ONLINE ENTERPRISE HK LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

I, the undersigned, do hereby certify that I have examined this with its original and that the same is a true and complete copy of the original.

....
CHOW TSZ KIT CPA (Practising), ACA
Chartered Accountant
Certified Public Accountant (Practising), Hong Kong
Practising Certificate Number: P08162
Date:
14 MAY 2026

CHOW TSZ KIT

Certified Public Accountant (Practising)

ONLINE ENTERPRISE HK LIMITED

Contents

ONLINE ENTERPRISE HK LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited consolidated financial statements for the year ended 31 March 2026.

Principal activities

The principal activities of the Group is trading of garments. The activities of its principal subsidiaries are set out in the note to the consolidated financial statement

Dividends

The Directors do not recommend the payment of any dividend.

Share capital

Details of the share capital are summarised in the notes to consolidated financial statements.

Directors

The Directors of the Company during the year and up to the date of this report were:

Mohandas THEKKEYIL
Suresh Mahadev PUNJABI
Abhishekh KANOI

The appointment of Directors is governed by the Company's Articles of Association.

The name of Directors who have served on the board of the Company's subsidiaries during the financial year and up to the date of this report were:

Abhishekh Kanoi
Sagarkumar Satyanarayan Ballari
Andrew Michael Reaney
Shah Bhavesh Dinesh
Manish Kumar Arora

Business review

The Group is a wholly-owned subsidiary of another body corporate. Accordingly, the Group is exempted from preparing a business review.

ONLINE ENTERPRISE HK LIMITED

DIRECTORS' REPORT

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance in relation to the Company's business of which the Company or any of its group companies was a party subsisted at the end of the year or at any time during the year in which any Directors of the Company had a material interest.

Directors' interests in shares and debentures of the Company or specified undertaking of the Company or any other associated corporation

At no time during the year was the Company or any of its group companies, a party to any arrangement to enable any of the Director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Equity-linked agreements

The Group had not entered into any equity-linked agreements during the year.

Permitted indemnity provisions

The Company's Articles of Association provides that a director or former director of the Company may be indemnified out of the Company's assets against any liability incurred by the director to a person other than the Company or an associated company of the Company in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or associated company (as the case may be). This Article only applies if the indemnity does not cover the liability set out in the Company's Articles. This permitted indemnity provision is in force during the year and at the time of approval of this report.

Auditor

A resolution to re-appoint the retiring auditor, Chow Tsz Kit, Certified Public Accountant (Practising), will be put at the forthcoming annual general meeting.

On behalf of the Board

Mohandas THEKKEYIL
Director

HONG KONG,

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ONLINE ENTERPRISE HK LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the annexed consolidated financial statements of Online Enterprise HK Limited ("the Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 March 2026, and consolidated the statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Information Other than the Consolidated Financial Statements and our Auditor's Report Thereon

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

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

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

/... to be continued

Responsibilities of Directors for the Consolidated Financial Statements

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

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

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

/... to be continued

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ONLINE ENTERPRISE HK LIMITED
(Incorporated in Hong Kong with limited liability)

(Continuation)

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is Chow Tsz Kit (Practising Certificate Number: P08162).

Chow Tsz Kit
Certified Public Accountant (Practising)

HONG KONG,

14 MAY 2026

Room 1324, 13/F.,
Beverley Commercial Centre,
87-105 Chatham Road South,
Tsim Sha Tsui, Kowloon, Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 HK$	2025 HK$
Revenue	7	105,493,921	18,244,278
Cost of sales		(84,219,008)	(15,675,661)
Gross profit		21,274,913	2,568,617
Other revenue	8	17,318,196	24,102
Distribution expenses		(1,756,194)	(8,159)
Administrative and operating expenses		(40,080,967)	(13,813,761)
Loss before taxation	9	(3,244,052)	(11,229,201)
Income tax	11	(341,635)	-
Loss for the year		(3,585,687)	(11,229,201)
Other comprehensive income			
Items that may be reclassified subsequently to consolidated profit or loss:			
Exchange differences on translation of foreign operation		(542,435)	49,822
Other comprehensive income for the year, net of tax		(542,435)	49,822
Loss and total comprehensive income for the year		(4,128,122)	(11,179,379)

ONLINE ENTERPRISE HK LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	2026 HK$	2025 HK$
Non-current assets			
Property, plant and equipment	12	458,271	700,550
Current assets			
Inventories	13	9,314,380	4,442,615
Accounts receivable		4,841,555	3,273,175
Prepayments, deposits and other receivables		407,641	970,547
Amounts due from fellow subsidiaries	14	-	15,744
Cash and bank balances		8,720,294	6,496,485
		23,283,870	15,198,566
Current liabilities			
Accounts payable		9,258,638	3,786,014
Accruals and other payables		2,550,168	2,407,882
Amount due to intermediate holding company	15	526,957	-
Amounts due to fellow subsidiaries	15	26,654,268	20,824,988
		38,990,031	27,018,884
Net current (liabilities) / assets		(15,706,161)	(11,820,318)
Net assets		(15,247,890)	(11,119,768)
Equity			
Share capital	16	77,800	77,800
Reserves	18	(15,325,690)	(11,197,568)
		(15,247,890)	(11,119,768)

Mohandas THEKKEYIL
Director

Abhishekh KANOI
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Share capital HK$	Exchange reserves HK$	Accumulated losses HK$	Total HK$
At 1.4.2024	77,800	-	(18,189)	59,611
Loss and total comprehensive income for the year	-	49,822	(11,229,201)	(11,179,379)
At 31.3.2025 and 1.4.2025	77,800	49,822	(11,247,390)	(11,119,768)
Loss and total comprehensive income for the year	-	(542,435)	(3,585,687)	(4,128,122)
At 31.3.2026	77,800	(492,613)	(14,833,077)	(15,247,890)

ONLINE ENTERPRISE HK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	2026 HK$	2025 HK$
Cash flows from operating activities		
Loss before taxation	(3,244,052)	(11,229,201)
Adjustment for:		
Interest income	(884)	(5,002)
Finance costs	149,909	
Depreciation	350,547	186,487
Operating loss before working capital changes	(2,744,480)	(11,047,716)
Changes in inventories	(4,871,765)	(4,442,615)
Changes in accounts receivable	(1,568,380)	(3,273,175)
Changes in prepayments, deposits and other receivables	562,906	(970,547)
Changes in accounts payable	5,472,624	3,786,014
Changes in accruals and other payables	142,286	2,399,882
Net cash used in operating activities	(3,006,809)	(13,548,157)
Income tax paid	(341,635)	-
Net cash used in operating activities	(3,348,444)	(13,548,157)
Cash flows from investing activities		
Interest received	884	5,002
Purchase of property, plant and equipment	(90,513)	(902,661)
Repayment from / (Advance to) fellow subsidiaries	15,744	(1,673)
Net cash used in investing activities	(73,885)	(899,332)
Cash flows from financing activities		
Interest paid	(149,909)	-
Advance from intermediate holding company	526,957	-
Advance from fellow subsidiaries	5,829,280	20,824,988
Net cash generated from financing activities	6,206,328	20,824,988
Net increase in cash and cash equivalents	2,783,999	6,377,499
Cash and cash equivalents at beginning of year	6,496,485	67,611
Effect of foreign exchange rate changes	(560,190)	51,375
Cash and cash equivalents at end of year	8,720,294	6,496,485
Analysis of cash and cash equivalents		
Cash and bank balances	8,720,294	6,496,485

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

1 General information

The Company is a private company incorporated and domiciled in Hong Kong with limited liabilities, its registered office and principal place of business at 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

The Directors consider that the immediate holding company is PDS Sourcing Limited, a private company incorporated in Mauritius.

The Directors consider that the intermediate holding company is Multinational Textile Group Limited, a private company incorporated in Mauritius.

PDS Limited, a company incorporated in India and the shares are listed on the Bombay Stock Exchange (Stock code: 538730) and National Stock Exchange of India (Stock code: PDSL), is the Company's ultimate holding company.

The principal activities of the Group is trading of garments. The activities of its principal subsidiaries are set out in the note to the consolidated financial statement

2 Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

<u>Going concern</u>

As at 31 March 2026, there was a deficit on Shareholder's funds of HK$15,247,890.

The immediate holding company has confirmed its present intention to provide financial support to the Group to enable it to meet its liabilities as and when they fall due and to enable the Group to continue business for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3 Basis of preparation

These consolidated financial statements are prepared under the historical cost convention.

4 Adoption of new and revised Hong Kong Financial Reporting Standards

The HKICPA has issued a number of new and revised HKFRSs that are first effective for the current accounting period of the Group. The adoption of these HKFRSs has no material impact on these consolidated financial statements.

The Group has not applied the new or revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

5 Significant accounting policies

a Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing whether the Group has power, only substantive rights are considered.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The gain or loss on the disposal of a subsidiary that result in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Group's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

5 Significant accounting policies - Continued

a Basis of consolidation - Continued

In the Company's statement of financial position, investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

b Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the respective accounting policy. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

c Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortisation and depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Assets are depreciated over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method at the following annual rates:

5 Significant accounting policies - Continued

c Property, plant and equipment - Continued

Leasehold improvements	Over the shorter of lease terms or 33.33%
Furniture and fixtures	33.33%
Office equipment	33.33%

The gain or loss arising from derecognition of an item of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in consolidated profit or loss.

d Financial assets

The Group classifies its financial assets in the categories of financial assets at amortised costs and financial assets at FVOCI. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised costs

Financial assets at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group 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 Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

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 separate line item in the profit or loss.

5 Significant accounting policies - Continued

e Revenue recognition

Major categories of revenue are recognised in the consolidated financial statements on the following bases:

Sales of goods are recognised when goods are delivered and title together with risks and rewards of ownership of goods have been passed to the customers.

Interest income is recognised on a time proportion basis on the principal outstanding and at the effective interest rate applicable.

f Receivables

A receivable is recognised when the Group's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

g Financial assets and allowance for expected credit losses

Loss allowances for lifetime expected credit losses on accounts receivable are recognised using a provision matrix as for all outstanding balances over 365 days as at year end.

h Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

i Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits and other short-term highly liquid investments with original maturities of three months or less.

5 Significant accounting policies - Continued

j Impairment of non-financial assets

At the end of each reporting period, assets, other than financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. When an indication of impairment exists, the Group estimates the asset's recoverable amount, being the higher of the asset's fair value less costs to sell and its value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in profit or loss. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss recognised in prior year for an asset is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss.

k Income tax

Income tax represents the sum of the current tax and deferred tax.

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

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

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

5 Significant accounting policies - Continued

k Income tax - Continued

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in consolidated profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

l Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

m Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances in each entity's financial statements

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

5 Significant accounting policies - Continued

m Foreign currency translation - Continued

(iii) Translation on consolidation

The financial performance and financial position of all the Group's entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

n Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow is remote.

o Related parties

i A person, or a close member of that person's family, is related to the Group if that person:

a has control or joint control over the Group;

b has significant influence over the Group; or

c is a member of the key management personnel of the Group or the Company's parent.

5 Significant accounting policies - Continued

o Related parties - Continued

ii An entity is related to the Group if any of the following conditions applies:

a The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

b 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).

c Both entities are joint ventures of the same third party.

d One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

e The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

f The entity is controlled or jointly controlled by a person identified in (i).

g A person identified in (i)(a) 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).

h 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 members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

6 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

6 Critical accounting estimates and judgements - Continued

a Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b Allowance for bad and doubtful debts

The Group makes allowance for bad and doubtful debts based on assessments of the recoverability of the accounts and other receivables, including the current creditworthiness and the past collection history of each debtor. Allowances arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the accounts and other receivables; and doubtful debt expenses in the year in which such estimate has been changed.

7 Revenue

	2026 HK$	2025 HK$
Sales of garments	105,493,921	18,244,278

8 Other revenue

	2026 HK$	2025 HK$
Bank interest income	884	626
Other interest income	27,133	4,376
Sundry income	17,290,179	19,100
	17,318,196	24,102

9 Loss before taxation

Loss before taxation is arrived at after charging / (crediting) the following items:

	2026 HK$	2025 HK$
Auditor's remuneration	28,560	12,000
Staff costs including Directors' emoluments:		
Salaries and allowances	11,585,994	7,837,855
Retirement benefits scheme contributions	160,257	586,394
Rent and rates	704,551	375,304
Net exchange loss/(gain)	236,284	66,506
Depreciation	350,547	186,487
Finance costs - Bank charges and interests	149,909	-

10 Directors' remuneration

No emolument was paid or payable during the year to any Directors. (2025: Nil)

11 Income tax

a No provision for Hong Kong profits tax has been made as in the opinion of directors there was no income chargeable to Hong Kong profits tax during the year. (2025: No provision)

Tax charge on assessable profits elsewhere have been calculated at rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

b The reconciliation between income tax expense and accounting loss of the Group in the consolidated financial statements is as follows:

	2026 HK$	2025 HK$
Loss before taxation	(3,244,052)	(11,229,201)
Notional tax at the applicable tax rate of 16.5%	(535,269)	(1,852,818)
Tax effect of non-deductible expenses	535,269	1,852,818
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 MARCH 2026

11 Income tax - Continued

c No deferred tax has been provided as in the opinion of Directors, no such liability would arise in the foreseeable future. (2025: No provision)

12 Property, plant and equipment

	Leasehold land and buildings HK$	IT and office equipment HK$	Furniture and fixtures HK$	Total HK$
Cost				
At 1.4.2024	-			-
Additions	204,961	556,854	140,846	902,661
Disposals	-	(14,071)	-	(14,071)
At 31.3.2025 and 1.4.2025	204,961	542,783	140,846	888,590
Additions	-	76,205	14,308	90,513
Exchange re-alignment	3,353	9,830	2,358	15,541
At 31.3.2026	208,314	628,818	157,512	994,644
Accumulated depreciation				
At 1.4.2024	-	-	-	-
Charge for the year	80,960	87,033	18,494	186,487
Exchange re-alignment	747	639	167	1,553
At 31.3.2025 and 1.4.2025	81,707	87,672	18,661	188,040
Charge for the year	124,068	177,123	49,356	350,547
Exchange re-alignment	(976)	(960)	(278)	(2,214)
At 31.3.2026	204,799	263,835	67,739	536,373
Carrying amounts				
At 31.3.2026	3,515	364,983	89,773	458,271
At 31.3.2025	123,254	455,111	122,185	700,550

13 Inventories

	2026 HK$	2025 HK$
Finished goods, at cost	9,314,380	4,442,615

14 Amounts due from fellow subsidiaries

	2026 HK$	2025 HK$	Maximum balances outstanding during the year HK$
PDS Radius Brands	-	1,673	1,673
PDS Sourcing FZCO	-	14,071	14,071
	-	15,744	

The amounts are unsecured, interest free and has no fixed terms of repayment.

15 Amounts due to fellow subsidiaries / intermediate holding company

The amounts are unsecured, interest free and has no fixed terms of repayment.

16 Share capital

	2026 HK$	2025 HK$
Issued and fully paid:		
10,000 ordinary shares of US$10,000	77,800	77,800

17 Statement of financial position of the Company

The following is the statement of financial position of the Company. The accounting policies adopted in respect of the investments in subsidiaries as set out in the note to consolidated financial statements.

	2026 HK$	2025 HK$
Non-current assets		
Property, plant and equipment	186,424	210,329
Investment in a subsidiary	10	10
	186,434	210,339
Current assets		
Inventories	7,147,886	2,675,242
Accounts receivable	2,163,028	-
Amounts due from fellow subsidiaries	-	7,135,635
Cash and bank balances	428,054	3,182,969
	9,738,968	12,993,846
Current liabilities		
Accounts payable	7,116,973	3,622,491
Accruals and other payables	1,287,334	1,227,517
Amounts due to fellow subsidiaries	7,041,415	8,531,812
	15,445,722	13,381,820
Net current (liabilities) / assets	(5,706,754)	(387,974)
Net assets	(5,520,320)	(177,635)
Equity		
Share capital	77,800	77,800
Reserves	(5,598,120)	(255,435)
	(5,520,320)	(177,635)

Mohandas THEKKEYIL
Director

Abhishekh KANOI
Director

18 Reserves

a Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity.

b Company

	Accumulated losses HK$
At 1.4.2024	(18,189)
Loss and total comprehensive income for the year	(237,246)
At 31.3.2025 and 1.4.2025	(255,435)
Loss and total comprehensive income for the year	(5,342,685)
At 31.3.2026	(5,598,120)

19 Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern. The Directors regard total equity as capital, for capital management purposes.

The Group manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analysis.

20 Related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with its related parties:

a Transactions with related parties

	2026 HK$	2025 HK$
Fellow subsidiaries		
- Fund support income	-	16,577,700
- Recharge of administrative expenses	-	2,777,200
- Sales	1,159,527	-

20 Related party transactions - Continued

b Key management personnel compensation

The key management personnel of the Group comprises all Directors, details of their emoluments were disclosed in note 10.

21 Financial instruments

a Categories of financial instruments

	2026 HK$	2025 HK$
Financial assets		
Financial assets at amortised costs	13,969,490	10,755,951
Financial liabilities		
Financial liabilities at amortised costs	38,463,074	27,018,884

b Financial risk management

The Group's activities exposed it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

i Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has certain exposure to foreign currency risk as some of its financial assets are denominated in currencies other than the functional currency of the Group, mainly United State dollars ("US$"). The Group has not adopted any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide the hedging policy required against the possible foreign exchange risk that may arise.

The Directors consider there are no significant foreign exchange risk with respect to the US$ as HK$ is pegged to US$.

21 Financial instruments - Continued

b Financial risk management - Continued

ii Credit risk

The carrying amounts of accounts receivable, deposits and cash and bank balances included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relating to the Group's financial assets.

The Group has no concentrations of credit risk. The Group's credit risk is primarily attributable to the accounts and other receivables. It also sets credit limit on each individual customer and prior approval is required for any transaction exceeding that limit. The customer with sound payment history would accumulate a higher credit limit.

At the reporting date, the carrying amount of trade and other receivables is immaterial and their exposures to credit risk are not considered to be significant.

The credit risk on bank balances is limited because the counterparty is a licensed bank in Hong Kong with high credit-ratings.

iii Liquidity risk

All the Group's financial liabilities are due less than one year.

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

iv Interest rate risk

The Group's exposure to cash flow interest-rate risk arises from its bank balances bearing interests at variable rates varied with the then prevailing market condition. The Directors consider the Group's exposure to cash flow interest rate risk is minimal.

c Fair values

The Directors have considered that the carrying amounts of all financial assets and liabilities approximated to their fair values at 31 March 2026 and 31 March 2025.

22 Subsidiaries

Details of principal subsidiaries as at 31 March 2026 are as follows:

Name	Place of incorporation / establishment and operations	The Group's percentage of ownership interest	Issued and paid up capital	Principal activities
OLE Fashion Limited	United Kingdom	100%	GBP 1	Garment trading
PDS Online Enterprise USA Inc	USA	100%	US$ 100	Garment trading

23 Approval of consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 14 MAY 2026