

Company Registration No. 13289422 (England and Wales)

RC365 HOLDING PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

RC365 HOLDING PLC

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

COMPANY INFORMATION

Director	Chi Kit LAW, Executive Director and CEO Hon Keung CHEUNG, Executive Director and CFO Iain Muir, Non-Executive Director Ajay Rajpal, Non-Executive Director
Company Number	13289422
Company Secretary	MSP Secretaries Limited 27-28 Eastcastle House London, W1W 8DH United Kingdom
Registered address	Cannon Place 78 Cannon Street London, EC4N 6AF United Kingdom
Auditors	Johnson Financial Management Limited 1-2 Craven Road, Ealing London, W52UA United Kingdom
Registrars	Share Registrars Limited 3 The Millennium Centre Crosby Way Surrey, GU9 7XX United Kingdom
Company Website	https://www.rc365plc.com/

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

CONTENTS

	Page
Chairman's Statement	3-4
Strategic Report	5-7
Board of Directors	8-9
Directors' Report	10-18
Risk Management Report	19-21
Corporate Governance Statement	22-25
Audit Committee Report	26-27
Remuneration Committee Report	28-29
Independent Auditor's Report	30-39
Consolidated Statement of Comprehensive Income	40-41
Consolidated Statement of Financial Position	42
Consolidated Statement of Changes in Equity	43
Consolidated Statement of Cash Flows	44-45
Notes to the Financial Statements	46-102
Company statement of financial position	94
Company statement of changes in equity	95
Company statement of cash flows	96

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

CHAIRMAN'S STATEMENT

I have great pleasure in presenting our audited financial statements to the shareholders of RC365 Holding Plc ("RC365", the "Company" or the "Group") for the year ended 31 March 2025.

The Group delivered growth of revenue of about 17% to HK\$14.1 million (2024: HK\$12.2 million (after restatement)). The vast majority of Group revenue continued to be generated by our wholly-owned Regal Crown Technology Limited ("RCTech") subsidiary, where we provide cutting-edge IT support and development for payment and financial systems, including Enterprise Resource Planning ("ERP") solutions, issuance of asset linked credit card and card top up services to SME clients in Hong Kong and the ASEAN region.

However, a growing proportion of revenue is being accounted for by our newer activities, in line with our stated strategy, namely the provision of issuance and top up of assets linked credit card services, by RCPAY Limited (UK) ("RCPAY UK"), small payment institution service providers in the United Kingdom ("UK"). During the year, RCPAY (UK and Hong Kong collectively) handled approximately HK\$41.0million (2024: HK\$47.0 million) in providing payment and remittance services to clients (both individual and corporate) based in the UK and Asia.

The development of innovative products and services, as well as geographical expansion, to attract new customers remained a key focus for the Group. A number of new partnerships were established during the year to advance this goal.

Now, let's look at some of the major activities undertaken during the year in more detail.

1 Acquisition of a Money Lender License in Hong Kong

The Group acquired 100% of the issued share capital in HC Capital Group Limited, a Company holding a Money Lender License in Hong Kong. The Group aim to provide all round financial services including money lending to the existing and potential corporate and individual clients in Hong Kong. The Group target to provide service initially in Hong Kong and further expanded to ASEAN and other European countries.

2 Funding Support for the Malaysian subsidiary

Regal Crown Technology Limited received funding support from the Hong Kong Productivity Council under the BUD scheme in developing a fully owned subsidiary for the development of the R&D centre and the operation support hub for the Group. The funding provided by the Government was HKD685,000 for the year. Malaysian subsidiary has about 10 full time staffs working in providing full support for the Company's operation, finance and administrative work of the Group.

3 The number of card subscribers

RCPAY Limited (HK) (transferred to HC Capital Group Limited) has a dramatic increase for the number of issued cards to 1,910 (2024: 1,100 cards) with about 80% increment for the number of cards. Most of the cards are issued to our customers located in Japan.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**

4 Divestiture of RCPAY HK

The Group divested RCPAY HK in Nov 2024 for the amount of HK\$400,000 to an unrelated third party. There is no effect towards the exchange, remittance and payment services offered by the group since all the activities of RCPAY HK was transferred to another wholly owned subsidiary, RCPAY UK and there is no effect towards the services provided to existing and potential customers.

5 Repayment of Convertible Loan Note

The Group settled outstanding Convertible Note of £1m under an arrangement during the year through payment of £150,000 in cash, £250,000 provided by L Y S Limited under a top up subscription agreement and the balance £600,000 was settled through several allotments during April to August 2024 with a total number of 21,875,830 shares allotted to the Convertible Note holder.

Greenhouse Gas (GHG) Emissions

As the Company has not consumed more than 40,000 kWh of energy in the year period, it qualifies as a low energy user under SI 2018/1155 and is not required to report on its emissions, energy consumption or energy efficiency activities. The Company's energy consumption in the year is 15,412 kwh (2024: 17,731 kwh).

Strategy

Our vision remains unchanged, which is to grow our share of our existing markets, develop new capabilities and enter new geographies within the fast growing and attractive industries in which we operate.

In particular, we intend to focus on growing our presence in Japan, the ASEAN region and the UK; broaden our offering to include virtual banking and expand our card solutions; and explore new product innovations that leverage Web 3.0 and artificial intelligence. A key element in achieving this will be establishing strategic partnerships with global companies in the fintech ecosystem, which we significantly progressed during the year.

Outlook

The Board continues to be optimistic about the outlook for FY 2026 given the advances made during FY 2025 and our growing pipeline of potential opportunities for further growth.

Finally, we would like to take this opportunity to thank our shareholders for their continued support and we look forward to reporting on our progress as we deliver on our growth strategy.

Signed by:

Iain Muir

6F76A32AC897400...

Iain Muir

Non-Executive Chairman

31 July 2025

RC365 HOLDING PLC
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

The Directors present the Strategic Report of the Group for the year ended 31 March 2025.

Review of business and future developments

The Company was formed to undertake an acquisition of a controlling interest in a company or business. With the Board’s experience, the Group is focused on the provision of IT Support and Security Services, Payment Gateway Solutions (online and offline), Prepaid Card Issuance, Computer Graphic Design and Animation services to the clients located in the ASEAN region, UK and Europe.

The Group is looking to expand the prepaid card issuance services, provision of virtual bank accounts to high net worth Individuals and Corporates in the ASEAN region, including Hong Kong, Japan and further to customers located in Europe and the UK.

Key Performance Indicators

During the reporting period, the Group was focused on the evaluation of various opportunities in the Fintech and Payment Gateway sector. The Directors track the following as the Company’s KPIs:

	2025 HK\$	2024 (restated) HK\$
Revenue (continuing operations)	14,108,210	12,179,203
Cash and cash equivalents	11,775,409	19,318,967
No. of Customers	75	38

- Revenue
Reflects the element of billings and unbilled (mainly the contractual assets from Mr. Meal Production Limited) generated and recognised during the period from all revenue streams and measures the Group’s overall performance at a sales level.
- Cash and cash equivalents
The Company’s cash balance provides a measure of the Group’s financial strength and self-sufficiency to support operations while revenue streams continue to be developed.
- Customers
The quantity of customers provides a basis to measure the growth and acceptance of the Company’s services provided during the period.

Impairment Losses

The Group has incurred impairment losses of about HK\$23.6 million for the year ended 31 Mar 2025. The impairment losses of the Company after considering intercompany receivable write off is HK\$ 37.9m.

Principal risks and uncertainties

The principal risks and uncertainties currently faced by the Company are set out further in the Risk Management Report on page 19.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Corporate Social Responsibility

The Group aims to conduct its business with honesty, integrity and openness, respecting human rights and the interests of shareholders and employees. The Group aims to provide timely, regular and reliable information on the business to all its shareholders and conduct its operations to the highest standards.

The Group strives to create a safe and healthy working environment for the wellbeing of its staff and to create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Group.

The Group aims to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realize the objectives of the Group and their own potential.

Corporate environmental responsibility

The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations.

Section 172(1)

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

1. Consider the likely consequences of any decision in the long term;
2. Act fairly between the members of the Group;
3. Maintain a reputation for high standards of business conduct;
4. Consider the interest of the Group's employees;
5. Foster the Group's relationships with suppliers, customers and others; and
6. Consider the Impact of the Group's operations and the community and the environment.

The Company and the Group is a Fintech company operate mainly in the internet market; the management believe that the business operation have minimal impact towards the community and environment. Also, the company has taken 10 director's meeting in discussing the major company decision including the allotment of shares, acquisitions and divestitures of Money Lender License and Money Service Operator during the period.

The Directors remain committed to engaging with the Group's stakeholders and considering their interests when making key strategic decisions. The Board considers its key stakeholders to be its shareholders, its employees, its clients, its suppliers and the communities in which the Group operates.

In the following section we identify our key stakeholders, how we engage with them and key activities we have undertaken during the period in question.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Our Strategic Partners

The Company works closely with its major service provider, a technology company located in Hong Kong and Malaysia, who is an important strategic partner with the Group. We have developed an open and transparent relationship with this partner, which promotes the long-term success for the Group.

We also continue to build our reputations and strengthen our relationships with our clients based in Hong Kong and China by providing outstanding services. Furthermore, we continue to expand our services to customers located in Malaysia, Japan, Singapore, Europe and the UK.

Our Shareholders

The Company has been well-supported by its shareholders, including those that subscribed for shares at IPO in 2022 and through several share allotments and issuance work during the financial year. The Company endeavours to keep shareholders updated on regulatory matters, and is committed to provide transparent information to them, both through the annual report and ad-hoc communications.

Our Customers

The Company strives to maintain strong relationships with its customers, which will promote long term growth. The relationships with customers who advertise with the Company are maintained through regular contact and relationship management.

Our Employees

The Company believes that good staff morale engenders increased efficiency and loyalty and hence promotes staff welfare and well-being. Staff needs are constantly monitored and improved on an ongoing basis.

The strategic report is approved by the Board and is signed on their behalf by:

Signed by:

 6F76A32AC897400...

Iain Muir
 Non Executive Chairman
 31 July 2025

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

BOARD OF DIRECTORS**Robert Cairns, Chairman and Non Executive Director (resigned as at 15 August 2024)**

Mr. Robert Cairns, age 53, has over 25 years' experience in accounting and finance control and served in senior positions at various private companies in the United Kingdom throughout his career. Robert is currently the Finance Director and a member of the Board of Directors & Executive Committee of Les Ambassadeurs Club. Robert graduated from Lancaster University with a Bachelor of Science Honours degree in Geography and is a member of the Chartered Association of Management Accountants in the United Kingdom.

Chi Kit Law, Executive Director and CEO

Mr. Law (Chinese name: 羅志杰), age 43, has almost 20 years' of payment solution and banking leadership experience, having previously held roles as Head of Banking Systems at MoneySwap plc and Assistant Vice President of Group Technology and Operations at DBS Bank where he was awarded the Chairman's Reward for each year he was there. Mr. Law was also awarded the JP Morgan Services Star Award. Mr. Law has managed multi-national banking projects when he was at Standard Chartered Bank, HSBC, JP Morgan Chase and DBS Bank. Mr. Law holds a Masters in Advanced Management from the University of Liege and a Bachelor of Information Technology (Honours) from West Coast Institute of Management & Technology, Perth, Western Australia.

Timothy Wai Yiu Tang, Executive Director and CFO (resigned as at 5 January 2025)

Mr. Tang (Chinese name: 鄧煒堯), aged 55, has held the role of Vice President, Finance of Regal Crown Hong Kong since October 2020 and was promoted on 30 August 2022. Mr. Tang has about 20 years of audit and accountancy experience, having previously been a Partner at William Lee, Paul Tang & Co. and a former senior Auditor at Ernst and Young. Mr. Tang holds a Bachelor of Commerce in Accounting from the University of New South Wales. Mr. Tang is an associate member of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

Ajay Rajpal, Non Executive Director

Mr. Ajay Rajpal, age 54 is a Chartered Accountant and member of the Institute of Chartered Accountants in England & Wales (ICAEW). During his career, he has gained broad-ranging commercial experience developed in the US, Europe, Middle East and Far East, with a particular focus on M&A, financial management and insolvency/restructuring. Post qualification, Mr. Rajpal held a number of finance-related roles which involved working for periods in the US, Europe, Middle East and Far East. Since 2011, Mr. Rajpal has run his own consultancy business, NAS Corporate Services Ltd, providing companies with various corporate services, such as assistance with their pre-IPO funding, the IPO process and post IPO management. Mr. Rajpal assisted Grand Vision Media Holdings Plc, a special purpose acquisition company listed on the standard segment of the London Stock Exchange, which successfully completed a reverse takeover of an outdoor media business in Hong Kong/China. Mr. Rajpal is currently non-executive director of Grand Vision (which continues to be listed on the standard segment).

RC365 HOLDING PLC**ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**

Mr. Rajpal has also project managed the initial public offering process and assisted with the associated funding of two businesses on AIM, namely New Trend Lifestyle Group Plc, which provides Feng Shui products and services across Asia, and Zibao Metals Recycling Group Plc, a Hong Kong and China based metals recycling company. He currently acts as a non-executive director for Phimedix Plc (formerly named Zibao Metals Recycling Group Plc), and Dozens Savings Plc.

Iain Muir, Chairman and Non Executive Director (appointed on 15 August 2024)

Mr. Muir, aged 40, an FCA Qualified Chartered Accountant, has over a decade's leadership experience in business and finance. He is currently Managing Director of MBB Advisory Limited, a provider of professional services to small & medium sized businesses, which he founded in 2022. He also currently holds three directorships in private companies operating in the media, marketing and financial services sectors. Prior to MBB Advisory, Mr. Muir spent six years as Head of Finance and then Director of Operations at Ambassadeurs Group Limited, a leisure and hospitality business, where his varied roles included strategy development, management oversight for multiple business units, improving risk mitigation and project managing an M&A process. After joining PriceWaterhouseCoopers as a trainee graduate in 2008, he spent a total of eight years in Assurance, progressing to Senior Manager after having an 18-month period in commercial finance roles within industry.

Hon Keung CHEUNG, Executive Director and CFO (appointed on 5 January 2025)

Mr. Cheung, aged 49, has more than 20 years of operational and financial leadership experience in banking and payment solutions. He joined RC365 as CFO of the Group's primary operating entity in 2018 and became CFO and an Executive Director of the Company upon its IPO on the London Stock Exchange. In August 2022, he stepped down from his CFO and Director positions, but remained with the Group as part of the finance team. Prior to RC365, Mr. Cheung was Chief Consultant of Mondo Consulting Company providing cross-border taxation and business advisory services to SME clients located in Hong Kong, China and Korea, from 2016 to 2018, and he held various accounting and audit roles, from 1997 to 2016. Mr. Cheung is a member of the Association of Chartered Certified Accountants, The Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Taxation.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

DIRECTORS' REPORT

The Directors present their report together with the financial statements and the Auditor's Report for the year ended 31 March 2025.

Principal activities

The principal activity of the Company is to act as a holding company for a group of subsidiaries that are involved in the IT software development sector, asset linked card issuance and top up and provision of payment services and the provision of the Computer Graphic design service.

The Group is a fintech solutions service provider based in Hong Kong and serves customers in Greater China, Japan, ASEAN countries with special focus in Malaysia, Singapore, United Kingdom and Europe.

The subsidiaries of the Company providing IT and Security Services, ERP and prepaid card issuance and supporting services to customers of the above region.

Results and dividends

The results of the Group for the year ended 31 March 2025 are set out in the financial statements.

The Directors do not propose to recommend a dividend for the year ended 31 March 2025. Given the losses incurred to date, it is unlikely that the Board will recommend a dividend in the near-term.

Business review and future developments

Details of the business activities and developments made during the period can be found in the Strategic Report.

Directors

The Directors of the Company who have served during the period and at the date of this report are:

Director	Role	Date of appointment and resignation
Chi Kit LAW	Executive Director and CEO	
Hon Keun CHEUNG	Executive Director and CFO	appointed on 5 January 2025
Timothy Wai Yiu TANG	Executive Director and CFO	resigned on 5 January 2025
Robert CAIRNS	Chairman and Non-Executive Director	resigned on 15 August 2024
Ajay RAJPAL	Non-Executive Director	
Iain Muir	Chairman and Non-Executive Director	appointed on 15 August 2024

Indemnity provision for directors

The Company purchased the indemnity insurance to both Directors and Non-Executive Directors of the Company for the years ended 31 March 2024 and 2025.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025****Diversity**

The Company is committed to ensuring diversity, equality and inclusion and our goal is to foster a positive work ethic. As at the date of this report, all four members of the board are male and therefore the targets under LR 9.8.6 of 40% of the board being female and at least one of the four senior positions on the board being occupied by a female have not been met. This is an area that remains under review by the nomination committee.

Member of the Board	Ethnicity (Nationality)	Gender
Chi Kit LAW	Asian, Chinese	Male
Hon Keung CHEUNG	Asian, Chinese	Male
Iain MUIR	British	Male
Ajay RAJPAL	British	Male

Directors' interest in shares

The direct and beneficial shareholdings of the Board in the Company as at 31 March 2025 were as follows:

	Number of Ordinary Shares			Percentage of Issued Share Capital
	Direct	Beneficial	Total	
Chi Kit LAW *	-	36,500,000	36,500,000	about 25%

*** Chi Kit Law holds his shares through LYS Limited.**

Substantial shareholders

As at the date of the Report, the total number of issued Ordinary Shares with voting rights in the Group was 150,410,421. The Group has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of this report:

	Number of ordinary shares	Percent of Issued share capital
LYS Limited	36,500,000	About 25%

Going Concern

The Group's assets largely comprised of Cash at Bank and the ERP program (Intangible assets) for the year ended 31 March 2025. The Directors have outlined their strategy for the Group in the Chairman's Statement on page 3. As part of their assessment of going concern, the Directors have prepared cash forecasts for the next 12 months. It is proved that the investment from potential investor and the operating cash flow from the recurring business show that the Group has sufficient cash resources for the next 12 months. A written notice have been received from potential investor and discussions are progressing positively.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the Directors have a reasonable expectation that the Company and the Group has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Corporate Governance

The Group has set out its full Corporate Governance Statement on page 22. The Corporate Governance Statement forms part of this Directors' report and is incorporated into it by cross reference.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the group's profit or loss for that period. In preparing these financial statements, the directors are required to:

- Make judgements and accounting estimates that are reasonable and prudent;
- Select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of UK adopted IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Parent Company's financial position and financial performance and
- Comply with relevant UK adopted IASs, subject to any material departures being disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are satisfied that the Group and Parent Company has adequate resources to continue in business for the foreseeable future. For this reason, the financial statements are prepared on a going concern basis. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

Emissions

The Group is not an intensive user of fossil fuels or electricity. As a result, it is not practical to determine carbon emission with any degree of accuracy.

Supplier payment policy

It is the Group's payment policy to pay suppliers in line with industry norms. These payables are paid on a timely basis within contractual terms which is generally 30 to 60 days from date of receipt of invoice.

Branches outside the UK

The Group's head office is in Hong Kong and the subsidiaries are located in Hong Kong, Malaysia, UK and Singapore and Japan.

The Directors' have chosen to produce a Strategic Report that discloses a fair review of the Group's business, the key performances metrics that the Directors review along with a review of the key risks to the business.

Financial instruments and risk management

The Company is exposed to a variety of financial risks and the impact on the Company's financial instruments are summarized in the Risk Management Report. Details of the Company's financial instruments and exposure to various risks is disclosed in note 26 to the financial statements.

Environmental, social and Governance

A review of the Group's approach to sustainability and societal impact during the year is set out below:

Climate Change

The Group recognise the importance of climate change triggered by Greenhouse Gases (GHG) from burning fossil fuels.

Total emissions associated with activities under direct control of management (Scope 1 and 2 emissions) remained at the same level in 2025 versus 2024. In terms of Energy efficiency, our energy usage was on the same level in 2025 compared with 2024.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025**

Environmental

The Group's operations are conducted in such a manner that compliance is maintained with legal requirements relating to the environment in areas where the Group conducts its business. During the period covered by this report, the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

The Directors consider that due to the nature of the Group's operations, it does not have a significant impact on the environment. However, the Group seeks to minimize its carbon impact and recognizes that its activities should be carried out in an environmentally friendly manner where practicable.

The Group's environment impact is under continual review and the Group considers related initiatives on an ongoing basis. In 2025, these included: continued reduction of waste and, where practicable, re-use and recycling of consumables; conducted reduction of energy, water and other resources.

Office Environments

Management engages with its office provider and its facilities management provider to ensure a safe environment for our employees.

Environmental management is overseen by the Chief Executive Officer. The Group complies with the Companies Act 2006 (Strategic Report and Directors Report) Regulation 2013 and Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018 known as SECR (Streamlined Energy Carbon Reporting). Energy consumption and GHG emissions have been calculated in line with the UK Government's Environmental Reporting Guidelines; including streamlined energy and carbon reporting guidance (March 2019). There were no prosecutions or compliance notices for breaches of environmental legislation during the financial year.

Supply Chain

We are committed to ensuring that there is no slavery or human trafficking in our supply chain or in any part of our business. We maintain strong working relationship with our suppliers and partners, in order to enhance the efficiency of our business and create value, and make sure we treat suppliers in line with our values and ethical standards. We continually assess our supplier and partner network, and leverage both internal and external expertise to ensure appropriate relationship and fair economics.

Governance

The Board takes issues of governance seriously and seeks to ensure transparency and streamlined administration. The Directors bring a broad range of technical, commercial, business, accounting, auditor and corporate finance expertise. Culturally, the Board demonstrates a high degree of integrity, fairness and non-discrimination and promotes values through the organization.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025

TCFD Disclosure

Governance

a) Describe the Board's oversight of climate-related risks and opportunities.

The Board acknowledges the financial implications of climate change and considers the related risks and opportunities through regular communication between the two Executive Directors and the two Non-Executive Directors. This communication is focused on risks and opportunities that arise on an ongoing informal basis.

Through those discussions the Board has assessed that at the current time there are no climate-related risks or opportunities that would have a material impact on the Group or the wider community. This is in the context of the Group currently having 25 employees and substantially all of the climate impact of the Group being driven by regulatory imperatives. The Board will keep this assessment under regular review.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The Board oversees the long-term impact of climate-related risks and opportunities on the organisation's strategy and risk appetite. Senior management regularly attend ESG seminars and relevant updates are provided to the Board. Each staff individually will seek to make personal decisions so as to minimise climate-related risks. This manifests itself in seeking to minimise travel by, for example, working from home and/or use the Zoom/Team portal meeting with business travellers instead of travelling.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025

TCFD Disclosure (cont'd)

Strategy

c) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

The Group has not identified any material climate-related risks and opportunities in the short-term. Medium and longer-term assessments will depend on what acquisitions are made by the Group and accordingly the Board will reassess those climate-related risks and opportunities as soon as practically possible following an acquisition.

d) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

The Group has assessed the impact of climate change risks to ensure financial resilience and operational continuity. The conclusion is that climate change represents a negligible impact and that these risks are not material. Individual employees are encouraged to take climate matters into account when planning how they wish to work and management offer maximum flexibility to facilitate this.

e) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Group does not foresee any impact on its resilience arising from all foreseeable climate-related scenarios, including a full two degrees of warming. All climate change risks will continue to be monitored.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025

TCFD Disclosure (cont'd)

Risk Management

f) Describe the organisation's processes for identifying and assessing climate-related risks.

Climate Risk is considered as part of the annual business review. This will be kept under review as the organisation grows.

g) Describe the organisation's processes for managing climate-related risks.

The process for managing such risks is to provide all 25 employees with the flexibility to manage those limited risks that are under their control.

h) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

The Board assessed the risks across short, medium, and long-term timeframes, ultimately determining that these were immaterial to the balance sheet.

Metrics and Targets

(i) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Group does not seek to measure climate-related risks as they are not considered material. The Board will reconsider this position on any material change to the Group or its activities.

(j) Disclose Scope 1, 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.

The Group's activities are outside the scope of the Global GHG Accounting and Reporting Standards.

(k) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against target.

The Group currently has not set specific targets or commitments. Notwithstanding, the Board is pleased to note that employees continue to do what they can to reduce climate risk by working from home and minimise the business travel by each employee. The Board will reconsider this position on any material change to the Group or its activities.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Disclosures of Information to Auditors

Each of the person who is a director of the Company at the date of approval of the Annual Report confirms that:

- So far as each Director is aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditor is aware of this information.

Independent auditors

Johnsons Financial Management Limited ("Johnsons, Chartered Accountants") was appointed as statutory auditor of the Group for the year ended 31 March 2025 under section 489 of Companies Act 2006 during the year. Johnsons, Chartered Accountants have expressed their willing to continue in office as auditors. A resolution proposing their re-appointment as auditors will be put to the shareholders at the Annual General Meeting.

The Directors' Report has been approved by the Board and signed on its behalf by:

Signed by:

Iain Muir

6F76A32AC897400...

Iain Muir

Non Executive Chairman

31 July 2025

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

RISK MANAGEMENT REPORT

To mitigate the risks outlined below, the Group will focus on accelerating product innovation and expanding geographically into key regions such as ASEAN, Europe, and the UK, while tailoring offerings to local needs. We will enhance competitiveness by implementing dynamic pricing and cost optimization, invest in scalable infrastructure and cybersecurity to safeguard reputation and operational resilience, and strengthen succession planning to reduce dependency on key personnel. Further, we will monitor market trends and regulations closely, diversify payment channels to adapt to shifting consumer behaviour, and maintain strategic agility to respond to economic, political, and social changes, ensuring sustainable growth and profitability.

The Group has undertaken an evaluation of the risks it is exposed to which are summarised as follows:

If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability

The Group faces competitive pressure from new or existing competitors which may have more significant financial resources, consumer awareness and scale and may introduce new products and services.

The Group's ability to remain competitive depends in part on its ability to offer competitive pricing

Certain of the Group's competitors may have greater financial, technological and marketing resources than it does or, in the case of certain markets (in particular any potential new markets), greater local knowledge and presence, greater customer bases, volume, scale and market share.

Negative publicity could impact negatively on the Group's business and reputation

The diminution in the perceived quality associated with the Group's products or services as a result of reputational damage or otherwise could harm the Group's business, which can adversely affect its ability to attract and retain customers. The Group's reputation could be damaged by any number of issues, including operational or user experience failures, data breaches, or negative press or social media reports.

The Group may fail to successfully execute its strategy, including expanding its share of its existing markets, developing new capabilities and expanding into new geographies

The Group's future growth and profitability depend upon the growth of the markets in which it currently operates, the future expansion of those markets, its ability to develop new products and services (such as RC3.0, RC ERP, Prepaid Card Issuance in ASEAN, Europe and UK region) that are commercially successful and its ability to increase its penetration and service offerings within these markets, as well as its ability to penetrate new markets, particularly in Europe.

Dependence on key personnel

The Group is managed by a number of key personnel, including the Key Executive Directors, some of whom have significant experience within the payments sector and who may be difficult to replace. The loss of the Key Executive Directors and/or key senior personnel could have a material adverse effect on the Group.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

Demand for the Group's products and services may be affected by global and regional changes, including economic, social and political changes

The Group may be affected by a number of macroeconomic factors, events and conditions, including political and social conditions (such as any policy which might affect the ability of Regal Crown HK to do business with Chinese customers), payment habits and trends including the number of transactions involving the Hong Kong dollar, economic growth rates, and government outlook, spending and regulation, such as protectionist policies and legislation.

Inability to manage growth

The Group intends to grow the business. The Group's future growth may place increasing and significant demands on its management, operational and financial systems, infrastructure and other resources and will therefore depend on its ability to expand and improve operational, financial and management information and control systems in line with its growth. Failure to do so could have an adverse effect on the Group's business and its operating results. Further, any acquisitions will carry an element of risk, including the difficulty of integrating the operations and personnel of the acquired business and the inability to obtain the anticipated return from such investment.

A decline in the use of debit cards as a payments mechanism or adverse developments with respect to the digital payments industry in general could have a material adverse effect on the Group's business, financial condition and results of operations

If customers do not continue to use credit or debit cards as a payments mechanism for their transactions or if there is a change in the mix of payments between cash, alternative currencies, credit and debit cards or new payments systems which is adverse to the Group, it could have a materially adverse effect on its business, financial condition and results of operations. A potential tightening of credit underwriting criteria by financial institutions may make it more difficult or expensive for customers to gain access to credit facilities such as credit cards. Moreover, if there is an adverse development in the digital payments industry in general, such as new legislation or regulation that makes it more difficult for the Group's clients to do business or which results in financial institutions seeking to charge their customers additional fees for card usage, cardholders may reduce their reliance on cards, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Compliance with Licensing Terms (HK & UK):

The Group must comply with all conditions under the Hong Kong Money Lender License and UK Money Transfer License, including reporting, operational standards, and regulatory disclosures. Failure to comply may result in suspension, penalties, or reputational damage. Regular audits, staff training, and legal reviews are essential to maintain licensing integrity and ensure continued business operations.

Compliance with Money Laundering Regulations:

Strict adherence to AML and CTF laws is vital. The Group must implement KYC procedures, monitor transactions, report suspicious activity, and maintain records. Staff must be trained regularly, and systems reviewed to meet Hong Kong's AMLO and UK's FCA standards. Non-compliance may lead to fines, legal action, and reputational harm.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

IT Systems: Data Security Risks:

The Group must protect customer and operational data from breaches and cyber threats. This includes encryption, access controls, regular audits, and incident response plans. Compliance with Hong Kong's Personal Data (Privacy) Ordinance and international standards like ISO 27001 is essential to maintain trust and operational resilience.

Funding Risks:

The Group's growth depends on stable funding. Risks include reliance on limited financiers, credit tightening, and market volatility. Mitigation includes diversifying funding sources, maintaining liquidity buffers, and optimizing cash flow. Transparent financial reporting and proactive investor engagement are key to sustaining capital access and business continuity.

The Group is at risk of fraud

Combating fraud is a challenge because transactions are conducted between parties who are not physically present, which in turn creates opportunities for misrepresentation and abuse. Online businesses are especially vulnerable because of the convenience, immediacy and anonymity of transferring funds from one account to another and subsequently withdrawing them.

The Group is not currently involved in the supply of any regulated services which would require a licence or authorisation (such as the processing of transactions) or the direct handling of client money and as such it would not normally expect to be primarily responsible should any fraudulent activity impact a particular transaction. However, it cannot however be excluded that the Group could be party in any litigation or investigation in the future in relation to fraudulent transactions, even where the Group is not directly involved. Examples of fraud could include organised criminal activity or when a person knowingly uses a stolen or counterfeit credit or debit card, card number, or other credentials to record a false sale or credit transaction or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting credit and debit cards and fraud. There is also a risk the Group's employees could engage in or facilitate fraudulent activity on their own behalf or on behalf of others. Moreover, it is possible that incidents of fraud could increase in the future.

The Group nonetheless takes measures to detect and reduce the risk of fraud, by carrying out checks on the Dow Jones database before the transaction can proceed. Separate checks are also carried out by other parties involved in the value chain. These measures may however not be effective against new and continually evolving forms of fraud or in connection with new product offerings. If these measures do not succeed, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

This Risk Management Report has been approved by the Board and signed on its behalf by

Signed by:

 6F76A32AC897400...
 Iain Muir
 Non Executive Chairman
 31 July 2025

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

CORPORATE GOVERNANCE STATEMENT

The Board of RC365 Holding Plc recognises that robust corporate governance is essential for achieving strategic objectives and delivering long-term value to shareholders. The Company has adopted the UK Corporate Governance Code and applies the principles of the QCA Corporate Governance Code (2018) as appropriate for its size and nature. The QCA Code outlines ten principles of corporate governance, which the Company has committed to embedding within its operations:

1. Establish a strategy and business model that promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning, balanced team led by the Chair;
6. Ensure that directors collectively possess up-to-date experience, skills, and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support effective decision-making;
10. Communicate how the Company is governed and performing through dialogue with shareholders and stakeholders.

Principle 1 - Business Model and Strategy

RC365 Holding Plc is a United Kingdom-based fintech company (Ticker: RCGH) listed on the London Stock Exchange, operating primarily in East and Southeast Asia through its subsidiaries, Regal Crown Technology Limited, RCPAY Limited (UK), and RC365 Technology SDN BHD (Malaysia). The Company provides payment gateway solutions (online and offline), IT support and security services, prepaid card consultancy, licensed money services, and enterprise resource planning (ERP) services. It serves multinational merchants, SMEs, and individuals, with a focus on expanding payment gateway services into the UK, Europe, and Singapore.

The Company's strategy is to deliver innovative fintech solutions, including secure cross-border payment services and IT software development, to meet the banking needs of the Asian community and beyond. Recent initiatives include securing exclusive rights to YouneeqAI's AI-driven personalization platform in the UK and a £4 million convertible loan note with Mill End Capital to support global expansion. For further details on the market, strategy, and principal risks, shareholders are referred to the Strategic Report in the latest Annual Report and Accounts, available at www.rc365plc.com.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

Principle 2 - Understanding Shareholders' Needs and Expectations

The Board, led by the CEO, coordinates communication with shareholders. The CEO serves as the primary spokesperson, engaging with investors, brokers, and other stakeholders. The Company maintains an active dialogue through:

- Regular updates on the Company's website and via Regulatory News Service (RNS) announcements;
- Annual and interim reports providing comprehensive updates on performance;
- Meetings with shareholders and brokers, compliant with Market Abuse Regulation (MAR);
- The Annual General Meeting (AGM), where shareholders are encouraged to engage directly with the Board.

Contact details are provided on the Company's website (www.rc365plc.com) and in all RNS announcements to facilitate communication. The Company also engages with stakeholders through events such as the Hong Kong Economic Summit, where its subsidiary, Regal Crown Technology, served as a co-sponsor in 2024.

Principle 3 - Consider Wider Stakeholder and Social Responsibilities

The Board recognises its stakeholders—employees, customers, suppliers, and funders—as critical to long-term success. The Company is committed to maintaining effective communication, fulfilling contractual obligations, and promoting ethical practices. RC365 operates in multiple regions, including Hong Kong, China, Malaysia, Singapore, the UK, and Europe, and considers the impact of its operations on these communities.

Principle 4 - Risk Management

The Board is responsible for setting the Company's risk management objectives and policies to minimise risks while supporting operational efficiency. The risk management process includes identifying, assessing, and monitoring principal risks, with regular reviews of budgets and forecasts. The Company's focus on cybersecurity consultation services and IT technical support underscores its commitment to mitigating technology-related risks.

Principle 5 - A Well-Functioning Board of Directors

The Board comprises TWO Executive Directors (the CEO and CFO) and 2 Non-Executive Directors, including The Board provides a balanced team with expertise in fintech, financial management, and public markets. The Board considers the Non-Executive Directors to be sufficiently competent and to function effectively as a unit and in their respective Committees. It is responsible for setting strategic goals, approving budgets, overseeing major capital expenditure, and monitoring internal controls and risk management frameworks.

The Board meets regularly throughout the year (either in person or by video conference call). Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings. During the year ended 31 March 2025, ten board meetings were held. All Directors were in attendance at the meeting, either in person or by video conference call.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

Principle 6 - Appropriate Skills and Experience of the Directors

The Board's composition ensures a diverse range of skills relevant to the Company's fintech operations. Key personnel include:

- **Michael Law** – Executive Director and Chief Executive Officer: Leads the Company's strategic initiatives, including partnerships with global fintech companies and expansion into new markets.
- **Vincent Hon Keung CHEUNG** – Executive Director and CFO, whom is a fellow member of the ACCA and with more than 20 years of solid experience in accounting and finance field.
- **Iain Muir** – Independent Non-Executive Director: Brings expertise relevant to the Company's operations, supporting governance and strategic oversight.
- **Ajay Rajpal** – Independent Non-Executive Director: Brings expertise relevant to the Company's operations, supporting governance and strategic oversight.

Directors have access to external advisers, including lawyers and auditors, and may obtain independent legal advice at the Company's expense.

Principle 7 - Evaluation of Board Performance

The Board conducts formal annual evaluations of its performance, as well as that of its committees and individual Directors, typically around the publication of the Annual Report. The process includes one-to-one reviews with the Chairman and Senior Independent Director, and ongoing monitoring for succession planning. The Independent Non-Executive Director oversees the assessment of Executive Directors' performance against agreed financial and non-financial metrics, such as revenue growth and client acquisition.

Principle 8 - Corporate Culture

The Board promotes a corporate culture rooted in ethical values, simplicity, empowerment, and innovation. The Company maintains an employee handbook with clear guidance on expected behaviours and upholds a zero-tolerance policy towards modern slavery, discrimination, bribery, or unethical conduct. RC365's diversity policy fosters an inclusive workplace, supporting employees across its operations in Hong Kong, China, Malaysia, Singapore, the UK, and Europe.

Principle 9 - Maintenance of Governance Structures and Processes

The Board provides strategic leadership within a robust governance framework, ensuring the delivery of long-term shareholder value. Key governance structures include:

- An organisational structure with defined responsibilities;
- A comprehensive annual budgeting process, producing integrated profit and loss, balance sheet, and cash flow statements;
- Detailed monthly performance reporting;
- Central control over capital expenditure and banking facilities.

The CEO leads corporate governance efforts, while Non-Executive Directors provide independent oversight. Recent governance actions include the incorporation of RC365 Solutions SDN in Malaysia to support regional expansion.

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

Principle 10 - Shareholder Communication

The Board is committed to transparent communication with shareholders through:

- Annual and Interim Reports, providing a comprehensive assessment of the Company's position and prospects;
- The AGM, which includes an open question-and-answer session;
- RNS announcements and website updates, with results of shareholder meetings and voting details published promptly.

The Company engages with stakeholders through investor presentations, conferences, and events such as the Hong Kong Economic Summit and the AWS Summit. All reports and press releases are available at www.rc365plc.com.

Internal Controls

The Board is responsible for the Company's system of internal controls, which provides reasonable assurance against material misstatement or loss. Key elements include:

- Close management of day-to-day activities by the Executive Director;
- An organisational structure with defined responsibilities;
- Detailed budgeting and monthly performance reporting;
- Central control over capital expenditure and banking facilities.

The Board considers an internal audit function unnecessary at this stage, given the Company's size and resources, but continues to review its internal control systems for compliance with best practices.

Approved by the Board and signed on its behalf by:

Signed by:

 6F76A32AC897400...
 Iain Muir

Non Executive Chairman

31 July 2025

RC365 HOLDING PLC**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

AUDIT COMMITTEE REPORT

As Chair of the Audit and Risk Committee (“the Committee”), I am pleased to present our Audit Committee Report for the year ended 31 March 2025.

The Board has established an audit committee and a remuneration committee and delegated various responsibilities to these committees, to assist the Board in discharging its duties and overseeing its duties and aspects of the Company and its subsidiaries’ activities.

The Audit Committee comprises two Non-Executive Directors: Iain Muir (Chair) and Ajay Rajpal. The Audit Committee receives, and reviews reports from the Group’s management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The key responsibilities of the Committee are to:

- Review the significant issues and judgments of management, and the methodology and assumptions used in relation to the Group’s financial statements and formal announcements on the Group’s financial performance;
- Review the Group’s going concern assumptions;
- Assess the effectiveness of the Group’s system of internal controls, including financial reporting and financial controls;
- Consider and make recommendations to the Board on the appointment, reappointment, dismissal or resignation and remuneration of the external auditor; and
- Assess the independence and objectivity of the external auditor and approve and monitor the application of the external auditor business standard.

External auditor

The Company’s external auditor is Johnsons Financial Management Limited, who were appointed with effect from the year ended 31 March 2025. Having reviewed the auditor’s independence and performance to date, the Committee recommended to the Board to put them forward at the AGM to stand as auditors for the next financial period.

Internal audit

The Board considers the internal control system to be adequate for the Company. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded. The Directors recognise the business will increase in complexity as it grows, and they will review the internal control system to ensure it responds to any change. The Group currently do not have an internal audit function.

RC365 HOLDING PLC

ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Risk management and internal controls

The principal risks facing the Group are summarised on page 19 of this Report. The internal controls of the Group are set out in the Financial Reporting Procedures Manual which was reviewed and reported on by the Reporting Accountants in connection with the IPO. The Committee carries out an annual risk assessment and review of mitigating controls.

This report was approved by the board on 31 July 2025.

Signed by:



6F76A32AC897400...

Iain Muir

Non Executive Chairman

RC365 HOLDING PLC**ANNUAL REPORT FOR THE PERIOD ENDED 31 MARCH 2025****REMUNERATION COMMITTEE REPORT**

The items included in this report are unaudited unless otherwise stated.

The remuneration committee consists of Ajay Rajpal (Chair) and Iain Muir. This committee's primary function is to review the performance of executive directors and senior employees and set their remuneration and other terms of employment.

The Company has 2 Executive Directors and 2 Non-Executive Directors

The remuneration policy

It is the aim of the committee to remunerate executive directors competitively and to reward performance. The remuneration committee determines the Group's policy for the remuneration of executive directors, having regard to the QCA Corporate Governance Code and its provisions on directors' remuneration.

Although there is no formal Director or senior employee shareholding policy in place, the Board believe that share ownership by Directors and senior employees strengthen the link between the personal interest and those of shareholders.

No views were expressed by shareholders during the period on the remuneration policy of the Group.

Service agreements and terms of appointment

The Non-Executive Directors have service contracts with the Group.

Directors' interests

The directors' interests in the share capital of the Company are set out in the Directors' report.

Directors' emoluments (audited)

	Group		RC365 Holding Plc	
	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$
Chi Kit Law	1,750,000	2,183,561	-	-
Timothy Wai Yiu Tang	160,000	240,000	-	-
Hon Keng Cheung	120,000	-	-	-
Robert Cairns	100,000	-	100,000	-
Iain Muir	29,167	-	29,167	-
Ajay Rajpal	250,000	260,000	250,000	260,000
Total	2,409,167	2,683,561	379,167	260,000

The highest paid Director of the Company in the period was Mr. Chi Kit Law, who was paid a total of HK\$1,750,000 (2024: HK\$2,183,561).

RC365 HOLDING PLC

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Considerations of shareholder views

The Committee considers shareholder feedback received. This feedback, plus any additional feedback received from the time to time, as part of the Group's annual policy for remuneration.

Policy for salary reviews

The Committee may from time to time seek to review salary levels of Directors, taking into account performance, time spent in the role and market data for the relevant role. It is intended that there will be a salary review during the next fiscal year.

Policy for new appointment

It is not intended that there will be any new appointments to the Board in the near term. It is intended that a full review of the Board will take place on an annual basis.

Other Matters

The Group does not currently have any annual or long term incentive schemes in place for any of the Directors and senior employees.

Approval by shareholders

At the next annual general meeting of the Group a resolution approving this report is to be proposed as an ordinary resolution.

This report was approved by the board on 31 July 2025.

Signed by:


E0789A988B1F43D...

Ajay Rajpal

Non Executive Director

INDEPENDENT AUDITOR'S REPORT

to the Members of RC365 Holdings Plc

1. Opinion

We have audited the financial statements of RC365 Holdings Plc (the "Parent Company") and its subsidiaries (together the "Group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows, and related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted International Financial Reporting Standards ("UK adopted IFRS").

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025, and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of management's going concern assessment process and engaged with management early to ensure all key factors were considered in their assessment;
- We evaluated management's going concern assessment which included assessing their evaluation of business and strategic plans, liquidity and funding positions for the group and the parent company;
- We assessed the appropriateness of key assumptions made by management in preparing cash flow forecasts for a period of at least twelve months from the date of approving the financial statements;
- We evaluated forecasts prepared by management to recent historical financial information performance to confirm the accuracy of these forecasts;
- We obtained direct confirmation from investors confirming planned investment into the Group during the going concern period; and
- We assessed the going concern disclosures included in the annual report for compliance with the reporting standards.

INDEPENDENT AUDITOR'S REPORT

to the Members of RC365 Holding Plc (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Parent Company's ability to continue as a going concern.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have presented a risk of material misstatement. The scope of our audit was influenced by the level of materiality we determined.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of their activities, the accounting processes and controls, and the industry in which the Group operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly. The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

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

Our involvement with component auditors

We designed an audit strategy to ensure that we obtained the required audit assurance for each component for the purposes of our Group audit opinion (in accordance with ISA 600 (Revised - UK)). Components were scoped in to address aggregation risk and to ensure sufficient coverage was obtained of group balances on which to base our audit opinion. For the work performed by component auditors in Hong Kong and Malaysia, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Detailed Group reporting instructions were sent, which included the significant areas to be covered by the audits (including areas that were considered to be key audit matters as detailed below), and set out the information required to be reported to the Group audit team.
- The Group audit team performed procedures independently over certain key audit risk areas, as considered necessary, including the key audit matters below.
- Regular communication took place between ourselves as group auditor and the component auditors throughout the planning and execution phases of the audit.

INDEPENDENT AUDITOR'S REPORT

to the Members of RC365 Holding Plc (continued)

- The Group audit team was actively involved in risk assessment and the direction of the audits performed by the component auditors for Group reporting purposes, review of their working papers, consideration of findings and determination of conclusions drawn.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether due to fraud or error) we identified, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How the matter was addressed in our audit
<p>Going Concern</p> <p>The Directors have prepared a cashflow forecast covering monthly periods through to 31 July 2026. This forecasts that the Group and Company being able to continue on a going concern basis for at least the next twelve months from the date of this report.</p> <p>Significant auditor attention was focussed in this area because of the existence of events or conditions which may give rise to going concern issues such as the ability of the group to raise financing to fund its operations. In addition, the Group has incurred losses from operating activities for a number of reporting periods. The loss after tax from continuing operations for the year ended 31 March 2025 was HK\$ 30,691,910 (2024: HK\$ 31,586,093). The group's operations are mainly located in Hong Kong.</p> <p>These matters require auditor judgement on whether the Group and Company will be able to fund its operations and future projects for a period at least twelve months from the date of this report.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • We confirmed our understanding of management's going concern assessment process and engaged with management early to ensure all key factors were considered in their assessment. • We checked cash at bank held at 31 March 2025 of HK\$ 11,775,409 to supporting documentation, including bank statements. We confirmed significant bank balances held by the Group that are considered in management's going concern assessment. • We evaluated management's going concern assessment which included assessing their business and strategic plans, liquidity and funding positions for the group. We checked that the going concern assessment from management covered a period of at least 12 months from the expected date of approval of financial statements. We also challenged the appropriateness of judgements and assumptions considered by management in the cashflow forecasts and obtained corroborative evidence, wherever available, for key assumptions made. • We assessed the appropriateness of management's forecasts by comparing them to the Group's recent historical financial performance and evaluating the consistency of underlying assumptions with past trends and available supporting evidence • We obtained direct confirmations from investors identified by management to confirm their intention and willingness to invest in the Group within the next 12 months, in accordance with the requirements of ISAs (UK).

	<ul style="list-style-type: none"> We checked whether the disclosures in the financial statements were fairly stated, complete and accurate in all material respects. <p>Conclusion: We have completed our planned procedures. We are of the view there are no material uncertainties which exist in relation to the Group's and Company's status as going concern.</p>
<p>Impairment of Intangible assets (Group)</p> <p>Where indicators of impairment exist during the reporting period, management and the directors are required to perform an impairment review over the carrying values of the Group's intangible assets.</p> <p>Management has assessed Group's intangible assets for impairment and has recognised impairment provision of HK\$ 19,625,320 (2024: nil) for the year ended 31 March 2025.</p> <p>There are significant judgements to consider in assessing value in use of intangible assets and associated cashflow forecasts.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> We reviewed impairment assessment performed by management for intangible assets as of year-end. We challenged management on the reasonableness of their business plans supporting the recognition and carrying value of intangible assets, including licences and internally developed assets, and assessed the associated forecast cash flows where applicable. We assessed the procedures performed by the component auditor on the impairment assessment of ERP asset recognised by the Group as of year-end. We involved auditor's expert to assess and challenge discount rate (WACC) applied by management in discounting forecast cashflows. We evaluated the appropriateness of the forecast period applied by management in estimating future free cash flows, considering the nature of the business and industry practice. We ensured the mathematical accuracy of the value-in-use calculations performed by management. We assessed the disclosures in the financial statements for completeness and accuracy. <p>Conclusion: Based on the procedures performed, we conclude that the impairment provision recognised by management on the intangible assets is appropriate as of year-end.</p>
<p>Impairment of investment in subsidiaries and receivables from subsidiaries (parent company)</p> <p>Where indicators of impairment exist during the reporting period, management and the directors are required to perform an impairment review over the carrying values of the investment in subsidiaries and receivables</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> We reviewed impairment assessment performed by management for investment in subsidiaries and receivable from subsidiaries by the parent company as of year-end.

<p>from subsidiaries in the books of parent company at year-end.</p> <p>Management has assessed investment in subsidiaries and receivable from subsidiaries for impairment and has recognised impairment of HK\$ 7,536,240 (2024: nil) and HK\$ 11,340,603 (2024: nil) respectively for the year ended 31 March 2025.</p> <p>There are significant judgements to consider in assessing value in use of investment in subsidiaries and receivables from subsidiaries and associated cashflow forecasts.</p>	<ul style="list-style-type: none"> • We challenged management on the appropriateness of the assumptions and judgments supporting the cashflow forecasts of subsidiaries. • We involved auditor's expert to assess and challenge discount rate (WACC) applied by management in discounting forecast cashflows. • We evaluated the appropriateness of the forecast period applied by management in estimating future free cash flows, considering the nature of the business and industry practice of each material subsidiary. • We ensured the mathematical accuracy of the value-in-use calculations performed by management. • We assessed the disclosures in the financial statements for completeness and accuracy. <p>Conclusion: Based on the procedures performed, we conclude that the impairment provision recognised by management on the intangible assets is appropriate as of year-end.</p>
<p>Accounting for divestiture of subsidiary</p> <p>The Group during the year has disposed RC Pay Ltd (Hong Kong) for a consideration of HK\$ 400,000.</p> <p>There is a risk that the disposal of subsidiary by the Group and the parent company is not accounted appropriately for the year-ended 31 March 2025.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • We checked the sale agreement entered by the Group for the sale of Hong Kong subsidiary. • We evaluated the appropriateness of accounting performed by management and assessed its compliance with requirements of IFRS adopted by the UK. • We checked the profit or loss calculations performed by management on the sale of subsidiary. • We checked the receipt of the consideration to the bank statement. • We assessed the disclosures in the financial statements for completeness and accuracy including consideration of discontinued operations as required under IFRS adopted by the UK. <p>Conclusion: We have completed our planned procedures, no material issues or exceptions have arisen.</p>

INDEPENDENT AUDITOR'S REPORT

to the Members of RC365 Holding Plc (continued)

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of the identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality	Group	Prent company
Overall materiality	HK\$ 141,000 (2024: HK\$ 379,800)	HK\$ 39,000 (2024: HK\$ 379,800)
Basis for determining overall materiality	<p>Materiality was determined based on 1% (2024: 2%) of the Group's revenue.</p> <p>We believe that the stakeholders of Group are primarily focused on the revenue as this determines the success of the products launched by the Company and its recent acquisitions.</p>	<p>Materiality was determined based on the total assets of the parent company.</p> <p>The nature of the parent company is that of holding company for the group. We believe that the total assets as most appropriate basis for determining materiality as the stakeholders focus on the total assets to assess parent company's ability to provide support to subsidiaries when required.</p>
Performance materiality	<p>HK\$ 70,000 (2023: £265,860)</p> <p>We set performance materiality based on 50% (2024:70%) of overall materiality.</p> <p>Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of the uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>In determining performance materiality, we considered several factors including our understanding of the control environment of the Group.</p>	<p>HK\$ 19,500 (HK\$ 265,860)</p> <p>We set performance materiality based on 50% (2024:70%) of overall materiality.</p> <p>Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of the uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>In determining performance materiality, we considered several factors including our understanding of the control environment of the parent company.</p>
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding HK\$ 7,000 (2024: HK\$ 19,000) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.	We agreed to report any corrected or uncorrected adjustments exceeding HK\$ 1,950 (2024: HK\$ 19,000) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

	This represents 5% of the overall materiality of the Group.	This represents 5% of the overall materiality of the parent company.
--	---	--

Other matters

The financial statements of RC365 Holding Plc for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion with materiality uncertainty on going concern on those statements on 29 July 2024.

Other information

Other information comprises the information in the annual report, including Chairman's Statement, Strategic Report, Board of Directors, Directors Report, Risk Management Report, Corporate Governance Statement, Audit Committee Report and Remuneration Committee Report. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in Strategic Report and Director's Report the for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained during the audit, we have not identified material misstatements in the Strategic report and Directors Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT

to the Members of RC365 Holding Plc (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company'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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 based on these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting material misstatement due to a fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risk of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussions with the directors, we obtained an understanding of the legal and regulatory framework applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation, London Stock Exchange rules and regulations, Hong Kong company law and tax laws or those that had a fundamental effect on the operations of the Group.

INDEPENDENT AUDITOR'S REPORT

to the Members of RC365 Holding Plc (continued)

- We made enquiries of the directors and management concerning the Group's policies and procedures relating to:
 - Identifying, evaluating, and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding on the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Group's and Parent Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries creating fictitious transactions to improve financial performance, and management bias in accounting estimates specific to impairment of intangible assets, impairment of goodwill, impairment of investment in subsidiary and related party receivables.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through review of the minutes of the Board of directors' meetings,
- we reviewed financial statement disclosures to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements,
- we performed testing of journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations,
- we evaluated the business rationale of significant transactions outside the normal course of business and reviewed accounting estimates for bias,
- we made enquiries of management around actual and potential litigation and claims,
- we challenged the assumptions and judgments made by management in relation to significant accounting estimates,
- we obtained confirmations from third parties to confirm existence of certain balances, and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

INDEPENDENT AUDITOR'S REPORT to the Members of RC365 Holding Plc (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other requirements

We were appointed by the Group on 13 February 2025 to audit the financial statements of the Group for the year-ended 31 March 2025.

We did not provide non-audit services which are prohibited by the FRC's Ethical Standard to the Group, and we remain independent of the Group in conducting our audit.

Our opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

70BB4DD5D2D2478...

Edmund Cartwright, FCCA FMAAT (Senior Statutory Auditor)
for and on behalf of Johnsons, Chartered Accountants, Statutory Auditor
London, United Kingdom

Date: 31 July 2025

Consolidated statement of comprehensive income for the year ended 31 March 2025

	Notes	31 March 2025 HK\$	31 March 2024 Restated HK\$
Continuing operations			
Revenue	4	14,108,210	12,179,203
Cost of sales		(1,900,313)	(87,228)
Gross profit		12,207,897	12,091,975
Other income	5	5,651,524	9,920,749
Subcontracting fee paid	7	(4,211,989)	(5,641,935)
Staff costs	8	(7,099,269)	(5,382,313)
Other operating expenses		(9,022,893)	(6,252,900)
Depreciation on property, plant and equipment and right-of-use assets and amortisation of intangible assets	7	(4,269,916)	(3,110,619)
Operating loss/profit		(6,744,646)	1,624,957
Fair value gain on contingent consideration shares		60,651	874,478
Gain on disposal of a subsidiary		513,060	-
Fair value loss on financial assets at FVPL		(661,824)	(33,511,816)
Impairment losses	7	(23,642,590)	-
Finance charges	6	(142,481)	(175,755)
Loss before income tax	7	(30,617,830)	(31,188,137)
Income tax expense	9	(188,969)	(128,762)
Loss for the year from continuing operations		(30,806,799)	(31,316,898)
Discontinued operations			
Loss for the year from discontinued operations	28	(2,932,762)	(5,568,034)
Loss for the year after tax		(33,739,561)	(36,884,932)
Loss per share – basic and diluted (HK\$)			
-Continuing operations	10	(21.11 cents)	(24.62 cents)
-Discontinued operations	10	(2.01 cents)	(4.38 cents)

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 31 March 2025

	31 March 2025	31 March 2024
	HK\$	HK\$
		Restated
Loss for the year	(33,739,561)	(36,884,932)
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:	185,819	187,658
Exchange differences on translation of financial statements of foreign operations	185,819	187,658
Total comprehensive loss for the year	(33,553,742)	(36,697,274)

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 31 March 2025

	Notes	As at 31 March 2025 HK\$	As at 31 March 2024 HK\$ Restated	As at 1 April 2023 HK\$ Restated
ASSETS				
Non-current assets				
Goodwill	11	-	759,289	-
Loan receivables	17	-	3,257,981	-
Intangible assets	12	4,972,333	28,154,458	6,184,803
Property, plant and equipment	13	559,838	457,213	61,057
Right-of-use assets	14	-	503,955	204,684
Financial assets at FVPL	15	344,105	1,017,248	1,041,064
		5,876,276	34,150,144	7,491,608
Current assets				
Deposit and prepayments	16	2,798,699	2,980,887	3,788,412
Trade and other receivables	16	772,471	2,457,826	17,698,025
Loan receivables	17	-	-	294,500
Contract assets	4	855,409	-	-
Cash and cash equivalents	18	11,775,409	19,318,967	9,548,364
		16,201,988	24,757,680	31,329,301
Current liabilities				
Trade and other payables	19	2,939,666	3,967,381	588,083
Borrowings	20	3,884,491	4,539,862	5,299,556
Lease liabilities	21	-	412,284	135,711
Convertible loan note	22	-	5,967,000	-
Tax payables		294,940	111,030	-
Amount due to a shareholder	19	2,538,748	-	-
Contract liabilities	19	5,460,205	8,424,227	751,716
Amount due to a director	19	1,202,925	2,097,277	948,548
		16,320,975	25,519,061	7,723,614
Net current liabilities		(118,987)	(761,381)	23,605,687
Non-current liabilities				
Lease liabilities	21	-	65,529	65,143
Contingent consideration	24	10,680	70,486	-
		10,680	136,015	65,143
Net assets		5,746,609	33,252,748	31,032,152
EQUITY				
Share capital	23	15,722,041	13,535,595	12,411,570
Share premium		72,636,015	68,862,461	32,023,411
Group reorganisation reserve		677,439	589,836	589,836
Exchange Reserve		102,253	(83,566)	(271,224)
Accumulated losses		(83,391,139)	(49,651,578)	(13,721,441)
Total equity		5,746,609	33,252,748	31,032,152

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements. Approved by the Board and authorised for issue on 31 July 2025.

DocuSigned by:

Hon Keung Cheung

259666B2F3CD437...

Hon Keung CHEUNG
Director

Company Registration number: 13289422

Consolidated statement of changes in equity for the year ended 31 March 2025

	Share capital	Share premium	Translatio n reserves	Group reorganisation reserves	Convertible loan note reserve	Accumulated losses	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2023 as previously reported	28,801,920	16,576,592	(271,224)	589,836	-	(14,664,972)	31,032,152
Prior period adjustments	(16,390,350)	15,446,819	-	-	-	943,531	-
At 1 April 2023 (restated)	12,411,570	32,023,411	(271,224)	589,836	-	(13,721,441)	31,032,152
Loss for the year	-	-	-	-	-	(36,884,932)	(36,884,932)
Exchange difference on consolidation	-	-	187,658	-	-	-	187,658
Total comprehensive loss	-	-	187,658	-	-	(36,884,932)	(36,697,274)
Issue of share capital	1,124,025	32,752,495	-	-	-	-	33,876,520
Issue of convertible loan note	-	-	-	-	2,957,651	-	2,957,651
Restatement	-	4,086,555	-	-	(2,957,651)	954,795	2,083,699
At 31 March 2024 and at 1 April 2024 (restated)	13,535,595	68,862,461	(83,566)	589,836	-	(49,651,578)	33,252,748
Loss for the year	-	-	-	-	-	(33,739,561)	(33,739,561)
Exchange difference on consolidation	-	-	185,819	-	-	-	185,819
Total comprehensive loss	-	-	185,819	-	-	(33,739,561)	(33,553,742)
Release and reclassification upon deconsolidation of	-	-	-	87,603	-	-	87,603
Issue of share capital	2,186,446	3,773,554	-	-	-	-	5,960,000
At 31 March 2025	15,722,041	72,636,015	102,253	677,439	-	(83,391,139)	5,746,609

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 March 2025

	31 March 2025 HK\$	31 March 2024 HK\$ Restated
Cash flows from operating activities		
Loss before income tax	(33,550,592)	(36,756,170)
Less: Loss before income from discontinued operation	(2,932,762)	(5,568,034)
Loss before income from continuing operation	(30,617,830)	(31,188,137)
Adjustments for:		
Amortisation of intangible assets	4,140,742	3,006,561
Depreciation of property, plant and equipment	129,174	115,212
Written-off of property, plant and equipment	-	50,239
Written-off of right-of-use-assets	-	136
Impairment loss on loan receivables	3,257,981	42,019
Fair value loss on financial assets at FVPL	661,824	33,511,816
Interest income	(342,306)	(597,441)
Fair value gain on contingent consideration – consideration shares	(60,651)	(874,478)
Net gain on disposal of financial assets at FVPL	-	(80,883)
Impairment loss on goodwill	759,289	-
Gain on disposal of a subsidiary	(513,061)	-
Impairment loss on Intangible assets	19,625,320	-
Finance charges	156,298	208,662
Operating cashflow before working capital changes	(2,803,220)	4,577,752
Decrease/(Increase) in trade and other receivable	1,642,553	(1,825,163)
Increase in contract assets	(855,410)	-
Decrease in deposits and prepayments	179,245	844,045
Increase in loan receivables	-	(1,705,500)
Increase in trade and other payables	(1,124,568)	11,447,945
Decrease in amounts due from a director	(830,102)	-
Decrease in contract liabilities	(2,964,022)	-
Cash generated (used in)/from operating activities	(6,755,524)	13,339,079
Income tax paid	(6,941)	(35,769)
Net cash generated (used in)/from operating activities – continuing operations	(6,762,465)	13,303,310
Net cash generated (used in)/from operating activities – discontinued operations	(2,538,446)	(5,589,394)
Net cash generated (used in)/from operating activities	(9,300,911)	7,713,916
Cash flow from investing activities		
Acquisition of intangible assets	(230,000)	(2,738,575)
Acquisition of property, plant and equipment	(317,162)	(65,380)
Proceeds from disposal of financial assets at FVPL	-	379,496
Net cash inflow for the disposal of a subsidiary	400,000	-
Net cash outflow for the acquisition of subsidiaries	-	(545,826)
Interest received	342,306	297,441
Net cash generated from/(used in) investing activities – continuing operations	195,144	(2,672,844)
Net cash generated from/(used in) investing activities – discontinued operations	-	-
Net cash generated from/(used in) investing activities	195,144	(2,672,844)

Consolidated statement of cash flows for the year ended 31 March 2025

	31 March 2025 HK\$	31 March 2024 HK\$ Restated
Cashflow from financing activities		
Interest paid	(142,481)	(175,755)
Repayment of bank borrowings	(655,371)	(759,694)
Repayment of convertible loan note	(1,523,250)	-
Proceeds from convertible loan note	4,019,333	5,967,000
Net cash from financing activities – continuing operations	1,698,231	5,031,551
Net cash from financing activities - discontinued operations	(287,100)	(439,400)
Net cash from financing activities	1,411,131	4,592,151
Net (decrease)/increase in cash and cash equivalents	(7,694,636)	9,633,223
Effect of exchange rate changes	151,078	137,380
Cash and cash equivalents at beginning of the year	19,318,967	9,548,364
Cash and cash equivalents at the end of the year	11,775,409	19,318,967

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2025

1. GENERAL INFORMATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards and Interpretations

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

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

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

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

Standard	Impact on initial application	Effective date
ISA 21	Amendments – Lack of exchangeability	1 January 2025
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Amendments – Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 9 & IFRS 7	Amendments – Classification and Measurement of Financial Instruments	1 January 2026
IFRS 9 & IFRS 7	Amendments – Contract Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS10 & IAS 28	Amendments – Sales or contribution of assets between an investor and its associate/joint venture	To be determined

2.3 Going Concern

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Going Concern (Continued)

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

2.4 Basis of consolidation

i) Business combination not under common control

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

Allocation of total comprehensive income

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (Continued)

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

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

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

2.5 Foreign currency translation

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Contingent consideration

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

2.7 Goodwill

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

Goodwill on acquisition of subsidiary is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units ("CGU"). An impairment loss on goodwill is not reversed.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Goodwill (Continued)

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

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

2.8 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in note 2.12 are stated at acquisition cost less accumulated depreciation and impairment losses. The acquisition cost of an asset comprises of its purchase price and any direct attributable costs of bringing the assets to the working condition and location for its intended use. Depreciation of assets commences when the assets are ready for intended use.

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets

Intangible assets acquired separately

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

Research and development expenditure

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (Continued)

Derecognition of intangible assets

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

2.10 Financial instruments

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

i) Classification

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

- those to be measured at amortised cost.

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

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

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

ii) Recognition

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

iii) Measurement

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (continued)

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

(iv) Impairment

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

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

Financial liabilities

The Group’s financial liabilities include lease liabilities, trade and other payables, borrowings, contingent consideration and convertible loan note.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (continued)

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

Convertible loan note

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Cash and cash equivalents

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

2.12 Lease

Definition of a lease and the Group as a lessee

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

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

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

Measurement and recognition of leases as a lessee

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Lease (continued)

Measurement and recognition of leases as a lessee (continued)

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Equity

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

No dividends are proposed for the year.

2.14 Revenue recognition

Revenue arises mainly from contracts for IT software development.

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

Step 1: Identifying the contract with a customer

Step 2: Identifying the performance obligations

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations

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

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Revenue recognition (continued)

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

Services income

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

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

Remittance and payment service fee income

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

Media production service income

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

Interest income

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

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Revenue recognition (continued)

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

2.15 Government grants and non-government grants

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

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

2.16 Impairment of non-financial assets

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

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of non-financial assets (Continued)

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

2.17 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

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

Short-term employee benefits

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

2.18 Related parties

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Related parties (Continued)

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

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

2.19 Accounting for income taxes

Taxation comprises current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Accounting for income taxes (Continued)

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

2.20 Earnings per ordinary share

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

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per ordinary share is calculated by adjusting the earnings and number of ordinary shares for the effects of dilutive potential ordinary shares.

2.21 Segment reporting

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

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

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Fair value measurements and valuation processes

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

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

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing changes in market conditions that may result in greater market volatility and may cause further disruptions to the investees'/issuers' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these consolidated financial instruments. Detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities are set out in note 15, 24 and 26.6.

Impairment of goodwill

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

Impairment of intangible assets

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

The recoverable amount of intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

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

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

Impairment of investment in subsidiaries and receivables from group companies

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

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

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

4. REVENUE

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

	2025 HK\$	2024 Restated HK\$
Continuing operations		
IT software development and payment solutions	9,729,150	9,535,253
Remittance and payment services	147,289	754,937
Media production services	4,231,771	1,889,013
	<u>14,108,210</u>	<u>12,179,203</u>
	2025 HK\$	2024 HK\$
Discontinued operations		
Remittance and payment services	150,000	850,446
	<u>150,000</u>	<u>850,446</u>
Total	<u>14,258,210</u>	<u>13,029,649</u>

Information about geographical areas

The Group's operations are principally located in Hong Kong, the PRC, the UK, Japan and other countries. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the transactions are located:

	2025 HK\$	2024 Restated HK\$
Continuing operations		
Hong Kong	10,079,197	9,433,803
The Peoples Republic of China ("the PRC")	479,781	-
UK	1,589,760	-
Japan	1,947,056	2,189,929
Other countries	12,416	555,470
	<u>14,108,210</u>	<u>12,179,203</u>
	2025 HK\$	2024 HK\$
Discontinued operations		
Hong Kong	150,000	850,446
	<u>150,000</u>	<u>850,446</u>
Total	<u>14,258,210</u>	<u>13,029,649</u>

Information about major customers

Revenue from customers that individually contributing 10% or more of the total revenue of the Group are as follows:

	2025 HK\$	2024 HK\$
Continuing operations		
Customer A	1,681,448	2,189,929
Customer B	1,589,760	-
Customer C	1,599,310	-
Customer D	-	1,367,000
	4,870,518	3,556,929

Contract assets

The revenue recognised by the Group from contracts with customers included above for the year ended 31 March 2025 is 855,410 (2024: HK\$ nil).

	2025 HK\$	2024 HK\$
At 1 April	-	-
Addition	855,409	-
	855,409	-

No impairment loss is recognised on the contract assets recognised by the Group during the year ended 31 March 2025.

Contract liabilities

The revenue recognised by the Group from contracts with customers included above for the year ended 31 March 2025 is HK\$6,924,227 (2024: HK\$751,716).

	2025 HK\$	2024 HK\$
At 1 April	8,424,227	751,716
Addition	3,960,205	8,424,227
Revenue recognised	(6,924,227)	(751,716)
	5,460,205	8,424,227

5. OTHER INCOME

	2025	2024
	HK\$	Restated HK\$
Continuing operations		
Government subsidy (note i)	684,457	110,000
Sundry income	124,717	213,961
Grant income (note ii)	4,500,000	9,000,000
Interest income	342,350	596,788
	5,651,524	9,920,749
Discontinued operations		
Sundry income	111,139	104,800
Interest income	40	654
	111,179	105,454

- (i) During the year ended 31 March 2025, the Group received funding support amount HK\$684,457 (2024: HK\$110,000) from the Hong Kong Productivity Council relating to the Dedicated Fund on Branding, Upgrading and Domestic Sales (“BUD Fun”). The purpose of the funding is to provide financial support to enterprises in developing brands, upgrading and restructuring operations and promoting sales in the Free Trade Agreement (FTA) and/or Investment Promotion and Protection Agreement (IPPA) economies, so as to enhance their competitiveness and facilitate their business development in the FTA and/or IPPA economies.
- (ii) During the year ended 31 March 2025, the Group recognised grant income of HK\$4,500,000 (2024: HK\$9,000,000). The grant income represents the funding support from Hatcher Group Limited for the development of the RC3.0 App.

6. FINANCE CHARGES

	2025	2024
	HK\$	HK\$
Continuing operations		
Interest on bank loan	142,481	175,755
	142,481	175,755
Discontinued operations		
Finance charges on lease liabilities	13,817	32,907
	13,817	32,907

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2025 HK\$	2024 HK\$ Restated
Continuing operations		
Amortisation of intangible assets	4,140,742	3,006,561
Depreciation		
- Property, plant and equipment	129,174	104,058
Foreign exchange	152,925	51,015
Subcontracting fees paid	4,211,989	5,641,935
Audit fees paid to statutory auditors of the Group and the Company:	1,085,400	357,120
Audit fees paid to the auditors of subsidiaries	1,376,389	586,520
Non-audit services paid to the auditors of subsidiaries		
- Tax returns review and filing fee	1,091	19,668
	2025 HK\$	2024 HK\$
Discontinued operations		
Depreciation	-	-
- Property, plant and equipment	13,382	11,154
- Right-of-use assets	307,994	384,045
Audit services:		
Statutory audit— Company	60,685	63,039

Details of impairment losses are as follow:

	2025 HK\$	2024 HK\$
Impairment losses on intangible assets (note i)	19,625,320	-
Impairment losses on loan receivables (note ii)	3,257,981	-
Impairment losses on goodwill (note iii)	759,289	-
	23,642,590	-

- (i) Impairment losses on intangible assets of HK\$19,625,320 was recognised during the year end 31 March 2025. Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value in use and its fair value less costs of disposal. An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- (ii) Impairment losses on loan receivables of HK\$3,257,981 was recognised during the year end 31 March 2025. the Group assessed the recoverability based on factors such as the latest status of loans receivables, publicly available or accessible information about the borrowers, the value of the collaterals, and the latest financial condition of the borrowers and guarantors, and made provision for relevant impairment based on the difference between the recoverable amount and the outstanding amount of the loan as at 31 March 2025.
- (iii) Impairment losses on goodwill of HK\$759,289 was recognised during the year end 31 March 2025. The Group performs its annual impairment test of goodwill as at 31 March 2025. Impairment is determined by assessing the recoverable amount of the Group's cash generating units ("CGUs") (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised.

The Group has experienced losses and cash outflows from operating activities; however, proactive measures have been taken to address these challenges. Management has engaged in constructive negotiations with a potential investor, who has demonstrated clear and ongoing commitment to supporting the business. A written notice have been received and discussion are progressing positively. The management has therefore based on that to prepare its cash flow projections to undertake impairment testing on goodwill, intangible assets and loan receivables. Taking into account the forecasted revenue and growth rate of the CGU, the Management considered that it was appropriate to take a conservative approach to recognise impairment losses. In view that the carrying amount of the goodwill, intangible assets and loan receivables of CGU was higher than the recoverable amount, goodwill, intangible assets and loan receivables of CGU were impaired for the year ended 31 March 2025.

8. STAFF COSTS AND DIRECTOR'S EMOLUMENTS

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2025 HK\$	2024 HK\$
Continuing operations		
Wages, salaries and other employee benefits	6,815,679	4,907,642
Contributions to defined contribution plans	280,891	214,147
Housing allowances	2,699	524
	7,099,269	5,122,313
	2025 HK\$	2024 HK\$
Discontinued operations		
Wages, salaries and other employee benefits	1,563,207	2,993,818
Contributions to defined contribution plans	88,098	43,136
	1,651,305	3,036,954

The average number of persons employed by the Group (including Directors) was 25 during the year (2024: 25).

The Directors' remuneration for the year was as follows:

	2025 HK\$	2024 HK\$
Continuing operations		
Director fees	250,000	260,000
Other emoluments (including salary)	1,634,167	1,380,000
	1,884,167	1,640,000
	2025 HK\$	2024 HK\$
Discontinued operations		
Director fees	-	-
Other emoluments (including salary)	525,000	1,043,561

The remuneration paid to highest paid director, Mr. Chi Kit Law is HK\$ 1,750,000.

9. INCOME TAX EXPENSE

	2025 HK\$	2024 HK\$
Tax expense for the year	188,969	128,762

UK corporation tax is calculated at 25% of the estimated assessable profit for the year (2024: Nil).

For the year ended 31 March 2025 and 2024, Hong Kong Profits Tax calculated at 8.25% on the first HK\$2 million 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 million of that subsidiary. The profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at flat rate of 16.5%. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future taxable profits streams of the subsidiaries in Hong Kong.

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 HK\$	2024 HK\$ Restated
Loss before taxation	(33,739,561)	(36,884,932)
Tax at applicable income tax rate	(858,627)	42,975
Tax effect of non-deductible expense	777,380	269,383
Tax effect of non-taxable income	(114,271)	(124,820)
Tax effect on temporary differences	498,200	305,071
Tax effect of tax losses not recognised	-	359,313
Utilisation of tax losses brought forward	-	(687,192)
Under provision in prior year	6,452	-
Tax reduction	(3,000)	(6,000)
Tax at applicable concessionary rate	(117,165)	(29,968)
Income tax expense	188,969	128,762

10. LOSS PER SHARE

	2025 HK\$	2024 HK\$ Restated
Loss attributable to equity shareholders	(33,739,561)	(36,884,932)
Weighted average number of ordinary shares	145,926,608	127,181,165
Loss per share in HK\$:		
Basic		
– Continuing operations	(21.11 cents)	(24.62 cents)
– Discontinued operation	(2.01 cents)	(4.38 cents)
Diluted		
– Continuing operations	(21.11 cents)	(24.62 cents)
– Discontinued operation	(2.01cents)	(4.38 cents)

There were no potential dilutive ordinary shares in existence during the years ended 31 March 2025 and 2024 and hence diluted earnings per share is the same as the basic earnings per share.

11. GOODWILL

	2025 HK\$	2024 HK\$
Cost and net carrying amount		
At 1 April	759,289	-
Additions	-	759,289
Impairment losses	(759,289)	-
At 31 March	-	759,289

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

12. INTANGIBLE ASSETS

	Development cost HK\$	Money Lending License HK\$	Total HK\$
Cost			
At 1 April 2023	6,660,760	-	-
Additions	24,979,825	-	-
At 31 March 2024 and 1 April 2024 (Restated)	31,640,585	-	31,640,585
Additions	-	230,000	230,000
At 31 March 2025	31,640,585	230,000	9,629,335
Accumulated			
At 1 April 2023	475,957	-	475,957
Amortization provided for year	3,006,561	-	3,006,561
Exchange realignment	3,609		3,609
At 31 March 2024 and 1 April 2024 (Restated)	3,486,127	-	3,486,127
Amortization provided for year	4,140,742	-	4,140,742
Impairment losses for the year	19,257,909	-	19,257,909
Exchange realignment	13,562	-	13,562
At 31 March 2025	4,657,002	-	4,657,002
Net Book Value			
At 31 March 2025	4,742,333	230,000	4,972,333
At 31 March 2024	28,154,458	-	28,154,458
At 31 March 2023	6,184,802	-	6,184,802

The development cost intangible asset have definite useful lives and is amortised on a straight-line basis ranged over 5 years and 10 years.

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

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

During the year ended 31 March 2025, the Group reviewed the recoverable amounts of the money lending license. No impairment loss has been recognised during the year.

13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Leasehold improvement	Furniture & fixtures	Total
	HK\$	HK\$	HK\$	HK\$
Cost				
At 1 April 2024	661,063	101,474	91,180	853,718
Additions	183,075	46,532	78,370	307,977
Written off	-	-	(91,180)	(91,180)
Exchange realignment	1,326	49	(669)	705
At 31 March 2025	845,464	147,337	78,419	1,071,220
Accumulated Depreciation				
At 31 March 2024 and 1 April 2024	362,166	20,295	14,044	396,505
Charge for the year	99,297	23,472	6,405	129,174
Exchange realignment	113	(368)	3	(253)
Eliminated on disposals	-	-	(14,044)	(14,044)
At 31 March 2025	461,576	43,398	6,408	511,382
Net Book Value				
At 31 March 2025	383,888	103,939	72,011	559,838
At 31 March 2024	298,897	81,179	77,137	457,213

14. RIGHT-OF-USE ASSETS

Lease assets	HK\$
Cost	
At 31 March 2024 and 1 April 2024	821,212
Disposal of a subsidiary	(821,212)
At 31 March 2025	-
Accumulated Depreciation	
At 31 March 2024 and 1 April 2024	317,258
Charge for the year	307,994
Disposal of a subsidiary	(625,252)
At 31 March 2025	-
Net Book Value	
At 31 March 2025	-
At 31 March 2024	503,955

15. FINANCIAL ASSETS AT FVPL

	Notes	2025 HK\$	2024 HK\$
Equity investments listed in Hong Kong	15(a)	344,105	1,017,248
		344,105	1,017,248

- (a) On 22 February 2023, the Company as an issuer entered into a share subscription agreement with Hatcher Group Limited (a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, stock code: 8365) (the “Subscriber” or “Hatcher Group”), pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot, an aggregate of 18,000,000 shares at the subscription price of £0.19 per subscription share for a total consideration of £3,420,000 (the “Subscription”). The consideration for the Subscription was to be settled by the Subscriber by way of the issue and allotment of an aggregate of 38,640,000 shares of the Subscriber at the issue price of HK\$0.90 per share to the Company upon completion of the Subscription.

The Subscription was completed on 17 April 2023 and the consideration was settled by way of issue and allotment of an aggregate of 38,640,000 shares of the Subscriber at the issue price of HK\$0.90 each, totalling HK\$34,776,000.

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

During the year ended 31 March 2025, fair value loss on equity investments of HK\$661,824 was recognised in profit or loss.

Details of the fair value measurements are set out in note 26 to the consolidated financial statements.

16. TRADE AND OTHER RECEIVABLES AND DEPOSIT AND PREPAYMENT

	Notes	2025 HK\$	2024 HK\$ Restated
Trade receivables	16(a)	772,471	2,349,282
Other receivables		-	108,544
		772,471	2,457,826
Deposit and prepayment		2,798,699	2,980,887
		3,571,170	5,438,713

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

16. TRADE AND OTHER RECEIVABLES AND DEPOSIT AND PREPAYMENT (CONTINUED)

Age of trade receivables that are past due but not impaired are as follows:

	2025 HK\$	2024 HK\$
Neither past Overdue by:	458,643	490,500
0 – 30 days	53,328	931,282
31 – 60 days	-	150,000
61 – 90 days	122,500	435,000
Over 90 days	138,000	342,500
	772,471	2,349,282

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 31 March 2025 and 2024, no ECL has been provided for trade and other receivables, deposit and prepayment. The Group does not hold any collateral over these balances.

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

17. LOAN RECEIVABLES

	2025 HK\$	2024 HK\$
Receivables:		
- within one year	3,257,981	-
- in the second to fifth years inclusive	-	3,300,000
	-	3,300,000
Less: Amount shown under current assets	-	-
Balance due after one year	3,257,981	3,300,000
Less: Impairment losses	(3,257,981)	(42,019)
	-	3,257,981

The loans to independent third parties are unsecured, bearing interest at 10% (2024: 10%) per annum and with fixed terms of repayment. As at 31 March 2025, the Directors consider that their carrying amounts exceeded their recoverable amount in light of the significant increase in the credit risk of the counterparty. Accordingly, the carrying amounts of loan receivables were written down to their recoverable amounts and thus, provision for impairment losses of HK\$3,257,981 were recognised against the loan receivables.

18. CASH AND CASH EQUIVALENTS

	2025 HK\$	2024 HK\$
Cash and bank balance	11,775,409	19,318,967

19. TRADE AND OTHER PAYABLES

	2025 HK\$	2024 HK\$
Trade payables	302,484	1,751,682
Accrued charges and other payables	2,637,182	2,215,699
	2,939,666	3,967,381
Contract liabilities (note 4)	5,460,205	8,424,227
Amount due to a director	1,202,925	2,097,277
Amount due to a shareholder	2,538,748	-
	12,141,544	14,488,885

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

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

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

20. BORROWINGS

	2025 HK\$	2024 HK\$
Bank loans - secured	3,884,491	4,539,862
Presented by:		
- Carrying amount repayable on demand or within one year	134,726	785,841
- Carrying amount repayable after one year with repayment on demand clause	3,749,765	3,754,021
	3,884,491	4,539,862
Less: Amount shown under current liabilities	(3,884,491)	(4,539,862)
Non-current liabilities	-	-

Bank borrowings are variable interest bearing borrowings for working capital use which carry interest at 3.0% below Prime Rate per annum (2024: 2.5% below Prime Rate per annum). The loan contains a repayment on demand clause and repayable by 96 unequal monthly instalment commencing one month from the date of drawdown. There is no material covenant stated in this borrowing. At 31 March 2025, the banking facilities were secured by the joint and several guarantees given by Mr. Chi Kit Law, the ultimate controlling party of the Company. On 22 January 2025, the Group and The Bank of East Asia revised the banking facility and the loan

repayment schedule was modified by 108 months unequal monthly instalments commencing one month from the drawdown date. The directors concluded that the change in terms as not substantial and thus do not constitute a new liability.

21. LEASE LIABILITIES

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

	2025 HK\$	2024 HK\$
Total minimum lease payments:		
Due within one year	-	432,300
Due in the second to fifth years	-	66,000
	-	498,300
Future finance charges on lease liabilities	-	(20,487)
Present value of lease liabilities	-	477,813
Present value of liabilities:		
Due within one year	-	412,284
Due in the second to fifth years	-	65,529
	-	477,813
Less: Portion due within one year included under current liabilities	-	(412,284)
Portion due after one year included under non-current liabilities	-	65,529

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

22. CONVERTIBLE LOAN NOTE

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

	2025 HK\$	2024 HK\$ Restated
At 1 April	5,967,000	-
Liabilities component at date of issue	-	5,967,000
Interest expenses	-	-
Drawdown during the year	4,109,333	-
Repayment	(4,061,998)	-
Repayment through conversion into equity shares	(5,960,000)	-
Exchange realignment	(54,335)	-
At 31 March	-	5,967,000
Portion classified as non-current	-	-
Current portion	-	5,967,000

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

During the year ended 31 March 2025, the Group has issued 21,875,830 shares on various date to settle £600,000 (first tranche) of convertible loan note. The notes were redeemed at outstanding value and that no premium is paid at the time of redemption. On 18 December 2024, the Group repaid balance convertible loan note by entering into a top-up subscription agreement with its principal shareholder (note 25) and through the payment of cash of £150,000.

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

23. SHARE CAPITAL

	2025 No. of shares	2024 No. of shares
Issued shares (nominal value of £0.01 per share)		
At the beginning of the reporting period	128,534,590	117,034,590
Issue of shares	21,875,830	11,500,000
At the end of the reporting period	150,410,420	128,534,590
	2025 HK\$	2024 HK\$
Issued shares:		
At the beginning of the reporting period	13,535,595	12,411,570
Issue of shares	2,186,446	1,124,025
At the end of the reporting period	15,722,041	13,535,595

On 3 April 2023, the Company further issued and allotted 8,500,000 shares at £0.19 (HK\$1.82) each to the Subscriber and the Subscription was completed in April 2023.

On 7 September 2023, 3,000,000 shares at £0.75 (HK\$7.41) each were issued and allotted by the Company to the Subscriber.

On 3 April 2024, pursuant to the convertible loan note agreement, 2,023,439 shares of the Company were issued and allotted at £0.01 (HK\$0.1) each to the Subscriber.

On 23 April 2024, pursuant to the convertible loan note agreement, 3,409,090 shares of the Company were issued and allotted at £0.01 (HK\$0.1) each to the Subscriber.

On 15 May 2024, pursuant to the convertible loan note agreement, 5,357,143 shares of the Company were issued and allotted at £0.01 (HK\$0.1) each to the Subscriber.

On 26 June 2024, pursuant to the convertible loan note agreement, 4,507,211 shares of the Company were issued and allotted at £0.01 (HK\$0.1) each to the Subscriber.

On 21 August 2024, pursuant to the convertible loan note agreement, 6,578,947 shares of the Company were issued and allotted at £0.01 (HK\$0.1) each to the Subscriber.

24. BUSINESS COMBINATION UNDER COMMON CONTROL

a) Acquisition of Mr. Meal Group

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

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

(i) *Initial consideration*

HK\$1,000,000 to be paid in cash on completion of the Group being registered as the sole shareholder of Mr. Meal with the Companies Registry in Hong Kong and all the existing key employees shall have entered into the retention agreement with Mr. Meal;

(ii) *Contingent consideration*

HK\$1,000,000 to be settled by the allotment of 91,453 new ordinary shares (determined according to the closing price of the Company’s shares listed on the London Stock Exchange on the Completion Date) of the Company (the “Consideration Shares”). The Consideration Shares are contingent on the retention of key employees for a 12-month period and if satisfied will be issued 18 months after the Completion Date of the Mr. Meal Acquisition.

24. BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)**a) Acquisition of Mr. Meal Group (Continued)**

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

At 12 July 2023

HK\$

Consideration

Cash paid	1,000,000
Contingent consideration – Consideration Shares	1,000,000
	2,000,000

Recognised amounts of identifiable assets acquired and liabilities assumed

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

Net cash outflow arising on the acquisition:

HK\$

Cash consideration paid	(1,000,000)
Cash and cash equivalents acquired	454,174
	(545,826)

The value of the Consideration Shares is mainly based on the trading price of the Company and the relevant indicators, which considered as significant inputs to the valuation. At 31 March 2025, the fair value of the Consideration Shares is estimated to be HK\$10,680.

The movements of the Consideration Shares are as follows:

HK\$

Initial recognition on 12 July 2023	1,000,000
Fair value changes	(874,478)
Exchange realignments	(55,036)
At 31 March 2024	70,486
Fair value changes	(60,651)
Exchange realignments	845
At 31 March 2025	10,680

25. MAJOR NON-CASH TRANSACTIONS

Following note 22 to the financial statements, pursuant to the top-up subscription agreement, the principal shareholder made a loan to the Company of HK\$2,538,748 by way of settling on behalf of the Company 27,500,000 shares to the Lender as repayment pursuant the convertible loan note. As a result, there was an amount due to a shareholder of HK\$2,538,748 as at 31 March 2025.

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

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

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

26.1 Categories of financial assets and liabilities

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

	2025 HK\$	2024 HK\$ Restated
Financial assets		
<i>Financial assets at fair value</i>		
- Financial assets at FVPL	344,105	1,107,248
<i>Financial assets at amortised costs</i>		
- Trade receivables	772,471	2,349,282
- Contract assets	855,410	-
- Other receivables	-	108,544
- Deposit and prepayment	1,325,157	1,682,543
- Cash and cash equivalents	11,775,409	19,318,967
	15,702,552	24,566,584
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
- Trade payables	302,484	1,751,682
- Contract liabilities	5,460,205	8,424,227
- Amount due to a director	1,202,925	2,097,277
- Amount due to a shareholder	2,538,748	-
- Lease liabilities	-	412,284
- Borrowings	3,884,491	4,539,862
- Tax payable	294,939	111,030
- Convertible loan note	-	5,967,000
	13,683,792	23,303,362

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

26.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency risk mainly arises from the fluctuation of each the following currency against the functional currencies of the relevant entities now comprising the Group. The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities other than the functional currencies of the relevant entities comprising the Group are as follows. The management closely monitors foreign exchange exposure to mitigate the foreign currency risk.

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	HK\$	HK\$	HK\$	HK\$
GBP	3,302,669	4,817,368	32,676,769	7,430,057
SGD	-	515,439	1,198,306	809,117
MYR	377,551	153,729	208,011	13,441
RMB	520,514	91,406	265,004	52,537
	4,200,733	5,577,942	34,348,091	8,305,152

A 1% increase in the GBP/HKD is expected to have an impact of HK\$15k.

26.3 Interest rate risk

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

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

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate borrowings. The analysis is prepared assuming the borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents Directors' assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's pre-tax loss for the year would increase/decrease by HK\$38,845 (2024: HK\$45,399). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

26.4 Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties in the ordinary course of its operations. The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 31 March 2025 refers to the carrying amount of financial assets as disclosed in note 26.1.

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

Trade receivables

The Group has applied the simplified approach to assess the ECL as prescribed by IFRS 9. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due days. In calculating the ECL rates, the Group considers historical elements and forward looking elements. Lifetime ECL rate of trade receivables is assessed minimal for all ageing bands as there was no recent history of default and continuous payments were received. The Group determined that the ECL allowance in respect of trade receivables for the years ended 31 March 2025 and 2024 is minimal as there has not been a significant change in credit quality of the customers.

Other financial assets at amortised cost

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

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

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

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

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

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

26.5 Liquidity risk

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

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

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

	Carrying amount HK\$	Within 1 year or on demand HK\$	Over 1 year but within 5 years HK\$	Over 5 years HK\$	Total contractual undiscounted cash flow HK\$
2025					
- Trade and other payables	2,939,666	2,939,666	-	-	2,939,666
- Amount due to a director	1,202,925	1,202,925	-	-	1,202,925
- Amount due to a shareholder	2,538,748	2,538,748	-	-	2,538,748
- Bank borrowings	3,884,491	4,254,546	-	-	4,254,546
	10,565,830	10,935,885	-	-	10,935,885
2024 (restated)					
- Trade and other payables	3,967,381	3,967,381	-	-	3,967,381
- Amount due to a director	2,097,277	2,097,277	-	-	2,097,277
- Lease liabilities	477,812	432,300	66,000	-	498,300
- Bank borrowings	4,539,862	4,999,680	-	-	4,999,680
- Convertible loan note	5,410,507	5,410,507	-	-	5,410,507
	46,485,278	42,837,344	66,000	-	46,965,584

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

26.6 Fair values measurement

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

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

(a) Assets measured at fair value

During the year, there were no transfer between Level 1 and Level 2, nor transfer into and out of Level 3 fair value measurements.

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

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

27. CAPITAL MANAGEMENT

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

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

28. DISCONTINUED OPERATIONS

- (a) On 21 November 2024, the Company entered into a sale and purchase agreement (the “S&P Agreement”) with an independent third party (the “Buyer”). Pursuant to the S&P agreement, the Buyer agreed to acquire 100% issued share capital in RCPAY Limited (“RCPAY HK”) at the transfer consideration of HK\$400,000. After completion of the above disposal on 21 November 2024 RCPAY HK ceased to be subsidiary of the Company.

The Group disposed RCPAY Limited during the year ended 31 March 2025:

	1 April 2024 to 21 November 2024	1 April 2023 to 31 March 2024
	HK\$	HK\$
Loss from the discontinued operations for the year	(2,657,442)	(4,295,163)
Gain on de-consolidation of a subsidiary	513,061	-
	(2,144,381)	(4,295,163)
	1 April 2024 to 21 November 2024	1 April 2023 to 31 March 2024
	HK\$	HK\$
Revenue	150,000	850,446
Cost of sales	(1,098,274)	-
Gross (loss)/profit	(948,274)	850,446
Other income	110,894	105,290
Subcontracting fee paid	-	(35,286)
Staff costs	(1,072,500)	(2,275,500)
Other operating expenses	(412,370)	(2,512,007)
Depreciation on property, plant and equipment and right-of-use assets	(321,376)	(395,199)
Operating loss	(2,643,625)	(4,262,256)
Finance charges	(13,817)	(32,907)
Loss before income tax	(2,657,442)	(4,295,163)
Income tax	-	-
Loss for the year	(2,657,442)	(4,295,163)

- (b) On 30 March 2025, Regal Crown Technology (Singapore) Ptd Ltd was struck off on 10 March 2025. The Group discontinued Regal Crown Technology (Singapore) Ptd Ltd during the year ended 31 March 2025:

	1 April 2024 to 10 March 2025	1 April 2023 to 31 March 2024
	HK\$	HK\$
Profit/(Loss) from the discontinued operations for the year	617,198	(1,022,674)
	617,198	(1,022,674)
	1 April 2024 to 10 March 2025	1 April 2023 to 31 March 2024
	HK\$	HK\$
Revenue	-	-
Gross profit	-	-
Other income	779,924	-
Staff costs	-	(677,387)
Other operating expenses	(136,996)	(365,295)
Operating loss	642,928	(1,042,682)
Exchange difference	(25,729)	20,008
Profit/(Loss) before income tax	617,198	(1,022,674)
Income tax	-	-
Profit/(Loss) for the year	617,198	(1,022,674)

- (c) On 10 March 2025, RC365 Solution Sdn Bhd was struck off on 30 March 2025. The Group discontinued RC365 Solution Sdn Bhd during the year ended 31 March 2025:

	1 April 2024 to 30 Mach 2025	1 April 2023 to 31 March 2024
	HK\$	HK\$
Loss from the discontinued operations for the year	(892,518)	(250,197)
	(892,518)	(250,197)
	1 April 2024 to 30 Mach 2025	1 April 2023 to 31 March 2024
	HK\$	HK\$
Revenue	-	-
Gross profit	-	-
Other income	34	164
Staff costs	(578,805)	(84,067)
Other operating expenses	(315,854)	(167,645)
Operating loss	(894,625)	(251,549)
Exchange difference	2,107	1,352
Loss before income tax	(892,518)	(250,197)
Income tax	-	-
Loss for the year	(892,518)	(250,197)

- (d) RC365 Business Advisory Limited was struck off on 25 April 2024. This subsidiary did not contribute to the profit or loss of the Group for the years ended 31 March 2024 and 31 March 2025.

29. Material related parties transactions

Saved as disclosed elsewhere in these consolidated financial statements, the Group had no other significant transactions or balances with related parties.

The remuneration of the directors of the Company during the years ended 31 March 2024 and 2025 is set out in note 8 to the consolidated financial statements.

Other balances with related parties are disclosed in the Company's statement of financial position and in note 19 and note 22 of the consolidated financial statements. All other transactions are within wholly owned entities of the Group.

30. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2025.

31. CONTINGENT LIABILITIES

As at 31 March 2025, there were contingent liabilities in respect of the following:

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

32. ULTIMATE CONTROLLING PARTY

The Directors are of the opinion that the ultimate controlling party was Mr. Chi Kit Law as at 31 March 2025.

33. RECLASSIFICATION

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

34. RESTATEMENT

This note explains the adjustments made by the Group in restating its consolidated financial statements for the year ended 31 March 2024 in accordance with IFRS, including the statement of financial position as at 1 April 2023 and the financial statements as of, and for, the year ended 31 March 2024, to the respective statements presented in the financial statements for the year ended 31 March 2025. The details of the prior year adjustments (“PYA”) are as follows:

Statement of financial position as at 31 March 2023

	As previously reported 31 March 2023 HK\$	Intangible assets 31 March 2023 HK\$	Converti ble loan note 31 March 2023 HK\$	Share premium 31 March 2023 HK\$ Note 34.1	Reclassifica tion of accounts 31 March 2023 HK\$	Restated 1 April 2023 HK\$
ASSETS						
Non-current assets						
Intangible assets	6,184,803	-	-	-	-	6,184,803
Property, plant and equipment	61,057	-	-	-	-	61,057
Right-of-use assets	204,684	-	-	-	-	204,684
Financial assets at FVPL	-	-	-	-	1,041,064	1,041,064
	<u>6,450,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,041,064</u>	<u>7,491,608</u>
Current assets						
Financial assets at FVPL	1,041,064	-	-	-	(1,041,064)	-
Deposit and prepayments	3,788,412	-	-	-	-	3,788,412
Trade and other receivables	17,698,025	-	-	-	-	17,698,025
Loan receivables	294,500	-	-	-	-	294,500
Cash and cash equivalents	9,548,364	-	-	-	-	9,548,364
	<u>32,370,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,329,301</u>
Current liabilities						
Trade and other payables	2,288,347	-	-	-	-	2,288,347
Borrowings	5,299,556	-	-	-	-	5,299,556
Lease liabilities	135,711	-	-	-	-	135,711
	<u>7,723,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,723,614</u>
Net current assets	<u>24,646,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,646,751</u>
Non-current liabilities						
Lease liabilities	65,143	-	-	-	-	65,143
	<u>65,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,143</u>
Net assets	<u>31,032,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,032,152</u>
EQUITY						
Share capital	28,801,920	-	-	(16,390,350)	-	12,411,570
Share premium (note 34.1)	16,576,592	-	-	15,446,819	-	32,023,411
Group reorganisation reserve	589,836	-	-	-	-	589,836
Translation reserve	(271,224)	-	-	-	271,224	-
Accumulated losses	(14,664,972)	-	-	943,531	(271,224)	(13,992,665)
Total equity	<u>31,032,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,032,152</u>

Note 34.1

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

Statement of financial position as at 31 March 2024

	As previously reported 31 March 2024 HK\$	Intangible assets 31 March 2024 HK\$ Note 34.2	Convertible loan note 31 March 2024 HK\$ Note 34.3	Share premium 31 March 2024 HK\$ Note 34.1	Reclassificatio n of accounts 31 March 2024 HK\$ Note 34.4	Restated 1 April 2024 HK\$
ASSETS						
Non-current assets						
Goodwill	759,289	-	-	-	-	759,289
Loan receivables	3,257,981	-	-	-	-	3,257,981
Intangible assets	23,513,372	4,641,086	-	-	-	28,154,458
Property, plant and equipment	457,213	-	-	-	-	457,213
Financial asset - Fair value through profit or loss (Note 34.6)	-	-	-	-	1,017,248	1,017,248
Right-of-use assets	503,955	-	-	-	-	503,955
	<u>28,491,810</u>	<u>4,641,086</u>	<u>-</u>	<u>-</u>	<u>1,017,428</u>	<u>34,150,144</u>
Current assets						
Financial asset - Fair value through profit or loss (Note 34.6)	1,017,248	-	-	-	(1,017,248)	-
Deposit and prepayments	2,980,887	-	-	-	-	2,980,887
Trade and other receivables	34,862,948	-	(32,405,122)	-	-	2,457,827
Cash and cash equivalents	19,318,967	-	-	-	-	19,318,967
	<u>58,180,050</u>	<u>-</u>	<u>(32,405,122)</u>	<u>-</u>	<u>(1,017,428)</u>	<u>24,757,680</u>
Current liabilities						
Trade and other payables	3,967,381	-	-	-	-	3,967,381
Contract liabilities	8,424,227	-	-	-	-	8,424,227
Amount due to a director	2,097,277	-	-	-	-	2,097,277
Borrowings	4,539,862	-	-	-	-	4,539,862
Lease liabilities	412,284	-	-	-	-	412,284
Convertible loan note	35,402,946	-	(29,435,946)	-	-	5,967,000
Tax payables	111,030	-	-	-	-	111,030
	<u>54,955,007</u>	<u>-</u>	<u>(29,435,946)</u>	<u>-</u>	<u>-</u>	<u>25,519,061</u>
Non-current liabilities						
Lease liabilities	65,529	-	-	-	-	65,529
Contingent consideration – consideration share	70,486	-	-	-	-	70,486
	<u>136,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,015</u>
Net assets	<u>31,580,838</u>	<u>4,641,086</u>	<u>(2,969,176)</u>	<u>-</u>	<u>-</u>	<u>33,252,748</u>
EQUITY						
Share capital	29,925,945	-	-	(16,390,350)	-	13,535,595
Share premium	49,329,087	5,041,350	-	14,492,024	-	68,862,461
Group reorganisation reserve	589,836	-	-	-	-	589,836
Convertible loan note reserve	2,957,651	-	(2,957,651)	-	-	-
Translation reserve	323,731	(105,217)	(11,525)	(290,555)	-	(83,566)
Accumulated losses	(51,545,412)	(295,047)	-	2,188,881	-	(49,651,578)
Total equity	<u>31,580,838</u>	<u>4,641,086</u>	<u>(2,969,176)</u>	<u>-</u>	<u>-</u>	<u>33,252,748</u>

Note 34.2

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

Note 34.3

Adjustments of HK\$ 32,405,121 and HK\$29,435,946 were made to correct the trade and other receivable, convertible loan note balance as the total amount of convertible loan note liability is incorrectly recognised. Adjustments of HK\$2,957,651 was made to remove the convertible loan note reserve as the convertible loan note is a financial liability and not a compound instruments. The corresponding translation reserve adjustment of HK\$11,525 was also made.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

	As previously reported 2024 HK\$	Intangible assets 2024 HK\$ Note 34.2	Convertible loan note 2024 HK\$ Note 34.3	Share premium 2024 HK\$ Note 34.1	Reclassification of accounts 2024 HK\$ Note 34.4	Restated 2024 HK\$
Continuing operations						
Revenue	21,179,203	-	-	-	(9,000,000)	12,179,203
Cost of sales	(87,228)	-	-	-	-	(87,228)
Gross profit	21,091,975	-	-	-	(9,000,000)	12,091,975
Other income	920,749	-	-	-	9,000,000	9,920,749
Subcontracting fee paid	(5,641,935)	-	-	-	-	(5,641,935)
Staff costs	(5,382,313)	-	-	-	-	(5,382,313)
Other operating expenses	(6,522,095)	-	-	-	-	(6,252,900)
Depreciation on property, plant and equipment and right-of- use assets and amortisation of intangible assets	(2,815,572)	(295,047)	-	-	-	(3,110,619)
Operating profit/(loss)	1,650,809	(295,047)	-	-	-	1,624,957
Fair value gain on contingent consideration – consideration shares	874,478	-	-	-	-	874,478
Fair value loss on financial assets at FVPL	(33,511,816)	-	-	-	-	(33,511,816)
Finance charges	(175,755)	-	-	-	-	(175,755)
Loss before income tax	(31,162,284)	(295,047)	-	-	-	(31,188,137)
Income tax expense	(128,762)	-	-	-	-	(128,762)
Loss for the period from continuing operations	(31,291,047)	(295,047)	-	-	-	(31,316,899)
Discontinued operations						
Loss for the period from discontinued operations	(5,568,589,034)	-	-	-	-	(5,568,034)
Loss for the year	<u>(36,880,440)</u>	<u>(295,047)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,697,274)</u>

Note 34.4

A reclassification of grant income of HK\$9,000,000 is made to correct the revenue for the year ended 31 March 2024.

35. POST BALANCE SHEET EVENTS

Save as disclosed in this annual report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this report.

Company statement of financial position as at 31 March 2025

	Notes	2025 HK\$	2024 HK\$ Restated	2023 HK\$ Restated
ASSETS				
Non-current assets				
Investment in subsidiaries	40	2,000,017	10,516,018	8,096,268
Financial assets at FVPL	39	344,105	1,017,248	-
Intangible assets		-	20,935,969	-
		2,344,122	32,469,235	8,096,268
Current assets				
Amount due from a subsidiary	38	230,521	12,578,495	10,346,053
Prepayments		257,030	3,054	-
Other receivables		-	103,549	17,698,025
Amounts due from a shareholder		-	10	10
Cash and cash equivalents		347,330	41,098	-
		834,881	12,726,206	28,044,088
Current liabilities				
Other payables		1,820,448	956,265	125,785
Amount due to subsidiaries	38	1,417,321	853	10
Convertible loan note	22	-	5,967,000	-
Amount due to a shareholder	19	2,538,739	-	-
		5,776,507	6,924,118	125,795
Net current (liabilities)/assets		(4,941,627)	5,802,088	27,918,293
Non-current liabilities				
Contingent consideration – consideration shares	24(a)	10,680	70,486	-
Net (liabilities)/assets		(2,608,184)	38,200,836	36,014,561
EQUITY				
Share capital	23	15,722,041	13,535,595	12,411,570
Share premium		72,636,015	68,862,461	32,023,411
Accumulated Losses		(90,966,240)	(44,197,219)	(8,420,420)
Total (deficit)/ equity		(2,608,184)	38,200,837	36,014,561

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

Approved by the Board and authorised for issue on 31 July 2025

DocuSigned by:

 259666B2F3CD437...

Hon Keung CHEUNG
 Director
 Company Registration number: 13289422

Company statement of changes in equity for the year ended 31 March 2025

	Share capital	Share premium	Translation reserve	Convertible loan note reserve	Accumulated losses	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2023	28,801,920	16,576,592	(441,134)	-	(8,922,817)	36,014,561
Prior period adjustments	(16,390,350)	15,446,819	441,134	-	502,397	-
At 1 April 2023 after prior period adjustment	12,411,570	32,023,411	-	-	(8,420,420)	36,014,561
Loss for the year	-	-	-	-	(36,914,065)	(36,914,065)
Total comprehensive expenses	-	-	-	-	(36,914,065)	(36,914,065)
Issue of share capital	1,124,025	32,752,495	-	-	-	33,876,520
Issue of convertible loan note	-	-	-	2,957,651	-	2,957,651
Restatement	-	4,086,555	-	(2,957,651)	1,137,266	2,266,170
At 31 March 2024 and at 1 April 2024	13,535,595	68,862,461	-	-	(44,197,219)	38,200,837
Loss for the year	-	-	-	-	(46,769,021)	(46,769,021)
Total comprehensive expenses	-	-	-	-	(46,769,021)	(46,769,021)
Issue of share capital	2,186,446	3,773,554	-	-	-	5,960,000
			-	-	-	-
At 31 MARCH 2025	15,722,041	72,636,015	-	-	(90,966,240)	(2,608,184)

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

Company statement of cash flows for the year ended 31 March 2025

	2025 HK\$	2024 HK\$ Restated
Cash flows from operating activities		
Loss before income tax	(46,769,021)	(37,172,128)
Adjustments for:		
Amortisation of intangible assets	2,260,875	1,301,672
Fair value loss on financial assets at FVPL	661,824	33,470,752
Fair value gain on contingent consideration	(60,651)	(874,478)
Net gain on disposal of financial assets at FVPL	-	(80,883)
Impairment of intangible assets	19,029,031	
Impairment losses on investment in and receivables from subsidiary	18,876,839	821
Gain on disposal of a subsidiary	(398,336)	-
Loss on strike off of subsidiaries	448,586	-
Bank interest income	-	(280)
Operating cashflow before working capital changes	(5,950,853)	(3,354,524)
(Increase)/ decrease in amount due from a subsidiary	1,123,659	(2,331,954)
Increase in other payables	864,183	824,163
Increase in prepayments	(253,976)	(3,053)
Decrease/(Increase) in other receivables	103,549	(517,876)
Increase in amount due to subsidiaries	1,418,404	831
Net cash used in operating activities	(2,695,029)	(4,816,323)
Cashflow from investing activities		
Acquisition of subsidiaries	-	(1,420,534)
Proceeds from disposal of financial assets at FVPL	-	379,496
Net cash inflow for the disposal of subsidiaries - RC Pay HK	400,000	-
Interest received	-	280
Net cash generated from/(used in) investing activities	400,000	(1,040,758)
Cashflow from financing activities		
Repayment of convertible loan note	(1,523,250)	-
Proceeds from issue of convertible loan note	4,019,333	5,967,000
Net cash from financing activities	2,496,083	5,967,000
Net change in cash and cash equivalents	201,054	109,919
Effect of exchange rate changes	105,178	(68,821)
Cash and cash equivalents at beginning of the year	41,098	-
Cash and cash equivalents at the end of the year	347,330	41,098

The accompanying notes to the consolidated financial statements on pages 46 to 102 form an integral part of these consolidated financial statements.

35. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation:

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements. The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the Group's functional and presentational currency, and rounded to the nearest dollar. In addition, investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

36. LOSS ATTRIBUTABLE TO SHAREHOLDERS

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement. The loss attributable to the Company for the year ended 31 March 2025 was HK\$ 46,769,021. (2024 (restated): loss of HK\$ 37,172,728)

37. STAFF COSTS

During the years ended 31 March 2025 and 2024, all Directors and staff are employed by wholly owned subsidiaries of the Company, and therefore there were no Directors' remuneration and staff costs.

38. AMOUNT DUE FROM A SUBSIDIARY/DUE TO A SUBSIDIARY

The amounts due are unsecured, interest-free and repayable on demand. As at 31 March 2025, the balances with group companies will be settled on a net basis and accordingly netted in the company financial statements. As a result, the balance of Cast Great Investments Limited was HK\$230,521 presented in amount due from a subsidiary and the balance of RC365 Global Limited was HK\$ 1,298,847 and the balance of RCPAY Limited was HK\$135,493 presented in amount due to subsidiaries.

39. FINANCIAL INSTRUMENTS

39.1 Credit risk

The main credit risk is amount due from a subsidiary and cash and cash equivalents. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of other receivables and amount due from a subsidiary to ensure that adequate impairment losses are made for irrecoverable amounts. Assessments done based on the Group's historical settlement records, past experience, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. In this regard, the management considers that the Group's credit risk is significantly reduced. Other receivables and amount due from a subsidiary are written off when there is no reasonable expectation of recovery.

39.2 Liquidity risk

The main liquidity risk relates to the other payables and amount due to a subsidiary. The Company's prudent policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves to meet its liquidity requirements in the short term and longer term.

39.3 Fair value measurement

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

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

(c) Assets measured at fair value

During the year, there were no transfer between Level 1 and Level 2, nor transfer into and out of Level 3 fair value measurements.

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

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

39.4 Capital risk management

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return for shareholders.

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

40. INVESTMENT IN SUBSIDIARIES

	2025 HK\$	2024 HK\$
At 1 April	10,516,018	8,096,268
Addition	8	2,419,750-
Impairment losses	(8,516,009)	-
	2,000,017	10,516,018

Particulars of the Company's subsidiaries as at 31 March 2025 are as follows:

Name of subsidiary	Place / country of incorporation and operations	Particulars of issued and paid-up share / registered capital	Percentage of interest held by the Company		Principal activities
			Directly	Indirectly	
Regal Crown Technology Limited	Hong Kong	HK\$10,300,001	100%	-	IT software development
RCPay Ltd (Hong Kong) (note 1)	Hong Kong	HK\$10,000	-	-	Prepaid card consultancy services and licensed money service operation
Regal Crown Technology (Singapore) Pte Ltd (note 2)	Singapore	SGD100,000	-	-	IT consultancy and consultancy management services
RC365 Global Limited	British Virgin Islands	USD50,000	-	100%	Finance and treasury centre of the Group
RCPAY Limited	England and Wales	GBP 1	100%	-	Provision of exchange and remittance services and licensed small payment services
Mr. Meal Production Limited	Hong Kong	HK\$ 11,111	100%	-	Provision of media production services
美得妙 (珠海)文化傳播有限公司	The People's Republic of China	CNY100,000	-	100%	Media production
RC365 Solution Sdn. Bhd. (note 3)	Malaysia	RM 1	-	-	Business management consultancy services
RC365 Business Advisory Limited (note 4)	Malaysia	USD100	-	-	Not yet commenced
Cast Great Investments Limited	British Virgin Islands	USD 1	100%	-	Investment holding
HC Capital Group Limited	Hong Kong	HK\$10,000		100%	Money lending services
RC365 Technology Sdn. Bhd.	Malaysia	RM 1	-	100%	IT software development

Notes:

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

41. RESTATEMENT

This note explains the adjustments made by the Company in restating its financial statements as at 31 March 2024 in accordance with IFRS, including the statement of financial position as at 1 April 2023, to the respective statements presented in the financial statements as at 31 March 2025. The details of the prior year adjustments (“PYA”) are as follows:

Statement of financial position as at 31 March 2023

	As previously reported 31 March 2023 HK\$	Intangible assets 31 March 2023 HK\$	Converti ble loan note 31 March 2023 HK\$	Share premium 31 March 2023 HK\$ Note 41.1	Reclassifica tion of accounts 31 March 2023 HK\$ Note 41.4	Restated 1 April 2023 HK\$
ASSETS						
Non-current assets						
Interest in subsidiary	8,096,269	-	-	-	-	8,096,269
	<u>8,096,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,096,269</u>
Current assets						
Trade and other receivables	17,698,035	-	-	-	-	17,698,025
Amounts due from a subsidiary company	10,346,053	-	-	-	-	10,346,053
	<u>28,044,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,044,088</u>
Current liabilities						
Trade and other payables	125,785	-	-	-	-	125,785
Amounts due to subsidiaries	10	-	-	-	-	10
	<u>125,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,795</u>
Net current assets	<u>27,918,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,918,293</u>
Non-current liabilities						
Lease liabilities	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>36,014,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,014,561</u>
EQUITY						
Share capital	28,801,920	-	-	(16,390,350)	-	12,411,570
Share premium (note 34.1)	16,576,592	-	-	15,446,819	-	32,023,411
Translation reserve	(441,134)	-	-	-	441,134	-
Accumulated losses	(8,922,817)	-	-	943,531	(441,134)	(8,420,420)
Total equity	<u>36,014,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,014,561</u>

Note 41.1

An adjustment of HK\$ 170,082 is made to correct the share premium balance that was incorrectly stated in earlier years.

Statement of financial position as at 31 March 2024

	As previously reported 31 March 2024 HK\$	Intangible assets 31 March 2024 HK\$ Note 41.2	Convertible loan note 31 March 2024 HK\$ Note 41.3	Share premium 31 March 2024 HK\$ Note 41.1	Reclassificatio n of accounts 31 March 2024 HK\$ Note 41.4	Restated 1 April 2024 HK\$
ASSETS						
Non-current assets						
Intangible assets	16,294,883	4,641,086	-	-	-	20,935,969
Financial asset - Fair value through profit or loss	-	-	-	-	1,017,248	1,017,248
Interest in subsidiary	10,516,018	-	-	-	-	10,516,018
	<u>26,810,901</u>	<u>4,641,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,469,235</u>
Current assets						
Financial asset - Fair value through profit or loss	1,017,248	-	-	-	(1,017,248)	-
Prepayments	3,054	-	-	-	-	3,054
Trade and other receivables	32,508,671	-	(32,405,122)	-	-	103,549
Amounts due from a subsidiary company	12,578,505	-	-	-	-	12,578,505
Cash and cash equivalents	41,098	-	-	-	-	41,098
	<u>46,148,576</u>	<u>-</u>	<u>(32,405,121)</u>	<u>-</u>	<u>-</u>	<u>12,726,206</u>
Current liabilities						
Trade and other payables	956,265	-	-	-	-	956,265
Convertible loan note	35,402,946	-	(29,435,946)	-	-	5,967,000
Amounts due to related companies	853	-	-	-	-	853
	<u>36,360,064</u>	<u>-</u>	<u>(29,435,946)</u>	<u>-</u>	<u>-</u>	<u>6,924,118</u>
Non-current liabilities						
Contingent consideration – consideration share	70,486	-	-	-	-	70,486
	<u>70,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,486</u>
Net assets	<u>36,528,927</u>	<u>4,641,086</u>	<u>(2,969,176)</u>	<u>-</u>	<u>-</u>	<u>38,200,837</u>
EQUITY						
Share capital	29,925,945	-	-	(16,390,350)	-	13,535,595
Share premium	49,329,087	5,041,350	-	14,492,024	-	68,862,461
Convertible loan note reserve	2,957,651	-	(2,957,651)	-	-	-
Translation reserve	385,936	(105,217)	(11,525)	-	(269,196)	-
Accumulated losses	(46,069,692)	(295,047)	-	1,898,326	269,196	(44,197,219)
Total equity	<u>36,528,927</u>	<u>4,144,086</u>	<u>(2,969,176)</u>	<u>-</u>	<u>-</u>	<u>38,200,837</u>

Note 41.2

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

Note 41.3

Adjustments of HK\$ 32,405,121 and HK\$29,435,946 were made to correct the trade and other receivable, convertible loan note balance that was incorrectly stated in earlier years. Adjustments of HK\$2,957,651 was made to remove the convertible loan note reserve which was incorrectly stated in earlier years. The corresponding translation reserve adjustment of HK\$11,524 was also made.

Note 41.4

A reclassification of translation reserve is made to correct the exchange differences to the income statement for the year ended 31 March 2023 and 31 March 2024. Further, the financial assets – fair value are reclassified to non-current assets.