	53	186	186	120	545

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

#### (a) Directors' and the chief executive officer's emoluments (Continued)

##### For the year ended 31 March 2023

<b>Executive directors:</b>	Mr. Wu HK\$'000 (Note a)	Ms. Tsui HK\$'000	Total HK\$'000
Fee	121	121	242
Salaries allowances and other benefits	817	817	1,634
Discretionary bonus	63	61	124
Retirement benefits scheme contributions	18	18	36
	1,019	1,017	2,036

<b>Non-executive directors:</b>	Mr. Man Lap HK\$'000	Mr. Hsieh Wing Hong Sammy HK\$'000	Mr. Adamczyk Alexis Thomas David HK\$'000 (Note b)	Total HK\$'000
Fee	121	121	121	363
Retirement benefits scheme contributions	6	6	6	18
	127	127	127	381

<b>Independent non-executive directors:</b>	Mr. Chan Shun HK\$'000 (Note c)	Mr. Ho Yun Tat HK\$'000 (Note d)	Dr. Qian Sam Zhongshan HK\$'000 (Note d)	Total HK\$'000
Fee	121	121	121	363
Retirement benefits scheme contributions	6	6	6	18
	127	127	127	381

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

#### (a) Directors' and the chief executive officer's emoluments (Continued)

*Notes:*

- (a) The director also acts as chief executive officer of the Company.
- (b) The director resigned as a non-executive director of the Company with effective on 2 February 2024.
- (c) The director was appointed as the independent non-executive director on 13 May 2022 and resigned with effective on 31 July 2023.
- (d) The director was appointed as the independent non-executive director on 13 May 2022.
- (e) The director was appointed as the independent non-executive director on 31 July 2023.

The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.

None of the directors nor chief executive waived or agreed to waive any emoluments during in any of the years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

#### (b) Five highest paid employees

The five highest paid individuals during the year included two directors (2023: two), whose emoluments are included in the disclosures in (a) above. The emoluments of the remaining three (2023: three) individuals respectively, are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries allowances and other benefits	1,694	1,570
Discretionary bonus (Note)	124	106
Equity-settled share-based expenses	31	1,276
Retirement benefits scheme contributions	54	53
	<b>1,903</b>	3,005

Note: The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

The emoluments of the highest paid employees who are not directors of the Company were within the following bands:

	2024 number of employees	2023 number of employees
Nil to HK\$1,000,000	3	1
HK\$1,000,001 to HK\$1,500,000	–	2

No emoluments were paid by the Group to any of the directors of the Company or the chief executive officer of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 12. DIVIDENDS

A final dividend for the year ended 31 March 2023 of HK\$0.024 (2023: Nil) per ordinary share totaling HK\$12,000,000 (2023: Nil), based on 500,000,000 ordinary shares, was recognised as distribution during the current year.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 of HK\$0.030 per ordinary share, in an aggregate amount of HK\$14,934,660, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

### 13. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	2024 HK\$'000	2023 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	22,304	6,303
Number of Shares:		
Weighted average number of shares for the purpose of basic and diluted earnings per share	499,771,011	482,947,893

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the year ended 31 March 2023 has been determined on the assumption that the capitalisation issue as set out in note 25 had been effective on 1 April 2022.

During the year ended 31 March 2024, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of the shares.

During the year ended 31 March 2023, the Company had two categories of potential ordinary shares – convertible redeemable preferred shares and the over-allotment option. The potential ordinary shares of convertible redeemable preferred shares were not included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive. The computation of earnings per share did not assume the exercise of the over-allotment option because the exercise price of over-allotment option outstanding were higher than average market price of the shares.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office furniture and equipment HK\$'000	Computer equipment HK\$'000	Total HK\$'000
COST				
At 1 April 2022	4,821	1,318	2,446	8,585
Additions	5,214	2,088	672	7,974
At 31 March 2023	10,035	3,406	3,118	16,559
Additions	–	–	78	78
Disposals/written off	(87)	(10)	–	(97)
At 31 March 2024	<b>9,948</b>	<b>3,396</b>	<b>3,196</b>	<b>16,540</b>
DEPRECIATION				
At 1 April 2022	1,591	396	791	2,778
Provided for the year	1,992	449	526	2,967
At 31 March 2023	3,583	845	1,317	5,745
Provided for the year	<b>2,218</b>	<b>647</b>	<b>579</b>	<b>3,444</b>
Eliminated on disposal/written off	(87)	(10)	–	(97)
At 31 March 2024	<b>5,714</b>	<b>1,482</b>	<b>1,896</b>	<b>9,092</b>
CARRYING VALUES				
At 31 March 2024	<b>4,234</b>	<b>1,914</b>	<b>1,300</b>	<b>7,448</b>
At 31 March 2023	6,452	2,561	1,801	10,814

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of lease terms of the leased properties or 5 years
Office furniture and equipment	20%
Computer equipment	20%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 15. RIGHT-OF-USE ASSETS

	Office premises HK\$'000	Warehouses HK\$'000	Retail stores HK\$'000	Total HK\$'000
<b>As at 31 March 2024</b>				
Carrying amount	2,750	1,194	18,391	22,335
<b>As at 31 March 2023</b>				
Carrying amount	1,280	1,233	24,367	26,880
<b>For the year ended 31 March 2024</b>				
Depreciation charge	1,672	2,647	5,976	10,295
<b>For the year ended 31 March 2023</b>				
Depreciation charge	1,706	2,362	5,083	9,151
		<b>2024</b>		2023
		HK\$'000		HK\$'000
Total cash outflow for leases		10,179		8,607
Addition to right-of-use assets		5,750		17,593

The Group leases office premises, warehouses and retail stores for both years. Lease contracts are entered into for fixed term of 1 to 5 years (2023: 1 to 5 years), without any extension nor termination options. 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.

During the current year, the Group renewed the existing lease agreements for the use of warehouses and offices (2023: warehouses and retail stores) for 1 to 2 years (2023: 1 to 5 years). On the lease commencement, the Group recognised HK\$5,750,000 (2023: HK\$17,593,000) of right-of-use assets and HK\$5,750,000 (2023: HK\$17,443,000) as the lease liabilities.

#### Restrictions or covenants on leases

In addition, lease liabilities of HK\$26,795,000 (2023: HK\$30,013,000) are recognised with related right-of-use assets of HK\$22,335,000 (2023: HK\$26,880,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 16. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Consumer electronics, home appliances and lifestyle products	84,351	75,140

### 17. TRADE RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables	9,785	7,016

As at 1 April 2022, trade receivables from contracts with customers amounted to HK\$7,701,000.

The Group generally grants credit terms of 30 days to its customers from the date of invoices. Sales made through retail stores or internet are settled by cash or credit cards through payment gateways, which will generally settle the amounts with the Group within 2 days after the sales made. An ageing analysis of the trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	8,057	5,709
31 to 60 days	778	623
61 to 90 days	72	348
Over 90 days	878	336
	9,785	7,016

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 17. TRADE RECEIVABLES (CONTINUED)

The Group applies simplified approach to provide for ECL of trade receivables prescribed by HKFRS 9. Details of impairment assessment of trade receivables are set out in note 30.

As at 31 March 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$2,217,000 (2023: HK\$1,348,000), which are past due as at the reporting date. Out of the past due balances as at 31 March 2024, HK\$839,000 (2023: HK\$98,000) has been past due 90 days or more and is not considered as in default since the management of the Group are of the opinion that the balances are still considered recoverable due to historical experience. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables are set out in note 30.

### 18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Rental and utilities deposits	4,982	4,960
Prepayments and deposits to suppliers	2,553	3,272
Other receivables, deposits and prepayments	10,007	7,207
<b>Total</b>	<b>17,542</b>	15,439
Presented as non-current assets	5,498	5,480
Presented as current assets	12,044	9,959
<b>Total</b>	<b>17,542</b>	15,439

Included in other receivables were amounts of HK\$3,057,000 (2023: HK\$1,587,000) represented amounts received from customers in advance by payment gateway companies, for which control of the relevant goods has not been transferred.

Details of impairment assessment of other receivables and deposits are set out in note 30.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 19. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS/SHORT TERM BANK DEPOSITS WITH OVER 3 MONTHS MATURITY

#### Cash and cash equivalents

Cash and cash equivalents include short-term deposits with less than 3 months maturity for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.10% to 5.13% (2023: 0.10% to 4.85%).

#### Pledged bank deposits

Pledged bank deposits carry fixed interest rate range from 4.10% to 4.20% (2023: 0.64% to 3.36%) and represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK\$1,300,000 (2023: HK\$1,323,000) have been pledged to secure bank guarantee for a subsidiary of the Group.

#### Short-term bank deposits with over 3 months maturity

Short-term bank deposits represents short-term deposits with more than 3 months but less than 1 year maturity carries interest at market rates range from 4.60% to 4.97% (2023: 4.44% to 4.85%).

Details of impairment assessment of these bank balances are set out in note 30.

### 20. TRADE PAYABLES

The credit period granted by suppliers ranged from 0 to 30 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates at the end of each reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	41,240	25,241
31 to 60 days	5,162	3,102
61 to 90 days	54	253
Over 90 days	3,518	2,743
	<b>49,974</b>	<b>31,339</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 21. OTHER PAYABLES AND ACCRUALS

	2024 HK\$'000	2023 HK\$'000
Other payables and accruals	6,009	4,754
Salaries payables	2,913	2,828
<b>Total</b>	<b>8,922</b>	<b>7,582</b>

### 22. CONTRACT LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Advances received from direct merchandise sales	9,983	9,755
Customer loyalty programme	1,826	3,216
	<b>11,809</b>	<b>12,971</b>

As at 1 April 2022, the contract liabilities amounted to HK\$14,972,000.

For the contract liabilities as at 1 April 2022 and 31 March 2023, the entire balances were recognised as revenue during the years ended 31 March 2023 and 2024, respectively.

#### Advances received from direct merchandise sales

Contract liabilities in relation to the sales of products represent the advance payments received from customers upon ordering and before delivery, until the goods are delivered and revenue are recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 22. CONTRACT LIABILITIES (CONTINUED)

#### Customer loyalty programme

The Group offers customer loyalty programme in the Group's operation. The customers can earn one award-point for every HK\$1 purchase from the Group. The customers can enjoy discount in future purchase by utilising the award points earned under the customer loyalty programme (every 200 award-points can be used as HK\$1). All award points can be accumulated and will be expired in the following year since the last purchase. Contract liabilities in relation to customer loyalty programme represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period.

The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the award points are redeemed.

### 23. LEASE LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Lease liabilities payable		
Within one year	8,943	7,178
More than one year, but not more than two years	8,759	6,260
More than two years, but not more than five years	9,093	15,162
More than five years	–	1,413
	<b>26,795</b>	30,013
Less: Amount due for settlement with 12 months shown under current liabilities	<b>(8,943)</b>	(7,178)
Amount due for settlement after 12 months shown under non-current liabilities	<b>17,852</b>	22,835

The weighted average incremental borrowing rates applied to lease liabilities is 4.70% (2023: 3.96%) as at 31 March 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 24. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The movement of the fair value of the convertible redeemable preferred shares is set out as below:

	HK\$'000
At 1 April 2022	68,787
Fair value change	2,261
Converted into ordinary shares	(71,048)
At 31 March 2023 and 2024	-

Following the successful listing of the shares of the Company on the Main Board of the Stock Exchange on 10 June 2022, all of the convertible redeemable preferred shares were converted into 15,031,101 ordinary shares of the Company.

The convertible redeemable preferred shares issued by the Company were measured at fair value at 1 April 2022 and 10 June 2022 by D&P China (HK) Limited, an independent qualified professional valuer engaged by the Company with the registered address as 3/F, Three Pacific Place 1, Queen's Road East, Hong Kong based on Black-Scholes Option Pricing Model.

### 25. SHARE CAPITAL

#### Ordinary shares of US\$0.0001 each

#### Authorised:

	Number of shares	Nominal value of ordinary shares US\$'000
At 1 April 2022, 31 March 2023 and 2024	500,000,000	50



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 25. SHARE CAPITAL (CONTINUED)

#### Issued:

	Number of ordinary shares	Number of series A Preferred Shares	Equivalent nominal value of ordinary shares US\$'000	Equivalent nominal value of ordinary shares HK\$'000
At 1 April 2022	146,000,000	36,195,122	18	142
Conversion of series A Preferred Shares (Note a)	36,195,122	(36,195,122)	–	–
Conversion of convertible redeemable preferred shares (Note a)	15,031,101	–	2	12
Capitalisation issue (Note a)	247,773,777	–	24	193
Issuance of shares under the IPO (Note a)	55,000,000	–	6	43
At 31 March 2023	500,000,000	–	50	390
Share repurchased and cancelled (Note b)	<b>(2,178,000)</b>	–	–	<b>(2)</b>
At 31 March 2024	<b>497,822,000</b>	–	<b>50</b>	<b>388</b>

#### Notes:

- (a) On 10 June 2022, the 36,195,122 series A preferred shares and the 15,031,101 convertible redeemable preferred shares, were converted into 36,195,122 and 15,031,101 ordinary shares, respectively. On the same date, 247,773,777 new shares of the Company of US\$0.0001 each were issued through capitalisation of HK\$193,264 and such amount is credited to share premium. Also, 55,000,000 new shares of the Company of par value US\$0.0001 each were issued at an offer price of HK\$2.1 per share. The difference of HK\$115,457,100 between offer price and the par value of the shares have been credited to share premium.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 25. SHARE CAPITAL (CONTINUED)

Notes: (Continued)

(b) During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of shares	Price per share		Aggregate consideration paid (including transaction costs) HK\$'000
		Highest HK\$	Lowest HK\$	
February 2024	1,594,000	0.67	0.60	1,042
March 2024	584,000	0.68	0.66	393

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current year.

### 26. RELATED PARTY DISCLOSURES

	2024 HK\$'000	2023 HK\$'000
Sales to Ms. Tsui	1	–

Save as disclosed above and the transactions and balances as disclosed in note 11, the Group did not have any other related party transactions for both years.

#### Compensation of key management personnel

The remuneration of key management was as follows:

	2024 HK\$'000	2023 HK\$'000
Short term benefits	2,331	3,788
Post-employment benefits	40	60
Equity-settled share-based expenses	654	–
	3,025	3,848

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 27. SHARE-BASED PAYMENT TRANSACTIONS

#### Share Option Scheme

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 20 May 2022 for the primary purpose of providing incentives to directors and eligible employees. Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Details of the Scheme is disclosed in Report of the Directors in this annual report.

At 31 March 2024, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 26,016,000 (2023: nil), representing 5.23% (2023: nil) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of the options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% must be approved in advance by the Company's shareholders.

Options may be exercised at any time from one to four years from the date of offer of the share option to the tenth anniversary of the date of offer. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 27. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

#### Share Option Scheme (Continued)

The following table discloses movement of the Scheme during the year:

Date of grant	Vesting period	Exercisable period	Exercise price	Balance at 1 April 2023	Granted during the year	Lapsed during the year	Balance as at 31 March 2024
<b>Directors</b>							
31 August 2023	Note (a)	21 July 2024 to 20 July 2033	1.00	-	400,000	(80,000)	320,000
			1.50	-	400,000	(80,000)	320,000
			2.00	-	2,400,000	(80,000)	2,320,000
			2.50	-	2,400,000	(80,000)	2,320,000
			3.00	-	2,400,000	(80,000)	2,320,000
			3.50	-	2,400,000	(80,000)	2,320,000
			4.00	-	2,400,000	(80,000)	2,320,000
22 September 2023	Note (b)	22 September 2024 to 21 September 2033	1.00	-	64,000	-	64,000
			1.50	-	64,000	-	64,000
			2.00	-	64,000	-	64,000
			2.50	-	64,000	-	64,000
			3.00	-	64,000	-	64,000
			3.50	-	64,000	-	64,000
			4.00	-	64,000	-	64,000
<b>Employees</b>							
22 September 2023	Note (b)	22 September 2024 to 21 September 2033	1.00	-	2,008,000	(104,000)	1,904,000
			1.50	-	2,008,000	(104,000)	1,904,000
			2.00	-	2,008,000	(104,000)	1,904,000
			2.50	-	2,008,000	(104,000)	1,904,000
			3.00	-	2,008,000	(104,000)	1,904,000
			3.50	-	2,008,000	(104,000)	1,904,000
			4.00	-	2,008,000	(104,000)	1,904,000
				-	27,304,000	(1,288,000)	26,016,000
Weighted average exercisable price per share				-	2.68	2.50	2.69

Note:

- (a) The vesting period of the share options (i) 25% of the share options to be vested on 21 July 2024; (ii) 25% of the share options to be vested on 21 July 2025; (iii) 25% of the share options to be vested on 21 July 2026; and (iv) 25% of the share options to be vested on 21 July 2027.
- (b) The vesting period of the share options (i) 25% of the share options to be vested on 22 September 2024; (ii) 25% of the share options to be vested on 22 September 2025; (iii) 25% of the share options to be vested on 22 September 2026; and (iv) 25% of the share options to be vested on 22 September 2027.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 27. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

#### Share Option Scheme (Continued)

During the year ended 31 March 2024, 12,800,000 and 14,504,000 share options were offered to and accepted by directors and employees of the Group on 21 July and 22 September 2023, respectively. The share options offered on 21 July 2023 were approved by independent shareholders under specific mandate in the Company's annual general meeting on 31 August 2023. The dates of grant of the share options were 31 August and 22 September 2023. The closing prices of the Company's share options immediately before the dates of grant were HK\$0.71 and HK\$0.66, respectively. The fair values of the share options determined at the dates of grant were HK\$2,199,000 and HK\$1,186,000, respectively.

The following assumptions were used to calculate the fair values of share options:

	31 August 2023	22 September 2023
Weighted average share price	HK\$0.17 Ranges from HK\$1.0 to HK\$4.0	HK\$0.08 Ranges from HK\$1.0 to HK\$4.0
Exercise price	9.9 years	10 years
Expected life	55%	55%
Expected volatility	3.38%	3.64%
Expected dividend yield	3.81%	4.16%
Risk-free interest rate		

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During the year ended 31 March 2024, the Group recognised the total expense of HK\$1,075,000 (2023: nil) in relation to share options granted by the Company.

#### Share Transfer

On 19 January 2023, a director of the Company, Ms. Tsui signed an agreement with certain employees of the Company, which she agreed to sell approximately 2,134,000 shares and approximately 470,000 shares (the "Target shares") of the Company to these employees at the price of approximately HK\$0.11 and approximately HK\$0.16 per share, respectively, with total consideration of approximately HK\$302,000. There is no vesting conditions for the sales of the Target shares. The fair value of the Target shares is measured at the market price at the grant day which was the closing stock price of the Company at the same day, equalling HK\$0.88 per share. On 20 January 2023, the transfer of the shares was completed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 28. RETIREMENT BENEFIT SCHEMES

The Group participates in the MPF Scheme for all its qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. The total amounts contributed by the Group to the schemes and costs charged to the profit or loss amounted to HK\$1,504,000 (2023: HK\$1,422,000) for the year ended 31 March 2024.

### 29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of net debt, which includes lease liabilities disclosed in note 23, net of short term bank deposits, pledged bank deposits and cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of the review, the directors of the Company consider the cost and the risks associated with each class of the capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through issue of new shares, issue of new debt and redemption of existing debts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 30. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
Financial assets at amortised cost	255,045	230,124
Financial liabilities at amortised cost	55,403	35,513

#### Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, bank balances, short-term bank deposits, pledged bank deposits, trade payables and other payables.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Currency risk

The Group has foreign currency purchases of inventories, which expose the Group to foreign currency risk. Approximately 4.1% (2023: 5.6%) of the Group's purchase of inventories are denominated in currencies other than the functional currency of the group entities during the year ended 31 March 2024.

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

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

	2024 HK\$'000	2023 HK\$'000
<b>Assets</b>		
Japanese Yen ("JPY")	765	24
United States Dollar ("USD")	204	10
<b>Liabilities</b>		
JPY	1,375	167
USD	227	161

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### Currency risk (Continued)

##### *Sensitivity analysis*

In the opinion of the management, no sensitivity analysis is provided as the management of the Group considers that the impact on exchange rate fluctuation is minimal.

##### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the Group's fixed-rate lease liabilities for both years. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances for both years.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the Hong Kong deposit rate arising from the Group's bank balances.

The Group currently does not have interest rate risk hedging policy. However, management of the Group closely monitors its exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the interest rate risk as the exposure at the end of each reporting period does not reflect the exposure during the year.

No sensitivity analysis is provided on bank balances as the Group's management considers that the interest rate fluctuation on bank balances is minimal.

##### Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade receivables, other receivables and deposits, short term bank deposits, pledged bank deposits and bank balances.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of each reporting period. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### Credit risk and impairment assessment (Continued)

###### *Trade receivables*

In order to minimise the credit risk on trade receivables, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivable.

The Group applies simplified approach and always recognises lifetime ECL for trade receivables. To measure the ECL, the Group performs impairment assessment under the ECL model on trade receivables individually.

The Group applied internal credit rating for its individually assessed debtors, by reference to the debtor's background, past default experience and current past due exposure of the debtor. As at 31 March 2024 and 2023, the Group assessed that the ECL for trade receivables was insignificant.

The Group's concentration of credit risk on the top five largest debtors accounted for 49% (2023: 69%) of the total trade receivables as at 31 March 2024.

###### *Other receivables and deposits*

The management of the Group make periodic individual assessment on the recoverability of significant balances based on historical settlement records (if any), past experience, and also available reasonable and supportive forward-looking information. The management of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits due to the major outstanding balances are short term in nature. As at 31 March 2024 and 2023, the Group assessed that the ECL for other receivables and deposits was insignificant.

###### *Bank balances/Short term bank deposits/Pledged bank deposits*

The credit risk for bank balances, short term bank deposits and pledged bank deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no history of default in relation to these banks.

The Group performs impairment assessment on the bank balances under 12-month ECL model. The management of the Group considers the risk of default is regard as low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. As at 31 March 2024 and 2023, the Group assessed that the ECL for bank balances were insignificant.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

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

#### Credit risk and impairment assessment (Continued)

#### *Bank balances/Short term bank deposits/Pledged bank deposits (Continued)*

The Group's internal credit risk grading assessment comprises the following 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	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	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	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 2024

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

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

#### Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

Financial assets	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amounts As at 31 March	
					2024 HK\$'000	2023 HK\$'000
<b>The Group</b>						
<b>Amortised cost</b>						
Trade receivables	17	N/A	Low risk	Lifetime ECL	6,633	4,871
			Watch list	Lifetime ECL	3,152	2,145
Other receivables and deposits	18	N/A	Low risk	12-month ECL	14,530	11,842
Short term bank deposits	19	A3 – Aa3	N/A	12-month ECL	101,647	80,709
Pledged bank deposits	19	Aa2	N/A	12-month ECL	1,300	1,323
Bank balances	19	A2 – Aa2	N/A	12-month ECL	127,783	129,050

#### Liquidity risk

In management of the liquidity risk, the Group monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have 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. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

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

#### Liquidity risk (Continued)

#### Liquidity tables

	Weighted average interest rate %	Repayable on demand or less than 3 months HK\$'000	3 months to 1 year HK\$'000	1 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
<b>As at 31 March 2024</b>						
Trade payables	N/A	49,974	-	-	49,974	49,974
Other payables	N/A	5,429	-	-	5,429	5,429
		55,403	-	-	55,403	55,403
Lease liabilities	4.70	2,715	7,307	18,444	28,466	26,795
<b>As at 31 March 2023</b>						
Trade payables	N/A	31,339	-	-	31,339	31,339
Other payables	N/A	4,174	-	-	4,174	4,174
		35,513	-	-	35,513	35,513
Lease liabilities	3.96	1,836	6,415	24,277	32,528	30,013

#### Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

#### Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 31. RECONCILIATION OF GROUP'S 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	Convertible redeemable preferred shares	Accrued issue costs	Dividend payables	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	20,305	68,787	952	–	90,044
Financing cash flows (Note)	(8,607)	–	(7,145)	–	(15,752)
Finance costs	872	–	–	–	872
Commencement of new leases	17,443	–	–	–	17,443
Fair value change in convertible redeemable preferred shares	–	2,261	–	–	2,261
Conversion of convertible redeemable preferred shares	–	(71,048)	–	–	(71,048)
Share issue costs accrued	–	–	6,193	–	6,193
At 31 March 2023	30,013	–	–	–	30,013
Financing cash flows (Note)	<b>(10,179)</b>	–	–	<b>(11,824)</b>	<b>(22,003)</b>
Finance cost	<b>1,211</b>	–	–	–	<b>1,211</b>
Commencement of new leases	<b>5,750</b>	–	–	–	<b>5,750</b>
Dividends	–	–	–	<b>12,000</b>	<b>12,000</b>
At 31 March 2024	<b>26,795</b>	–	–	<b>176</b>	<b>26,971</b>

Note: The financing cash flows represented the proceeds from the IPO, the share issue costs paid, the repayments of lease liabilities and related finance cost and dividend paid.

### 32. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group has repurchased a total of 714,000 shares through the Stock Exchange at total consideration of HK\$472,000, the shares have not been cancelled up to the date of this report.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

#### Statement of financial position of the Company

	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>		
Investment in a subsidiary	75,955	75,955
Amount due from a subsidiary	73,302	58,302
	<b>149,257</b>	134,257
<b>Current assets</b>		
Prepayments	1,095	515
Amount due from a subsidiary	25,317	44,977
Short term bank deposits	13,000	44,724
Cash and cash equivalents	83,099	45,392
	<b>122,511</b>	135,608
<b>Current liability</b>		
Accrued expenses	1,204	1,119
<b>Net current assets</b>	<b>121,307</b>	134,489
<b>Net assets</b>	<b>270,564</b>	268,746
<b>Capital and reserves</b>		
Share capital	388	390
Reserves	270,176	268,356
	<b>270,564</b>	268,746

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

#### Reserves

	Share premium	Other reserve	Share-based payment reserve	(Accumulated loss) retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	–	75,813	–	(26,788)	49,025
Profit and total comprehensive income for the year	–	–	–	39,767	39,767
Conversion of convertible redeemable preferred shares (note 24)	71,036	–	–	–	71,036
Capitalisation issue (note 25)	(193)	–	–	–	(193)
Issue of shares under the IPO	115,457	–	–	–	115,457
Transaction costs attributable to the IPO	(8,725)	–	–	–	(8,725)
Shareholder's contribution in equity-settled share-based expenses	–	1,989	–	–	1,989
At 31 March 2023	177,575	77,802	–	12,979	268,356
Profit and total comprehensive income for the year	–	–	–	14,178	14,178
Dividend declared	–	–	–	(12,000)	(12,000)
Recognition of equity-settled share-based expenses	–	–	1,075	–	1,075
Repurchase and cancellation of ordinary shares	(1,433)	–	–	–	(1,433)
At 31 March 2024	176,142	77,802	1,075	15,157	270,176

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 34. INVESTMENT IN A SUBSIDIARY AND PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiaries	Place and Date of incorporation	Principal place of operation	Issued and fully paid share capital/registered capital	Equity interest attributable to the Group as at 31 March		Principal activities
				2024 %	2023 %	
<b>Directly held:</b>						
Yoho Holdings (BVI) Limited	BVI 17 March 2021	Hong Kong	146,000,000	100	100	Investment holding
<b>Indirectly held:</b>						
Yoho E-Commerce Holdings Limited	Hong Kong 3 October 2018	Hong Kong	182,195,122	100	100	Investment holding
Yoho Hong Kong Limited	Hong Kong 20 February 2014	Hong Kong	10,000	100	100	Provision of both online and offline Hong Kong e-commerce retail services
Globiz Company (Hong Kong) Limited	Hong Kong 6 August 2008	Hong Kong	10,000	100	100	Offline wholesale and trading of consumer electronics and home appliances

None of the subsidiaries had issued any debt securities at 31 March 2024 and 2023.



## FIVE-YEAR FINANCIAL SUMMARY

### CONSOLIDATED RESULTS

	Year ended 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Revenue</b>	<b>841,148</b>	855,076	790,054	523,029	259,953
Profit before taxation	<b>26,368</b>	9,796	4,500	33,737	21,606
Income tax expense	<b>(4,064)</b>	(3,493)	(4,725)	(5,004)	(3,282)
Profit (loss) for the year	<b>22,304</b>	6,303	(225)	28,733	18,324

### CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Assets</b>					
Total non-current assets	<b>35,583</b>	43,174	28,554	21,949	15,090
Total current assets	<b>337,069</b>	303,761	211,733	120,308	89,598
Total assets	<b>372,652</b>	346,935	240,287	142,257	104,688
<b>Liabilities</b>					
Total current liabilities	<b>79,995</b>	59,070	148,581	50,478	24,454
Total non-current liabilities	<b>17,852</b>	23,004	12,960	12,808	9,841
Total liabilities	<b>97,847</b>	82,074	161,541	63,286	34,295
<b>Net assets</b>	<b>274,805</b>	264,861	78,746	78,971	70,393
<b>Equity</b>	<b>274,805</b>	264,861	78,746	78,971	70,393