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CHERISH SUNSHINE INTERNATIONAL LIMITED

承輝國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)

ANNOUNCEMENT OF SECOND INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

The board (the “**Board**”) of directors (the “**Directors**”) of Cherish Sunshine International Limited (the “**Company**”) announces the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “**Group**”) for the twelve months ended 31 March 2026 (the “**Period**”) with comparative figures for the twelve months ended 31 March 2025. The condensed consolidated interim results had not been reviewed or audited by the Company’s auditor, but had been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the twelve months ended 31 March 2026

		Twelve months ended 31 March	
		2026	2025
	Notes	HK\$’000 (Unaudited)	HK\$’000 (Audited)
Revenue	5	46,894	98,252
Cost of sales and services rendered		(27,832)	(70,074)
Gross profit		19,062	28,178
Other income and gains/(losses), net	6	3,552	2,032
Administrative expenses		(31,481)	(40,492)
Other operating income/(expenses)		1,677	(11,373)
Impairment loss for intangible assets		–	(7,897)
Change in fair value of derivatives embedded in convertible bonds	19(b)	358	2,497
Fair value loss on investment properties		(9,614)	(56,356)
Fair value gain on financial asset at fair value through profit or loss (“ FVTPL ”)		–	160
Reversal of impairment loss/(impairment loss) for loan receivables	16	2	(2)
Impairment loss for trade and other receivables and contract assets, net		(8,415)	(47,945)
Gain on disposal of subsidiaries	22(c)	1,541	–
Share of result of associates		(244)	(58)

		Twelve months ended	
		31 March	
	<i>Notes</i>	2026	2025
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Loss from operations		(23,562)	(131,256)
Finance costs	7	<u>(9,664)</u>	<u>(7,741)</u>
Loss before tax		(33,226)	(138,997)
Income tax credit	8	<u>4,594</u>	<u>15,091</u>
Loss for the period/year	9	<u>(28,632)</u>	<u>(123,906)</u>
Loss attributable to:			
Owners of the Company		(28,670)	(123,885)
Non-controlling interests		<u>38</u>	<u>(21)</u>
		<u>(28,632)</u>	<u>(123,906)</u>
Loss per ordinary share (HK cents per share)	<i>10</i>		
Basic		(4.92)	(23.18)
Diluted		<u>(4.92)</u>	<u>(23.18)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 31 March 2026

	Twelve months ended	
	31 March	
	2026	2025
<i>Note</i>	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Loss for the period/year	(28,632)	(123,906)
Other comprehensive expense:		
<i>Item that will not be reclassified to profit or loss:</i>		
Net fair value change on financial assets at fair value through other comprehensive income (“FVTOCI”)	(14,278)	(19,261)
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	13,154	(1,491)
Reclassification of cumulative foreign currency translation reserve upon deregistration of an associate	–	26
Reclassification of cumulative foreign currency translation reserve upon disposal of subsidiaries	1,026	(3)
	14,180	(1,468)
Other comprehensive expense for the period/year, net of tax	(98)	(20,729)
Total comprehensive expense for the period/year	(28,730)	(144,635)
Total comprehensive (expense)/income attributable to:		
Owners of the Company	(28,631)	(144,648)
Non-controlling interests	(99)	13
	(28,730)	(144,635)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	<i>Notes</i>	31 March 2026 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>12</i>	1,971	5,402
Investment properties		175,648	175,232
Right-of-use assets	<i>13</i>	7,737	7,680
Intangible assets		21,737	20,555
Interests in associates		–	237
Derivative component of convertible bonds	<i>19(b)</i>	2,475	2,545
Financial assets at FVTOCI	<i>14(a)</i>	63,909	64,280
Deferred tax assets		478	451
		<hr/>	<hr/>
Total non-current assets		273,955	276,382
Current assets			
Inventories – raw materials		17	36
Trade and other receivables	<i>15</i>	227,331	222,025
Contract assets		2,843	6,396
Loan receivables	<i>16</i>	–	474
Financial asset at FVTPL	<i>14(b)</i>	–	11,160
Amount due from an associate		52	104
Amount due from a related company		2,303	–
Restricted bank deposits		1,643	2,062
Bank and cash balances		2,928	19,367
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Total current assets		237,117	261,624
		<hr/>	<hr/>
TOTAL ASSETS		511,072	538,006
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	31 March 2026 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
EQUITY			
Share capital		58,397	58,397
Reserves		<u>117,456</u>	<u>146,321</u>
Equity attributable to owners of the Company		175,853	204,718
Non-controlling interests		<u>(11,265)</u>	<u>(11,682)</u>
TOTAL EQUITY		<u>164,588</u>	<u>193,036</u>
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	17	984	930
Deferred income		2,366	2,503
Other payables	18	6,698	4,288
Deferred tax liabilities		<u>1,236</u>	<u>5,680</u>
Total non-current liabilities		<u>11,284</u>	<u>13,401</u>
Current liabilities			
Bank and other borrowings	17	146,945	146,363
Lease liabilities		645	753
Trade and other payables	18	140,123	137,495
Convertible bonds	19(a)	24,605	23,923
Derivative component of convertible bonds	19(b)	2,694	3,122
Contract liabilities		3,842	2,578
Current tax liabilities		<u>16,346</u>	<u>17,335</u>
Total current liabilities		<u>335,200</u>	<u>331,569</u>
TOTAL EQUITY AND LIABILITIES		<u>511,072</u>	<u>538,006</u>
Net current liabilities		<u>(98,083)</u>	<u>(69,945)</u>
Total assets less current liabilities		<u>175,872</u>	<u>206,437</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31 March 2026

	Twelve months ended	
	31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(33,226)	(138,997)
Adjustments for:		
Amortisation of intangible assets	25	88
Depreciation of property, plant and equipment	511	812
Depreciation of right-of-use assets	266	780
Fair value loss on investment properties	9,614	56,356
Fair value gain on financial asset at FVTPL	(239)	(160)
Loss on disposal of property, plant and equipment	2	215
Impairment loss for trade and other receivables and contract assets, net	8,415	47,945
(Reversal of impairment loss)/impairment loss for loan receivables	(2)	2
Change in fair value of derivatives embedded in convertible bonds	(358)	(2,497)
Gain on disposal of subsidiaries	(1,541)	(406)
Other operating activities	3,274	81,974
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(13,259)	46,112
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of financial assets at FVTOCI	(10,530)	(84,023)
Proceed from disposal of financial asset at FVTPL	11,399	–
Payment for acquisition of financial asset at FVTPL	–	(11,000)
Other investing activities	11	(304)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	880	(95,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank and other borrowings	(59,359)	(109,594)
Proceeds from issue of shares	–	42,760
New bank and other borrowings raised	62,250	136,114
Principal elements of lease payments	–	(264)
Interest paid	(8,687)	(6,164)
Transaction cost attributable to issue of shares	–	(399)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(5,796)	62,453

	Twelve months ended	
	31 March	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(18,175)	13,238
Effect of foreign exchange rate changes	1,736	(180)
CASH AND CASH EQUIVALENTS AT 1 APRIL	19,367	6,309
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31 MARCH REPRESENTED BY BANK AND CASH BALANCES	2,928	19,367
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 March 2026

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its head office and principal place of business in the People's Republic of China (the "PRC") is Unit 807, Block 9, No. 1818-2 Wenyi West Road, Yuhang Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC. The principal place of business in Hong Kong was changed to Unit 12, 21/F, Wayson Commercial Building, No. 28 Connaught Road West, Sheung Wan, Hong Kong with effect from 31 October 2025. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are provision of procurement services and other information technology ("IT") services, trading of general goods, provision of energy management contracting services in the PRC and leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Going concern basis

The Group incurred a net loss of approximately HK\$28,632,000 during the Period, and as at 31 March 2026, the Group had net current liabilities of approximately HK\$98,083,000. At the same date, the Group's bank and cash balances of approximately HK\$2,928,000, against bank and other borrowings of approximately HK\$123,590,000, which were repayable on demand.

In view of these circumstances, the Directors have given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and the available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow forecast prepared by the management, which covers a period of twelve months from 31 March 2026, and take into consideration of the following plans and measures:

- a) The Group will take more stringent cost controls;
- b) An undrawn credit facility of RMB150,000,000 was available as at the date of approval for issue of these unaudited condensed consolidated financial statements as per a credit facility agreement (the "Facility") entered into on 5 August 2025 with a limited partnership which is related to the Group (the "Financier") with a valid period of three years from the date of the Facility. The Directors satisfied with their due diligence by reviewing the proof of funding and financial statements of the Financier, and also satisfied as to the legality and enforceability of the Facility. The Facility constitutes an unconditional and irrevocable standby credit facility, with terms including that it is unsecured, bears interest at 5% per annum, and is repayable within twenty-four months from the drawdown date or a date mutually agreed between the Group and the Financier. As of the date of approval for issue of these unaudited condensed consolidated financial statements, the Group had not drawn down any amounts under the Facility; and
- c) The Group will continue to adopt the equity financing approach to strengthen the financial position of the Group and to raise additional funds for the Group to replenish its working capital.

These conditions, along with the plans and measures adopted by the Directors above, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 March 2026. Accordingly, the Directors consider it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their estimated recoverable amounts, to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, financial asset at FVTPL, financial assets at FVTOCI and derivative financial instruments, which are measured at fair values.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2025, except for the accounting policy changes that are expected to be reflected in the annual consolidated financial statements for the eighteen months ending 30 September 2026 due to the application of amendments to Hong Kong Financial Reporting Standard (“**HKFRS**”) Accounting Standards issued by the HKICPA which came into effect during the Period. Details of any changes in the amendments to the HKFRS Accounting Standards which came into effect during the Period are set out below.

The preparation of unaudited condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements contain unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The unaudited condensed consolidated financial statements and notes thereon do not include all of the information and disclosures required for a full set of consolidated financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2025.

The unaudited condensed consolidated financial statements for the Period have not been reviewed or audited by the Company's auditor but have been reviewed by the Audit Committee.

Application of amendments to HKFRS Accounting Standards

In the Period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The Group has not applied any new or amendments to HKFRS Accounting Standards that are not yet effective for this Period.

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

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors that makes strategic and operating decisions.

As at 31 March 2026 and 31 March 2025, the Group has four identified reportable operating segments and the operations in each of the Group’s identified reportable operating segments are described below:

Provision of procurement services and other IT services	–	Provisions of procurement services to governmental institutions and private enterprises, development of software and provision of maintenance services to customers, procurement of goods for Engineering, Procurement and Construction (“EPC”) services and provision of EPC services
Trading business	–	Trading of general goods
Rental income	–	Leasing of the Group’s investment properties located in Wuhan, Hubei Province, the PRC
Energy management contracting business	–	Provision of energy management contracting services in the PRC

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

	Provision of procurement services and other IT services <i>HK\$’000</i>	Trading business <i>HK\$’000</i>	Rental income <i>HK\$’000</i>	Energy management contracting business <i>HK\$’000</i>	Total <i>HK\$’000</i>
Twelve months ended 31 March 2026 (unaudited):					
Revenue from external customers	17,551	20,001	5,895	3,447	46,894
Segment profit/(loss)	11,124	(1,686)	4,848	340	14,626
<i>Amounts included in the measure of segment profit or loss:</i>					
Impairment loss for trade and other receivables and contract assets, net	1,752	1,698	26	960	4,436
As at 31 March 2026 (unaudited):					
Segment assets	156,766	55,543	175,672	5,746	393,727
Segment liabilities	90,652	–	17,450	2,795	110,897
Twelve months ended 31 March 2025 (audited):					
Revenue from external customers	61,083	19,008	13,454	4,707	98,252
Segment profit/(loss)	(43,073)	22	6,477	1,919	(34,655)
<i>Amounts included in the measure of segment profit or loss:</i>					
Impairment loss/(reversal of impairment loss) for trade and other receivables and contract assets, net	46,279	–	(21)	1,390	47,648
As at 31 March 2025 (audited):					
Segment assets	213,553	–	175,260	5,783	394,596
Segment liabilities	115,191	225	11,623	1,620	128,659

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Reconciliations of reportable segment profit or loss:		
Total profit of reportable segments	14,626	(34,655)
Administrative expenses	(31,481)	(40,492)
Other income and gains/(losses), net	3,552	2,032
Finance costs	(9,664)	(7,741)
Unallocated impairment loss for trade and other receivables and contract assets, net	(3,979)	(297)
Reversal of impairment loss/(impairment loss) for loan receivables	2	(2)
Change in fair value of derivatives embedded in convertible bonds	358	2,497
Fair value gain on financial asset at FVTPL	–	160
Fair value loss on investment properties	(9,614)	(56,356)
Share of result of associates	(244)	(58)
Gain on disposal of subsidiaries	1,541	–
Unallocated reversal of provision/(provision) for litigation liabilities	1,677	(4,085)
	<u>(33,226)</u>	<u>(138,997)</u>
Consolidated loss before tax	<u>(33,226)</u>	<u>(138,997)</u>

5. REVENUE

An analysis of the Group's revenue for the Period/year is as follows:

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Provision of procurement services	4,275	6,886
Provision of EPC services	1,818	10,692
Procurement of goods for EPC services	–	27,499
Trading of general goods	20,001	19,008
Provision of other IT services	11,458	16,006
Rental income	5,895	13,454
Provision of energy management contracting services	3,447	4,707
	<u>46,894</u>	<u>98,252</u>

Disaggregation of revenue from contracts with customers by major products or services lines and the timing of revenue recognition for the Period/year are as follow:

	Twelve months ended 31 March	
	2026 <i>HK\$'000</i> (Unaudited)	2025 <i>HK\$'000</i> (Audited)
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at point in time:		
– Trading of general goods ¹	20,001	19,008
– Procurement of goods for EPC services ²	–	27,499
– Provision of procurement services ²	4,275	6,886
– Sales of online procurement software ²	26	597
Recognised over time:		
– Licensing online procurement platform income ²	4,875	7,937
– Provision of maintenance services ²	6,557	7,472
– Provision of energy management contracting services ³	3,447	4,707
– Provision of EPC services ²	1,818	10,692
	40,999	84,798
Revenue from other sources		
– Rental income ⁴	5,895	13,454
	46,894	98,252

¹ Classified under “Trading business” segment.

² Classified under “Provision of procurement services and other IT services” segment.

³ Classified under “Energy management contracting business” segment.

⁴ Classified under “Rental income” segment.

All of the above revenue were arisen in the PRC.

Contracts with customers with unsatisfied performance obligations on the aforementioned revenue, have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OTHER INCOME AND GAINS/(LOSSES), NET

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Amortisation of deferred day-1 gain of the convertible bonds (Note 19(a))	98	98
Bank interest income	2	458
Exchange gain, net	2,729	74
Loss on disposals of property, plant and equipment	(24)	(215)
Loss on lease modification	–	(5)
Government grants – amortisation of deferred income	610	270
Government grants (note)	137	133
Sundry income	–	1,219
	<u>3,552</u>	<u>2,032</u>

Note: The government grants represented financial subsidies for compensating expenses already incurred or giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies in relation to the grants and the grants were determined at the sole discretion of relevant government authorities.

7. FINANCE COSTS

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Interest on bank and other borrowings	7,435	5,570
Interest on lease liabilities	5	21
Effective interest on convertible bonds (Note 19(a))	2,224	2,150
	<u>9,664</u>	<u>7,741</u>

8. INCOME TAX CREDIT

An analysis of the Group's income tax expense/(credit) for the periods is as follows:

	Twelve months ended 31 March	
	2026 <i>HK\$'000</i> (Unaudited)	2025 <i>HK\$'000</i> (Audited)
Current tax – the PRC		
Provision for the period	34	56
Underprovision in prior years	–	78
	<u>34</u>	<u>134</u>
Deferred tax	<u>(4,628)</u>	<u>(15,225)</u>
	<u><u>(4,594)</u></u>	<u><u>(15,091)</u></u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits in Hong Kong for period/year.

Pursuant to relevant laws and regulations in the PRC, the PRC Enterprise Income Tax rate of subsidiaries registered in the PRC is 25% for both periods.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and BVI for both periods.

9. LOSS FOR THE PERIOD/YEAR

The Group's (loss)/profit for the period/year is stated after charging the following:

	Twelve months ended 31 March	
	2026 <i>HK\$'000</i> (Unaudited)	2025 <i>HK\$'000</i> (Audited)
Staff costs		
– Directors' emoluments	717	4,007
– Salaries, bonuses and allowances	13,280	22,623
– Retirement benefits scheme contributions	2,491	2,579
	<u>16,488</u>	<u>29,209</u>
Amortisation of intangible assets (included in administrative expenses)	25	88
Depreciation of property, plant and equipment (included in cost of sales and services rendered and administrative expenses)	511	812
Depreciation of right-of-use assets (included in administrative expenses)	266	780

10. LOSS PER ORDINARY SHARE

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Loss:		
Loss for the period/year attributable to owners of the Company for the purpose of basic and diluted loss per ordinary share (<i>note i</i>)	<u>(28,670)</u>	<u>(123,885)</u>

	Twelve months ended 31 March	
	2026	2025
	'000	'000
	(Unaudited)	(Audited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per ordinary share (<i>notes i, ii, iii, iv</i>)	<u>582,520</u>	<u>534,262</u>

Notes:

- (i) The calculation of diluted loss per ordinary share for the twelve months ended 31 March 2026 and 2025 did not assume the conversion of convertible bonds since the conversion would result in an anti-dilutive effect on the basic loss per ordinary share.
- (ii) For the twelve months ended 31 March 2026 and 2025, the number of ordinary shares adopted in the calculation of the basic loss per ordinary share has been arrived at after eliminating the ordinary shares of the Company held by a trustee under the Company's share award plan.
- (iii) For the twelve months ended 31 March 2026 and 2025, the computation of diluted loss per ordinary share did not assume the exercise of share options because their exercise price was higher than the average share price.
- (iv) For the twelve months ended 31 March 2026 and 2025, the computation of diluted loss per ordinary share did not assume the vesting of 4th tranche of awarded shares because the management of the Company expected the relevant performance targets could not be fulfilled.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for the Period (twelve months ended 31 March 2025: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has additions to property, plant and equipment of approximately HK\$40,000 (unaudited) (twelve months ended 31 March 2025: HK\$189,000 (audited)). Certain property, plant and equipment with a carrying amount of approximately HK\$3,152,000 (unaudited) (twelve months ended 31 March 2025: Nil (audited)) was disposed of resulting from disposal of a subsidiary (Note 22(c)). In addition, certain property, plant and equipment with a carrying amount of approximately HK\$2,000 (unaudited) was disposed of during the Period (twelve months ended 31 March 2025: HK\$57,000 (unaudited)), resulting in a loss on disposal of approximately HK\$2,000 (unaudited) (twelve months ended 31 March 2025: HK\$215,000 (audited)).

13. RIGHT-OF-USE ASSETS

During the Period, the Group did not recognise any addition of right-of-use asset (unaudited) (twelve months ended 31 March 2025: HK\$880,000 (audited)). As at 31 March 2026, the carrying amount of right-of-use assets was approximately HK\$7,737,000 (unaudited) (31 March 2025: HK\$7,680,000 (audited)).

14. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL

(a) Financial assets at FVTOCI

	As at 31 March 2026 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Unlisted equity investments	<u>63,909</u>	<u>64,280</u>

At the end of the reporting periods, the Group held the following unlisted equity investments:

Name of investee	Notes	Place of establishment and business	Group's effective interest	Principal activities	Fair value as at	
					31 March 2026 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Qujing Huiheng Investment Company Limited ("Qujing Huiheng")	(i)	The PRC	19%	Provision of super power computing service; generation and provision of electricity	16,924	20,380
Ruoqiang Huiheng Industrial Group Company Limited ("Ruoqiang Huiheng")	(ii)	The PRC	19%	Provision of super power computing service; generation and provision of electricity	36,455	43,900
User Value Insight Holding Limited		Cayman Islands	4.5%	Provision of digital marketing service	10,530	–
					<u>63,909</u>	<u>64,280</u>

Notes:

- (i) On 21 August 2024, the Group invested in a 19% equity interest in Qujing Huiheng for an initial investment of approximately RMB24,700,000 (or equivalent to approximately HK\$26,641,000) which was paid by the Group in September 2024. Qujing Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with an initial plan to construct a photovoltaic power plant in the PRC. Since the investment was made, the Group's management has strictly monitored on Qujing Huiheng's operations and market conditions. During the year ended 31 March 2025, management of the Group became aware of the new regulatory policies, (i) Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation* 《分佈式光伏發電開發建設管理辦法》; and (ii) Notice on Deepening Market-Oriented Reform of Renewable Energy Feed-in Tariffs to Promote the High-Quality Development of Renewable Energy* 《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》 (collectively the “**New Regulations**”) which were released on 7 January 2025 and 27 January 2025 respectively. After the New Regulations took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Regulations, the electricity price for surplus electricity will be linked to the spot market, potentially reducing Qujing Huiheng's projected profitability. In response, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implication of New Regulations over Qujing Huiheng's business. According to the industry report, it is reasonable that a strategic slowdown in Qujing Huiheng's expansion was commercially justified to mitigate potential losses. In addition, the Group further appointed an independent professional valuer, namely Sinoappraisal Advisory Limited to determine the fair value of the Group's investment in Qujing Huiheng. Based on the valuation, the fair value at 31 March 2026 is approximately HK\$21,897,000 (unaudited) (31 March 2025: HK\$20,380,000 (audited)). The increase in the fair value of approximately HK\$1,517,000 (unaudited) is mainly due to the exchange difference recognised during the Period (year ended 31 March 2025: decrease of approximately HK\$153,000 (audited)). The Group did not recognised any gain or loss in the unaudited condensed consolidated statement of profit or loss and other comprehensive income during the Period (unaudited) (year ended 31 March 2025: loss of approximately HK\$6,108,000 (audited)).
- (ii) On 21 August 2024, the Group invested in a 19% equity interest in Ruoqiang Huiheng for an initial investment of approximately RMB53,200,000 (or equivalent to approximately HK\$57,382,000) which was paid by the Group in September 2024. Ruoqiang Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with an initial plan to construct a computing power center in the PRC. Since the investment was made, the Group's management has strictly monitored on Ruoqiang Huiheng's operations and market conditions. During the year ended 31 March 2025, management of the Group identified certain news in the market that the escalation of export control policies on chips to the PRC by the government of the United States of America (the “US”) would be enacted and has become effective on 9 April 2025 (the “**Escalated Export Control Policies**”). Under the Escalated Export Control Policies, it required a leading chip provider, namely NVIDIA Corporation to obtain an export license for export chip to China which was deemed to be unattainable due to the ongoing US initiated tariff war and political environment. This resulted in uncertainty in chip supply, significantly disrupting Ruoqiang Huiheng's supercomputing plant development plans. In light of these developments, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implications of the Escalated Export Control Policies over Ruoqiang Huiheng's business. According to the industry report, it is confirmed that certain news on the Escalated Export Control Policies were existed in the market in early 2025, and it is reasonable that a slowdown in expansion was a commercially prudent strategy to minimise further financial exposure. Till to the first quarter of 2026, the situation remains unchanged. In addition, the Group further appointed an independent professional valuer, namely Sinoappraisal Advisory Limited, to determine the fair value of the Group's investment in Ruoqiang Huiheng. Based on the valuation, the fair value at 31 March 2026 is approximately HK\$47,166,000 (unaudited) (31 March 2025: HK\$43,900,000 (audited)). The increase in the fair value of approximately HK\$3,266,000 (unaudited) is mainly due to the exchange difference recognised during the Period (year ended 31 March 2025: decrease of approximately HK\$329,000 (audited)). The Group did not recognised any gain or loss in the unaudited condensed consolidated statement of profit or loss and other comprehensive income during the Period (unaudited) (year ended 31 March 2025: loss of approximately HK\$13,153,000 (audited)).

* For identification purpose only.

(b) **Financial asset at FVTPL**

	As at 31 March 2026 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Unlisted investment fund	<u>–</u>	<u>11,160</u>

Included in the profit or loss is an amount of gain of approximately HK\$239,000 (unaudited) (year ended 31 March 2025: HK\$160,000 (audited)) relating to unlisted investment fund classified as financial asset at FVTPL and is reported as fair value gain on financial asset at FVTPL in the profit or loss. During the Period, the Group disposed all the unlisted investment fund at a consideration of HK\$11,399,000 (unaudited) (year ended 31 March 2025: Nil (audited)). The abovementioned unlisted investment fund is held for trading purpose. The above financial asset is classified as current asset as the Directors expect to realise this financial asset within twelve months after the reporting period.

15. TRADE AND OTHER RECEIVABLES

	As at 31 March 2026 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Trade receivables from contracts with customers	44,086	42,389
Less: allowance for credit loss	(24,328)	(27,358)
	<u>19,758</u>	<u>15,031</u>
Lease receivables	530	506
Less: allowance for credit loss	(530)	(506)
	<u>–</u>	<u>–</u>
Total trade and lease receivables	<u>19,758</u>	<u>15,031</u>
Other receivables	32,102	51,474
Value-added tax (“VAT”) recoverable	309	3,607
Prepayment for goods and services	173,997	150,459
Other prepayment	1,165	1,109
Deposits	–	345
	<u>227,331</u>	<u>222,025</u>

Prepayments for goods and services represent the prepayments made by the Group to several independent suppliers for trading of general goods, provision of goods for EPC services and provision of EPC services.

Movements of prepayment for goods and services during the Period/year is as follows:

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
At the beginning of the period/year	150,459	300,867
Additions	72,736	1,270
Transferred to other receivables (<i>note</i>)	(34,708)	(85,454)
Utilised	(23,335)	(32,285)
Offset with contract liabilities	–	(33,106)
Exchange differences	8,845	(833)
	<hr/> 173,997 <hr/>	<hr/> 150,459 <hr/>
At the end of the period/year	173,997	150,459

Note: During the Period, certain suppliers entered into agreements with the Group and agreed to refund prepayment for goods and services in an aggregate amount of approximately HK\$34,708,000 (unaudited) (year ended 31 March 2025: HK\$85,454,000 (audited)) to the Group as a result of cancellation of supplying goods to the Group. The abovementioned amount was transferred to “Other receivables” and were settled by the relevant suppliers.

Movement in the loss allowance for trade and other receivables during the Period/year is as follows:

	Twelve months ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
At the beginning of the period/year	129,829	84,558
Net impairment loss recognised for the period/year	10,190	45,576
Exchange differences	(201)	(305)
	<hr/> 139,818 <hr/>	<hr/> 129,829 <hr/>
At the end of the period/year	139,818	129,829

For trading business, the Group generally grants a credit period of 30 days (31 March 2025: 30 days) to its customers. Rental income is paid in accordance with the terms of respective agreements. For provision of procurement services and other IT services, the Group mainly requires customers to pay certain of the contract sum in advance and settle the remaining balances within 30 days (31 March 2025: 30 days) from the date of acceptance. For energy management contracting business, the customers paid a certain portion of the contract sum in advance in accordance with the terms of respective agreements. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year or within the Group’s normal operating cycle.

Included in trade and other receivables are trade and lease receivables, net of allowance for impairment, of approximately HK\$19,758,000 (unaudited) (31 March 2025: HK\$15,031,000 (audited)) and an ageing analysis based on the invoice date at the end of the reporting period, is as follows:

	As at 31 March 2026 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
0 to 90 days	12,549	11,415
91 to 180 days	82	552
181 to 365 days	199	3,064
Over 365 days	6,928	–
	<u>19,758</u>	<u>15,031</u>

16. LOAN RECEIVABLES

	As at 31 March 2026 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Unsecured fixed rate loan receivables	10,815	11,075
Less: allowance for credit loss	<u>(10,815)</u>	<u>(10,601)</u>
	<u>–</u>	<u>474</u>

Movement in the loss allowance for loan receivables during the Period/year is as follows:

	Twelve months ended 31 March	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Audited)
At the beginning of the period/year	10,601	10,668
(Reversal of impairment loss)/impairment loss recognised for the period/year	(2)	2
Exchange differences	<u>216</u>	<u>(69)</u>
At the end of the period/year	<u>10,815</u>	<u>10,601</u>

Loan receivables represented advances to independent third parties.

As at 31 March 2026, the loan receivables at principal amount of approximately HK\$10,815,000 (unaudited) (31 March 2025: HK\$11,075,000 (audited)) were unsecured, interest-bearing at a range of 0.3% to 0.5% (unaudited) (31 March 2025: 0.3% to 0.5% (audited)) per month and repayable on respective maturity dates.

As at 31 March 2026, included in the Group's loan receivables balance were debts with aggregate carrying amounts of approximately HK\$10,815,000 (unaudited) (31 March 2025: HK\$10,599,000 (audited)) which were past due 90 days or more as at the reporting date, of which approximately HK\$10,815,000 (unaudited) (31 March 2025: HK\$10,599,000 (audited)) had been provided for allowance of credit loss.

The Group would consider to take all possible ways, including but not limited to, legal proceedings, to recover the respective loans and interest receivables whenever it can.

17. BANK AND OTHER BORROWINGS

	As at 31 March 2026 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Secured bank borrowings	117,476	116,314
Secured other borrowings	7,248	13,596
Unsecured other borrowings	23,205	17,383
	<u>147,929</u>	<u>147,293</u>
Analysed as:		
– Fixed rate (<i>note i</i>)	88,838	83,538
– Floating rate (<i>note ii</i>)	48,967	48,176
– Interest-free (<i>note iii</i>)	10,124	15,579
	<u>147,929</u>	<u>147,293</u>
The bank and other borrowings are repayable as follows:		
	As at 31 March 2026 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Within one year or on demand	145,812	146,363
More than one year, but not exceeding two years	1,133	–
More than two years, but not exceeding five years	984	930
	<u>147,929</u>	<u>147,293</u>
Less: Amount due for settlement within 12 months (shown under current liabilities) (<i>note iv</i>)	(23,355)	(37,861)
Less: Amount due for settlement on demand (shown under current liabilities) (<i>note v</i>)	(123,590)	(108,502)
	<u>984</u>	<u>930</u>
Amount due for settlement after 12 months	<u>984</u>	<u>930</u>

Notes:

- i) As at 31 March 2026, bank borrowings of approximately HK\$68,509,000 (unaudited) (31 March 2025: HK\$68,138,000 (audited)) carried interests ranging at 1-Year Loan Prime Rate (“LPR”) quoted by National Interbank Funding Centre plus 1.4% per annum to 1-Year LPR plus 1.5% per annum (unaudited) (31 March 2025: ranging from 1-Year LPR plus 1.15% per annum to 1-Year LPR plus 3.15% per annum (audited)) as specified in the relevant loan agreements. The same 1-Year LPR shall be adopted throughout the loan period, which exposed the Group to fair value interest rate risk.

As at 31 March 2026, other borrowings of approximately HK\$6,114,000 (unaudited) (31 March 2025: HK\$13,596,000 (audited)) carried interest at 2 times of 1-Year LPR (unaudited) (31 March 2025: 2 times of 1-Year LPR (audited)) as specified in the relevant agreement. The same 1-Year LPR shall be adopted throughout the loan period. Furthermore, other borrowings of approximately HK\$12,181,000 (31 March 2025: Nil (audited)) carried interests ranging from 3 to 10% per annum, unsecured and repayable within one year. In addition, other borrowing of approximately HK\$2,034,000 (unaudited) (31 March 2025: HK\$1,804,000 (audited)) carried effective interest at rate of 9.18% per annum (unaudited) (31 March 2025: 9.18% per annum (audited)). These other borrowings were advanced from independent party/company and exposed the Group to fair value interest rate risk.

- ii) As at 31 March 2026, bank borrowing of approximately HK\$48,967,000 (unaudited) (31 March 2025: HK\$48,176,000 (audited)) carried interest at 1-Year LPR plus 1.5% per annum (unaudited) (31 March 2025: 1-Year LPR plus 1.5% per annum (audited)), which the 1-Year LPR shall be adjusted at the anniversary of the respective loan drawdown dates, and exposed the Group to cash flow interest rate risk.
- iii) As at 31 March 2026, other borrowings of approximately HK\$10,124,000 (unaudited) (31 March 2025: HK\$15,579,000 (audited)) were unsecured, interest-free and repayable within one year from the reporting end date. These other borrowings were advanced from independent parties/companies.
- iv) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- v) During the Period, the Group defaulted the partial repayment of two bank borrowings of approximately HK\$117,476,000 (unaudited) (31 March 2025: HK\$27,460,000 (audited)). The relevant banks, as lenders, could exercise their right to demand the Group to repay the bank borrowings immediately. Hence, the whole principal amounts of approximately HK\$117,476,000 (unaudited) (31 March 2025: HK\$27,460,000 (audited)) are reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 31 March 2026.

During the Period, the Group also defaulted the repayment of other borrowing of approximately HK\$6,114,000 (unaudited) (31 March 2025: HK\$13,596,000 (audited)). The lender is independent to the Group and filed a statement of claim to a court in the PRC. Consequently, the Group’s investment properties had been seized by the relevant court in the PRC temporarily. Subsequent to the reporting Period, the Group fully repaid the lender and the Group’s investment properties had been released by the relevant court in the PRC in April 2026. Details of the litigation were set out in the section headed “Litigations and contingent liabilities” in the “Management Discussion and Analysis” section to this announcement.

The aggregate balance of these bank and other borrowings of approximately HK\$123,590,000 (unaudited) (31 March 2025: HK\$108,502,000 (audited)) was repayable on demand as at 31 March 2026 and reclassified as current liabilities on the unaudited condensed consolidated statement of financial position.

The carrying amount of the Group's bank and other borrowings is denominated in RMB.

All of the bank and other borrowings are measured at amortised cost.

The effective interest rate of bank and other borrowings was as follows:

	As at 31 March 2026 (Unaudited)	As at 31 March 2025 (Audited)
Bank borrowings	5.30%	4.24%
Other borrowings	6.25%	7.22%

In addition to the pledged assets disclosed in Note 20 to the unaudited condensed consolidated financial statements, bank borrowings of approximately HK\$48,106,000 (unaudited) (31 March 2025: HK\$48,867,000 (audited)) were also secured by certain properties in the PRC and guaranteed by an independent third party as at 31 March 2026. Such properties were owned by a company which was independent to the Group.

Furthermore, the bank borrowings as at 31 March 2026 of approximately HK\$69,370,000 (unaudited) (31 March 2025: HK\$67,446,000 (audited)) were (i) secured by the entire equity interest of Gongcai Network Technology Limited ("**Gongcai Network**"), a wholly-owned subsidiary of the Company; and (ii) were guaranteed by Ms. Liu Luoxiu ("**Ms. Liu**") and Mr. Zou Yuwen ("**Mr. Zou**", the spouse of Ms. Liu) without fee. Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% (unaudited) (31 March 2025: 38.7% (audited)) of the Company's issued ordinary shares as at 31 March 2026, while Mr. Zou is the spouse of Ms. Liu.

18. TRADE AND OTHER PAYABLES

	As at 31 March 2026 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Current liabilities		
Trade payables	19,796	32,254
Bill payables (<i>note (i)</i>)	56,665	53,519
Total trade and bill payables	76,461	85,773
Provision for litigation liabilities (<i>note (ii)</i>)	9,612	11,289
Other payables:		
– Accruals	15,167	12,580
– Receipts in advance	16,259	6,920
– VAT payables	6,329	6,040
– Other payables	14,895	12,392
– Amounts due to an ex-substantial shareholder and its subsidiaries (<i>note (iii)</i>)	2,648	2,501
	141,371	137,495
Non-current liabilities		
Rental deposit received	2,931	3,137
Receipt in advance – rental income	3,767	1,151
	6,698	4,288

Notes:

- (i) The bills payables were guaranteed by the Company.
- (ii) Details of these litigations were set out in the section headed “Litigations and contingent liabilities” in the “Management Discussion and Analysis” section to this announcement.
- (iii) The amounts were unsecured, interest-free and repayable on demand.

Included in trade and other payables are trade creditors and bill payables of approximately HK\$76,461,000 (unaudited) (31 March 2025: HK\$85,773,000 (audited)) and an ageing analysis based on the invoice date at the end of the reporting period, is as follows:

	As at 31 March 2026 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
0 to 90 days	527	2,240
91 to 180 days	151	1,050
181 to 365 days	746	12,598
Over 365 days (<i>note</i>)	75,037	69,885
	<u>76,461</u>	<u>85,773</u>

Note: Included in trade and bill payables aged “Over 365 days” were payables of approximately HK\$56,665,000 (unaudited) (31 March 2025: HK\$57,959,000 (audited)) were related to litigations against Hangzhou Chenghui Engineering Technology Co., Ltd., a wholly-owned subsidiary of the Company. Details of these litigations were set out in the section headed “Litigations and contingent liabilities” in the “Management Discussion and Analysis” section to this announcement.

The carrying amounts of the Group’s trade and bill payables are denominated in RMB. All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

19. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

(a) Convertible bonds – CB 2029

On 19 April 2022, the Company had successfully placed convertible bonds to Sea Best Group Limited and Mr. Wu Feng (collectively the “Bondholders”), in an aggregate principal amount of HK\$27,500,000 with a term of 7 years (together referred to as “CB 2029”). The Bondholders are independent to the Group. CB 2029 carry coupon interest at a rate of 5% per annum which is payable on the last business day before each of the anniversary of the issue date and thereafter and on the maturity date (the “Maturity Date”) (i.e. the date falling on the expiry of seven years from the date of issue of the CB 2029, provided that if such date is not a business day, the business day immediately after such date). Backgrounds of the Bondholders and dilutive impact on then number of issued shares of the Company and substantial shareholders of the Company are further set out in the announcement of the Company dated 19 April 2022.

CB 2029 are denominated in Hong Kong dollars which entitle the Bondholders to convert them into ordinary shares of the Company at any time commencing on the issue date of convertible bonds and up to 4:00 p.m. on the five business days immediately before the Maturity Date, at a conversion price of HK\$1.50 per conversion share (subject to anti-dilutive adjustments).

Based on the initial conversion price of HK\$1.5 per conversion share and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the convertible bond, 18,333,333 ordinary shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the convertible bond, representing: (a) approximately 3.09% of the existing issued share capital of the Company; and (b) approximately 3.00% of the issued share capital of the Company as enlarged by the issue of the 18,333,333 ordinary shares.

The Bondholders have the right to convert the whole or any part (in the minimum amount of or in multiple of HK\$1,000,000) of the outstanding principal amount of convertible bonds into such number of ordinary shares of the Company as will be determined by dividing the principal amount of convertible bonds to be converted by the conversion price in effect on the date of conversion. In addition, the Company has the right to redeem the whole outstanding principal amount of CB 2029 by giving not less than 30 nor more than 60 days' notice (the "Early Redemption Notice") to the Bondholders, on the date specified in the Early Redemption Notice at 100% of the outstanding principal amount held by the Bondholders together with interest accrued but unpaid to such date (if any).

The fair value of CB 2029 upon issuance is determined using valuation model which involved unobservable inputs. The day-1 gain of approximately HK\$685,000, which represented the difference between the nominal value and the fair value of CB 2029 at the issue date, is not recognised in the unaudited condensed consolidated statement of profit or loss and other comprehensive income immediately but is deferred.

Upon issuance of CB 2029, amounts of approximately HK\$22,419,000, HK\$16,267,000 and HK\$11,871,000 were recognised as liability component, derivative component embedded in CB 2029 (liability) and derivative component embedded in CB 2029 (asset), respectively. The day-1 gain of approximately HK\$685,000 is included in the liability component of convertible bonds and will be amortised over the term of CB 2029.

During the Period, no convertible bonds were converted by the Bondholders, and the Company did not redeem any part of CB 2029 (unaudited) (six months ended 30 September 2024: Nil (unaudited)).

As at 31 March 2026, the outstanding principal of CB 2029 were HK\$27,500,000 (unaudited) (31 March 2025: HK\$27,500,000 (audited)).

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the derivative components of CB 2029 as follows:

	CB 2029	
	As at	As at
	31 March	31 March
	2026	2025
	(Unaudited)	(Audited)
Share price	HK\$0.41	HK\$0.36
Dividend yield	0%	0%
Expected volatility	102.05%	106.86%
Risk-free rate	2.33%	2.89%

The movements of the liability components of convertible bonds are set out below:

	Liability component HK\$'000	Deferred day-1 gain HK\$'000	Total HK\$'000
As at 1 April 2024 (audited)	22,757	489	23,246
Interest paid	(1,375)	–	(1,375)
Effective interest on convertible bonds	2,150	–	2,150
Amortisation of deferred day-1 gain	–	(98)	(98)
Coupon interest accrued and included in other payables at 31 March 2024	1,306	–	1,306
Coupon interest accrued and included in other payables at 31 March 2025	(1,306)	–	(1,306)
	<u>23,532</u>	<u>391</u>	<u>23,923</u>
As at 31 March 2025 and 1 April 2025 (audited)			
Interest paid	(1,375)	–	(1,375)
Effective interest on convertible bonds (<i>Note 7</i>)	2,224	–	2,224
Amortisation of deferred day-1 gain (<i>Note 6</i>)	–	(98)	(98)
Coupon interest accrued and included in other payables at 31 March 2025	1,306	–	1,306
Coupon interest accrued and included in other payables at 31 March 2026	(1,375)	–	(1,375)
	<u>24,312</u>	<u>293</u>	<u>24,605</u>
As at 31 March 2026 (unaudited)			

The effective interest rate of the liability components of CB 2029 is 9.5%.

(b) Derivative components of convertible bonds

The movements of the derivative components of convertible bonds are set out below:

	Assets – CB 2029 HK\$'000	Liabilities – CB 2029 HK\$'000	Total HK\$'000
As at 1 April 2024 (audited)	(2,964)	6,038	3,074
Fair value change	419	(2,916)	(2,497)
	<u>(2,545)</u>	<u>3,122</u>	<u>577</u>
As at 31 March 2025 and 1 April 2025 (audited)			
Fair value change	70	(428)	(358)
	<u>(2,475)</u>	<u>2,694</u>	<u>219</u>
As at 31 March 2026 (unaudited)			

The gain on change in fair value of derivative embedded in of the convertible bonds for the Period of approximately HK\$358,000 (unaudited) (twelve months ended 31 March 2025: HK\$2,497,000 (unaudited)) and amortisation of day-1 gain of approximately HK\$98,000 (unaudited) (twelve months ended 31 March 2025: HK\$98,000 (unaudited)) were recognised in the unaudited condensed consolidated statement of profit or loss, of which fair value gain of approximately HK\$358,000 (unaudited) (twelve months ended 31 March 2025: HK\$2,497,000 (unaudited)) was related to derivative components of convertible bonds at 31 March 2026. The related interest expense of the liability component of the convertible bonds for the Period amounted to approximately HK\$2,224,000 (unaudited) (twelve months ended 31 March 2025: HK\$2,150,000 (unaudited)), which was calculated using the effective interest method.

20. PLEDGE OF ASSETS

The following assets of the Group and their respective carrying values as at the end of the reporting period are pledged to secure the Group's bank and other borrowings:

	As at 31 March 2026 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Investment properties	175,648	175,232
Property, plant and equipment – building	1,304	1,381
Right-of-use assets	7,737	7,417
	<u>184,689</u>	<u>184,030</u>

As at 31 March 2026 (unaudited) and 31 March 2025 (audited), the entire equity interest of Gongcai Network is also pledged to secure the Group's bank borrowings.

21. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	As at 31 March 2026 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Acquisition of intangible assets	<u>7,576</u>	<u>7,156</u>

22. DISPOSAL OF SUBSIDIARIES

- a) On 6 August 2025, the Group disposed of its entire equity interest in Brilliant Station Limited, a wholly-owned subsidiary of the Company, to an independent party at a consideration of HK\$1. Brilliant Station Limited and its subsidiaries (“**Brilliant Station Group**”) were inactive prior to the disposal.

- b) On 6 May 2025, the Group disposed its entire interest in 明水縣展晶光伏科技有限責任公司 (Mingshui Zhanjing Photovoltaic Technology Limited*, “**Mingshui Zhanjing**”), a wholly-owned subsidiary of the Company, to an associated company at a consideration of approximately RMB46,000 (equivalent to approximately HK\$50,000). This subsidiary engaged in the provision of energy management contracting services in the PRC.

* For identification purpose only

- (c) The assets and liabilities of the Brilliant Station Group and Mingshui Zhanjing on the respective dates of disposal were as follows:

	Brilliant Station Group HK\$'000 (Unaudited)	Mingshui Zhanjing HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Net liabilities disposed of:			
Property, plant and equipment	–	3,152	3,152
Trade and other receivables	1	1,582	1,583
Bank balances	6	1	7
Other payables	(285)	(5,876)	(6,161)
Current tax liabilities	(1,380)	–	(1,380)
	<u>(1,658)</u>	<u>(1,141)</u>	<u>(2,799)</u>
Gain on disposal of subsidiaries:			
Consideration received	– [#]	–	– [#]
Consideration receivable	–	50	50
Net liabilities disposed of	1,658	1,141	2,799
Reclassification of statutory reserve	234	–	234
Reclassification of cumulative foreign currency translation reserve upon disposal	(1,028)	2	(1,026)
Non-controlling interests	(516)	–	(516)
	<u>348</u>	<u>1,193</u>	<u>1,541</u>
Net cash outflows arising on disposal:			
Cash consideration received	– [#]	–	– [#]
Less: Bank balances disposed of	(6)	(1)	(7)
	<u>(6)</u>	<u>(1)</u>	<u>(7)</u>

[#] Less than HK\$1,000

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

For the Period, the Group recorded a total revenue of approximately HK\$46.9 million, representing a decrease of approximately 52.3% as compared with the revenue of approximately HK\$98.3 million recorded for the twelve-month period ended 31 March 2025 (the “**Corresponding Prior Period**”). The decrease is mainly due to economic slowdown and more stringent budget in procurement of our customers during the Period.

Procurement business has been one of the Group’s major businesses for over 10 years. With continuing and established customer relationship with government authorities and large corporations, the Group’s procurement and IT business contributed approximately 67.6% of the Group’s gross profit for the Period. Another significant business segment of the Group is rental business, which contributed approximately 25.6% of the Group’s gross profit for the Period.

During the Period, the Group continues to pursue the goals of promoting sustainability and environmental protection. In response to the PRC Central Government’s promotion of carbon peak by 2030 and carbon neutrality by 2060, the Group promoted sustainability and environmental protection by providing energy management contracting services to customers. The management considers this as a high growth potential business in the next few years.

Provision of procurement services and other IT services

During the Period, the Group recorded a revenue of approximately HK\$17.6 million for provision of procurement services and other IT services, representing a decrease of approximately 71.3% as compared to the Corresponding Prior Period. The revenue from the Group’s provision of procurement services contributed approximately HK\$6.1 million to the total revenue of this segment, representing a decrease of approximately 86.5% as compared to Correspondence Prior Period. The decrease is mainly due to the completion of two significant EPC projects which recognised revenue in Corresponding Prior Period. Market competition keeps on keen. The number of projects that can generate income to the Group has decreased significantly. Only small projects have been completed and contributed revenue to this sub-segment. The Group expects to invest more resources to seize more market share under the keen market competition. The IT services contributed approximately HK\$11.5 million to the total revenue of this segment, representing a decrease of approximately 28.4% as compared to Correspondence Prior Period, mainly due to the decrease in revenue from platform license, IT maintenance and consultancy services. The Group believes the IT business segment will improve after the launch of the domestic software products to replace foreign technology based IT softwares of the existing customers.

Trading business

The trading revenue increased by approximately HK\$994,000 during the Period, representing a slight increase of approximately 5.2% as compared to Corresponding Prior Period. The profit margins of the trading business have been thin in the previous years, and the Group also recorded a slight loss during the Period due to impairment loss of trade receivables. The management believes that this segment should be scaled down in favor of focusing on other more profitable businesses.

Rental income

During the Period, the rental income of the Group decreased by approximately 56.2% to HK\$5.9 million as compared with HK\$13.5 million for the Corresponding Prior Period. The reason for the decrease is that, in early 2025, the Group entered into an operation agreement with a lease contractor which has exclusive rights to operate lease business of the investment property of the Group for 5 years.

Under such operation agreement, in each lease period, the Group would receive a fixed fee. While such fixed fee is generally lower than annual rental income which may be generated by the Group should the Group operate the leasing of its investment property on its own, the Group believes that the arrangements under the operation agreement would enable the Group to save more operating cost in its lease business and provide a steady cash inflow to the Group.

Provision of energy management contracting services

The provision of the energy management contracting services recorded a revenue of approximately HK\$3.4 million during the Period, representing a decrease of approximately 26.8% as compared to the Corresponding Prior Period. The decrease is mainly due to the completion of certain contracting services in the Corresponding Prior Period. In order to maintain the business size, the management has strived to fight for new service contracts and has been receiving positive feedbacks so far.

(II) FINANCIAL REVIEW

Operational Performance

1. Revenue

Revenue for the Period was HK\$46,894,000, representing a decrease of HK\$51,358,000 or 52.3% as compared to HK\$98,252,000 for the Corresponding Prior Period.

The revenue for the Period included (i) provision of procurement services and other IT services of HK\$17,551,000, accounting for 37.4% of the total revenue (twelve months ended 31 March 2025: HK\$61,083,000, 62.2%); (ii) revenue from trading business of HK\$20,001,000, accounting for 42.7% of the total revenue (twelve months ended 31 March 2025: HK\$19,008,000, 19.4%); (iii) rental income of HK\$5,895,000, accounting for 12.6% of the total revenue (twelve months ended 31 March 2025: HK\$13,454,000, 13.7%); and (iv) revenue from energy management contracting business of HK\$3,448,000, accounting for 7.4% of the total revenue (twelve months ended 31 March 2025: HK\$4,707,000, 4.8%).

2. *Cost of sales and services rendered*

Cost of sales and services rendered for the Period was HK\$27,832,000 (twelve months ended 31 March 2025: HK\$70,074,000). Decrease in revenue leads to a reduction of the cost of sales and services rendered. The costs mainly included material costs for trading sector, operating costs for lease business and the consumption of technical and human resources for contracts in segments of provision of procurement services and other IT services and energy management contracting business.

3. *Gross profit*

Gross profit for the Period was HK\$19,062,000 (twelve months ended 31 March 2025: HK\$28,178,000), whereas the gross profit margin for the Period was 40.6%, representing an increase of 11.9 percentage points as compared to the gross profit margin of 28.7% for the Corresponding Prior Period.

The increase in gross profit margin was mainly attributable to the decreased proportion of revenue generated from the provision of procurement services associated with the new energy EPC projects, which, in line with industry norms, typically have a lower profit margins. The decreased proportion of this sector therefore caused the increase in overall profit margin in spite of the decrease in profits in absolute value.

4. *Other income and gains/(losses)*

The other income and gains/(losses) mainly comprised government grants and exchange gain. For the Period, the account balance was a gain of HK\$3,552,000, as compared to a gain of HK\$2,032,000 for the Corresponding Prior Period. Such change is mainly due to the net exchange gain of HK\$2,759,000.

5. *Administrative expenses*

The administrative expenses for the Period was HK\$31,481,000 (twelve months ended 31 March 2025: HK\$40,492,000). The administrative expenses mainly comprised staff cost, legal and other professional fees, depreciation for property, plant and equipment and right-of-use assets and general office expenses. Due to implementation of costs control, the administrative expenses had been maintained at a lower level similar to that of the Corresponding Prior Period. The management would continue to execute of more stringent costs controlling measures on certain operational expenses and re-organisation of human resources.

6. *Impairment loss for trade and other receivable and contract assets*

During the Period, the Group undertook extensive efforts to recover outstanding debts, demonstrating a commitment to engage in sustained good-faith negotiations with debtors.

Despite these efforts, the financial difficulties encountered by these debtors, particularly those within the photovoltaic power sector, have substantially hindered recovery initiatives. During the Period, approximately 50 customers are conducting business in photovoltaic power industry.

The photovoltaic industry in the People's Republic of China is facing unprecedented challenges, exacerbated by significant economic downturns and ongoing market-oriented pricing reforms. These factors have led to a substantial decline in profitability for many enterprises, straining their financial stability and impeding their ability to maintain healthy cash flow. Consequently, this environment has not only affected the debtors' operational capabilities but has also disrupted the overall cash flow chain within the industry. During the Period, management of the Group became aware of the following:

- i) There was a significant oversupply issue resulting in intense price competition and increased inventory levels. Leading companies in the photovoltaic industry, such as LONGi Green Energy Technology Company Limited, experienced significant performance deterioration in 2025, revenue declining from approximately RMB82.6 billion in 2024 to approximately RMB70.3 billion, and recorded as loss before tax of approximately RMB7.6 billion in 2025, partly due to insufficient market demand to absorb excess capacity, leading to inventory accumulation and financial pressure. Similarly, another leading company, Trina Solar Co., Ltd. decreased from approximately RMB80.3 billion in 2024 to approximately RMB67.0 billion in 2025, and recorded loss before tax of approximately RMB8.2 billion in 2025. These trends indicate structural issues in the industry, as insufficient demand fails to resolve the oversupply issue in 2025, and intense price competition is expected to persist.
- ii) New regulatory policies – The New Regulations were released on 7 January 2025 and 27 January 2025 respectively. After the New Regulations took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Regulations, the electricity price for surplus electricity will be linked to the spot market, potentially reducing the profitability of the photovoltaic industry.

As a result, the anticipated recovery timelines have extended beyond initial expectations. Recognising these circumstances, the Group has remained proactive in its approach, allocating resources to understand and adapt to the evolving landscape. The Group's commitment to finding viable solutions reflects its dedication to preserving its financial interests while navigating the complexities of the current market environment. Legal action will only be considered as a last resort, and solely in cases where the anticipated recoverable amount justifies the associated legal costs, ensuring that the interests of the Group and its shareholders are safeguarded. The Group maintains active dialogue with the debtors to explore all viable avenues for recover.

To reflect a fair impairment assessment, the Group evaluate the outstanding balances in trade and other receivables, The expected loss calculation has been made using provision matrix approach, by reference to the expected loss rates are based on actual loss experience over the past 2 years. The calculation reflects the probability-weighted outcome of expected credit losses and is adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and also forward-looking information including the Group's view of economic conditions over the expected lives of the receivables. The Group has recognised net impairment losses of approximately HK\$11,290,000 for other receivable and reversal of impairment loss of approximately HK\$1,100,000 for trade receivables and approximately HK\$1,775,000 for contract assets.

Moving forward, the Group is unwavering in its resolve to explore every reasonable commercial avenue for debt recovery. While it will prioritize negotiated settlements wherever feasible, legal action will only be considered as a last resort, strictly in cases where the anticipated recoverable amount justifies the associated legal costs. The Group continues to maintain open lines of communication with debtors, reflecting a collaborative approach aimed at exploring all possible avenues for recovery while safeguarding the interests of the Group and its shareholders.

7. *Fair value (loss)/gain on investment properties*

Based on the valuation report prepared by Sinoappraisal Advisory Limited, an independent professional valuer, the Group assessed the fair value of its investment properties in PRC using income capitalisation approach at the end of the reporting period which is the approach consistent with last period. Considering internal sublease contract, the local market condition and data research, its fair value at the end of the reporting period slightly increased to approximately HK\$175,648,000. The Group recognised a fair value loss on investment properties of approximately HK\$9,614,000 which offset by exchange gain on investment properties of approximately HK\$10,030,000.

8. *Finance costs*

Finance costs for the Period was HK\$9,664,000 as compared to HK\$7,741,000 for the Corresponding Prior Period. Such increase was mainly due to the increase in interest payment to bank and other borrowings for the Period.

9. *Income tax credit*

Income tax credit for the Period amounted to HK\$4,594,000 (twelve months ended 31 March 2025: HK\$15,091,000). Tax credit made for the Period mainly represented a reversal of deferred taxation on land appreciation tax of the Group's investment properties located in Wuhan, Hubei Province, the PRC, such tax credit made was due to a significant drop in fair value of the investment properties.

10. *Loss for the Period/year*

Loss for the Period amounted to HK\$28,632,000 as compared to the loss of HK\$123,906,000 for the Corresponding Prior Period. The loss generated for the Period was mainly due to the reduction of gross profits generated from businesses, impairment losses for trade and other receivables and fair value loss on investment properties. Comparing with the Corresponding Prior Period, loss for the Period decreased significantly due to the decrease in fair value loss of investment properties and decrease in impairment losses for trade and other receivables.

Financial Position

1. *Liquidity and capital structure*

As at 31 March 2026, the Group had restricted bank deposits of approximately HK\$1,643,000 (31 March 2025: HK\$2,062,000) and cash and cash equivalents of approximately HK\$2,928,000 (31 March 2025: HK\$19,367,000). As at 31 March 2026, cash, bank deposits and restricted deposit of the Group mentioned above totally approximately HK\$4,571,000 (31 March 2025: HK\$21,429,000) of which HK\$3,008,000 (31 March 2025: HK\$5,665,000) were denominated in RMB. The total assets of the Group amounted to approximately HK\$511,072,000 (31 March 2025: HK\$538,006,000), the total equity amounted to approximately HK\$164,588,000 (31 March 2025: HK\$193,036,000), the total liabilities amounted to approximately HK\$346,484,000 (31 March 2025: HK\$344,970,000). The assets-liabilities ratio (total assets over total liabilities) was 1.48:1 (31 March 2025: 1.56:1), the current ratio (current assets over current liabilities) was 0.71:1 (31 March 2025: 0.79:1) and the gearing ratio (total bank and other borrowings and convertible bonds over total equity) was 1.05:1 (31 March 2025: 0.89:1).

2. *Funding and treasury policies*

The Group's funding and treasury policies aim to ensure that it has adequate financial resources to support its businesses and investment activities, while managing its financial risks in a prudent and efficient manner. The Group maintains a diversified funding base and manages its financial risks, including interest rate risk and foreign exchange risk, through the use of financial instruments and risk management strategies. The Group also seeks to maintain a healthy balance sheet and strong liquidity position to enhance its financial flexibility and resilience.

3. *Structure of bank and other borrowings*

As at 31 March 2026, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$137,805,000 (31 March 2025: HK\$131,714,000) and the Group's interest-free other borrowings amounted to approximately HK\$10,124,000 (31 March 2025: HK\$15,579,000). As at 31 March 2026, all of the abovementioned bank and other borrowings were denominated in RMB (31 March 2025: all denominated in RMB). As at 31 March 2026, bank and other borrowings of approximately HK\$145,811,000 were repayable within one year or on demand (31 March 2025: HK\$146,363,000).

As at 31 March 2026, interest-bearing bank borrowings with principal amounts of HK\$69,370,000 were arranged at effective interest rates of 4.4% to 4.5% per annum which are ranging at 1-Year LPR quoted by National Interbank Funding Centre plus 1.4% to 1.5% per annum. Except for the portion of bank borrowings of approximately HK\$20,403,000 with a fixed 1-Year LPR adopted throughout the loan period, the 1-Year LPR of the remaining portion of bank borrowings of approximately HK\$48,967,000 shall be adjusted at the anniversary of the respective loan drawdown dates. In addition, all the interest-bearing bank borrowings were secured by a charge over the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network. Furthermore, such facilities were also guaranteed without fee by Ms. Liu and Mr. Zou, whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% of the Company's issued ordinary shares as at 31 March 2026. Since the Group has defaulted a repayment of partial principal loan amounts during the Period, the relevant bank, as a lender, could exercise its right to demand the Group to repay bank borrowing immediately. Hence, the whole principal amount of approximately HK\$69,370,000 is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 31 March 2026. Furthermore, an interest-bearing bank borrowing with principal amount of approximately HK\$48,106,000 was arranged at effective interest rate of 6.5% per annum, repayable within one year and secured by certain properties in the PRC and guaranteed without fee by a son of Ms. Liu and Mr. Zou without any security. Since the Group has defaulted a repayment of partial principal loan amounts during the Period, the relevant bank, as a lender, could exercise its right to demand the Group to repay the bank borrowing immediately. Hence, the whole principal amount of approximately HK\$48,106,000 is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 31 March 2026.

In respect of other borrowings, an amount of HK\$2,035,000 was recognised at amortised cost using effective interest rate of 9.18% per annum. It represents payable to a lease contractor which is offering a right to a subsidiary of the Group to occupy certain office space of the property of which the lease contractor has operation right to run lease operation. For other borrowings in total of approximately HK\$10,124,000, they are unsecured, interest-free and repayable within one year. For an other borrowing of approximately HK\$6,114,000, it carried interest at 2 times of 1-Year LPR and is secured by the Group's investment properties. The Group failed to repay this amount to the lender on time and the lender filed a statement of claim against the Group. During the Period, the lender and the Group reached a settlement agreement that the loan would be paid by installments. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till to loan clearance date. For other borrowings in total of approximately HK\$1,134,000, it is secured by the Group's investment properties, arranged at effective interest rate of 10% and repayable after one year. For the remaining other borrowings of approximately HK\$11,046,000, they are arranged at effective interest rate ranging from 3 to 6% per annum, unsecured and repayable within one year.

Details of these claims are set out in the section "Litigations and contingent liabilities" to this announcement.

4. *Prepayment for goods and services*

As at 31 March 2026, the Group had prepayments for goods and services amounting to approximately HK\$173,997,000 (31 March 2025: HK\$150,459,000) in relation to trading of general goods, the provision of EPC services, and the provision of procurement services in respect of goods with regards to new solar power related EPC projects. Such projects include different solar projects at various locations of the PRC, such as projects at Zhanjiang City of Guangdong Province, Heshan County of Guangxi Province, Binzhou City of Shaanxi Province, Lianyungang City of Jiangsu Province, and so on. Since those projects would be over 1 gigawatt in aggregate in terms of power capacity upon completion, the total value of investment injected into those new solar power construction projects would be in billions of RMB. The need for procurement services and the total purchase value of materials for those projects will therefore be significant. Being one of the procurement service providers to those large projects, in order to secure the customers and suppliers, the Group has to carry out its job along the supply chain of the EPC projects, under which various prepayments for the procurement of materials required for different projects were made.

During the Period, prepayments in aggregate of approximately HK\$72,736,000 were made for other new projects. As at 31 March 2026, approximately HK\$23,335,000 had been utilised and settled upon completion of some projects. For some other projects where the projects construction had come across various problems, such as the need to obtain additional or new governmental approvals leading to prolonged delays in the projects, the management of the Group had decided to pull out and negotiated with the relevant parties, such as suppliers, for a refund of the prepayment made. During the Period, the relevant suppliers did a refund of approximately HK\$34,708,000. The management of the Group are closely monitoring the projects' progress and will take actions timely when necessary such as requesting the refunds of the prepayments. Alternatively, the Group may request the delivery of the goods equaling to the value of the prepayments so that the Group may resell them in return for cash or utilise them in other projects or potential projects of the Group.

(III) OTHER ISSUES

1. Significant investment and material acquisition and disposal of subsidiaries and future material investment or capital and assets acquisition plan

The Group did not have any significant investment and material acquisition or disposal of subsidiaries, associates and joint ventures during the Period save as disclosed under note 22 to the unaudited condensed consolidated financial statements.

The Group did not have any specific future plans for material investments or capital assets as at 31 March 2026. The Group will continue to explore and evaluate projects and investment opportunities with potentials to create value for its shareholders in the long run.

2. Pledge of assets

As at 31 March 2026, the Group had a bank borrowing of RMB61,200,000 (equivalent to approximately HK\$69,370,000) from a bank in the PRC which was secured by the pledging of the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network. The borrowing is also guaranteed by Ms. Liu and Mr. Zou without fee, whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% of the Company's issued ordinary shares as at 31 March 2026, while Mr. Zou is the spouse of Ms. Liu.

In addition, the Group had other borrowings of approximately RMB6,394,000 (equivalent to approximately HK\$7,247,000) which were secured by the pledging of the Group's investment properties.

3. Litigations and contingent liabilities

- (i) On 8 January 2024, the People's Court of Wuhan Donghu New Technology Development Zone ("**People's Court of Wuhan Donghu**") sent a summons and related filing materials (the "**Materials**") to Gongcai Network. According to the Materials, Nanchang Nanfei Fire Protection Equipment Manufacturing Co., Ltd. ("**Plaintiff 1**") requested Gongcai Network, and China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., the main project developer of an EPC project, to repay approximately RMB9,144,000 together with a penalty for late payment in respect of a purchase order for fixing stands. The fixing stands were materials used in a 100 megawatt photovoltaic power station project in Daishan County, Zhejiang Province, the PRC and were procured by Gongcai Network from Plaintiff 1. Gongcai Network had instructed its business department to negotiate with Plaintiff 1. On 25 March 2025, Gongcai Network has entered into mediation agreement with Plaintiff 1 agreeing that Gongcai Network would pay a total amount of RMB7,340,000 to settle this case. During the year ended 31 March 2026, the Group had made full payments of approximately RMB7,340,000.

- (ii) On 27 September 2024, Suzhou Industrial Park People’s Court sent a summons and related filing materials (the “**Related Materials**”) to Gongcai Network. According to the Related Materials, Zhu Yanfang (“**Plaintiff 2**”) filed a statement of claim against Gongcai Network for a breach of loan agreement alledging Gongcai Network’s failure in the on-time repayment of loan in amount of RMB14,000,000 and requested Gongcai Network to repay the loan principal together with a penalty and professional fees for late payment. The first hearing of the legal proceeding was conducted on 5 November 2024 and as a result a substantial portion of the Group’s investment properties had been seized by the relevant court in the PRC temporarily. Two mutual agreements between Plaintiff 2 and Gongcai Network were made subsequently. Gongcai Network will repay to Plaintiff 2 the sum of approximately RMB14,781,000 by installments. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till the loan clearance date. During the Period, Plaintiff 2 filed another application to Suzhou Industrial Park People’s Court as a result of which the (i) remaining portion of the Group’s investment properties with an aggregate fair value of approximately HK\$103,734,000 (2024: N/A); (ii) property, plant and equipment, representing a building portion, of approximately HK\$1,332,000 (2024: N/A); and (iii) the relevant leasehold lands of approximately HK\$7,457,000 (2024: N/A), had been seized by the court. As at 31 March 2026, the outstanding amount was approximately RMB5,394,000 and was recorded in the unaudited condensed consolidated financial statements. Subsequent to the reporting Period, the Group fully repaid the lender and the Group’s investment properties, property, plant and equipment and leasehold lands had been released by the relevant court in the PRC in April 2026.
- (iii) In January 2025, Hangzhou Chenghui Engineering Technology Co., Ltd. (“**Hangzhou Chenghui**”), a wholly owned subsidiary of the Company received a summon from Hefei High-tech Industrial Development Zone People’s Court, Anhui Province in regard of its failure to pay a procurement contract amount on time. According to the summon materials, Sungrow Power Supply Co., Ltd (“**Plaintiff 3**”) requested Hangzhou Chenghui to honor a payment for balance of RMB4,147,000 and a late charge of approximately RMB608,000 for a procurement contract with contract sum of RMB9,830,000. After the first hearing on 10 February 2025, Plaintiff 3 and Hangzhou Chenghui had entered into a mediation agreement on 20 May 2025. Both parties agreed that Plaintiff 3 shall accept a payment of approximately RMB2,633,000 from China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., a customer of Hangzhou Chenghui and Defendant 2 (as defined below), as payment from Hangzhou Chenghui, and the remaining amount of approximately RMB1,514,000 together with legal expenses of approximately RMB112,000 will be paid by Hangzhou Chenghui. At 31 March 2026, the Group had recognised a trade payable of RMB1,514,000 in its unaudited condensed consolidated financial statements in view of the above.

- (iv) On 21 March 2025 and 7 March 2025, Hangzhou Chenghui received a lawsuit from Hangzhou Chengjing Industrial Co., Ltd. (“**Plaintiff 4**”) in respect of (a) material sales contract 1 with contract sum of approximately RMB30,334,000 and (b) material sales contract 2 with contract sum of approximately RMB32,154,000 respectively. According to the two contracts which were effected on 23 March 2024 and 25 March 2024 respectively, Hangzhou Chenghui paid 20% of the respective contract sums as deposit and issued two bill payables to Plaintiff 4 for the remaining amount of approximately RMB25,724,000 and RMB24,267,000. Later on, dispute arose over goods receipt for both contracts between Plaintiff 4 and Hangzhou Chenghui and the bills were not honored accordingly. In this connection, Plaintiff 4 claimed a repayment of approximately RMB26,582,000 against Hangzhou Chenghui for the material sales contract 1 and filed the claim with Hangzhou Intermediate People’s Court, which has accepted the case. In February 2026, the case was actually adjudicated by the Hangzhou Xihu District People’s Court. The court ruled that Hangzhou Chenghui shall pay Plaintiff 4 contract amounts of RMB26,562,000, plus interest at 14.4% per annum from 22 January 2025 to repayment date, and RMB60,000 in legal fees. The Group had filed the appeal with the Hangzhou Intermediate People’s Court. The case has been accepted by the court and the second hearing is to be conducted in early 30 June 2026.

For the material sales contract 2, Plaintiff 4 has filed a lawsuit with Hangzhou Xihu District People’s Court and claimed a repayment of approximately RMB28,186,000 against Hangzhou Chenghui. The case has been accepted by the court and the first hearing is to be conducted in early December 2025. The case was adjudicated by the Hangzhou Intermediate People’s Court under case. The court ordered Hangzhou Chenghui to repay RMB25,369,000 in principal, plus interest of RMB2,695,000 (up to 23 January 2025) and further interest calculated at 13.8% per annum from 24 January 2025 to repayment date, and RMB45,000 in legal fees. The appeal was filed with the Zhejiang High People’s Court. The Group had filed a second instance with the Zhejiang High People’s Court, and the second hearing has been accepted and the case is now pending before the appellate court.

As at 31 March 2026, the Group has recognised the bill payables in amount of approximately RMB49,991,000 and provision for claim in amount of approximately RMB6,757,000 in its unaudited condensed consolidated financial statements.

- (v) On 10 March 2025, a former employee of the Group took legal proceedings against Guocai (Beijing) Technology Limited (“**Guocai (Beijing)**”) and Guocai (Hubei) Technology Limited (“**Guocai (Hubei)**”) and filed a claim with Chaoyang District People’s Court of Beijing for payments of employee compensation. Guocai (Beijing) is a non-wholly owned subsidiary of the Company, and Guocai (Hubei) is a wholly-owned subsidiary of the Company. The first hearing was conducted on 2 July 2025 and an appeal has been filed by Guocai Beijing and Guocai Hubei with Beijing Third Intermediate People’s Court. It accepted the appeal and the hearing is scheduled to be held on 10 December 2025.

In February 2026, the Beijing Third Intermediate People's Court issued its final judgment and ordered Guocai (Beijing) to pay the former employee termination compensation of approximately RMB1,130,000, unused annual leave compensation of approximately RMB1,069,000 and termination compensation of approximately of approximately RMB61,000. In respect of the above case, the Group has recognised a provision in total of approximately RMB2,260,000 in its unaudited condensed consolidated financial statements for the year ended 31 March 2026.

On 21 April 2025, another former employee of the Group made an arbitration application with Hangzhou Yuhang District Labor and Personnel Dispute Arbitration Committee against Zhejiang Chenghui Industrial Holding Group Limited ("**Zhejiang Chenghui**"), a wholly-owned subsidiary of the Company, demanding a payment of staff salaries. The first hearing was conducted on 16 June 2025. The committee ruled against the plaintiff. No provision for claim had to be recognised by Zhejiang Chenghui.

During the Period, the Company filed the following lawsuits against certain of its customers:

- (a) On 8 March 2024, Gongcai Network filed a civil lawsuit at People's Court of Wuhan Donghu against (i) Yancheng Zhuozhouyong Trading Co., Ltd.; (ii) Cai Kouzhang; (iii) Chen Xuerong; and (iv) Cai Kouzhong (collectively "**Defendants Group 1**") in regard of a contractual dispute with contract sum of approximately RMB23,870,000. Gongcai Network had completed all shipments of fixing stands to Defendants Group 1 and requested Defendants Group 1 to honor the contract and repay the remaining contract sum of approximately RMB8,880,000 and interest for the overdue payment. On 25 March 2025, Gongcai Network entered into a civil mediation agreement with Defendants Group 1 that Defendants Group 1 would pay a total amount of RMB7,567,000 by 30 September 2025 to settle this case. As at 31 March 2026, the Group had received partial payments settled through debt assignments. The remaining amounts of approximately RMB93,000 shall be settled by the Defendants Group 1 through further arrangement of debt assignments.
- (b) On 7 February 2025, Hangzhou Chenghui filed a civil lawsuit at Yuhang District Court against China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd. ("**Defendant 2**") in regard of a procurement contract with contract sum of approximately RMB26,333,000. While all shipments and goods inspection were completed, Defendant 2 had only paid a total of approximately RMB23,700,000 to Hangzhou Chenghui and the outstanding balance of approximately RMB2,633,000 remains unsettled despite repeated payment requests. Therefore, Hangzhou Chenghui requested Defendant 2 to honor the payment and is liable for a penalty of approximately RMB404,000. As at 31 March 2025, the Group had recognised a gross amount of trade receivable from Defendant 2 of approximately RMB2,633,000. On 20 May 2025, the case was settled through a mutual agreement made between both parties and Plaintiff 3 (as defined in point (iii) above). Arrangements were made

where Defendant 2 shall pay a total of approximately RMB2,633,000 to Plaintiff 3 at a specified time on Hangzhou Chenghui's behalf to settle the case. Finally, Defendant 2 paid that amount to the Plaintiff 3 in early June 2025.

The Group has properly performed impairment assessment on the relevant trade receivables under the ECL model, and substantially recorded the relevant trade payables against all the above plaintiffs.

4. Foreign exchange exposure

During the Period, the Group mainly earned revenue in RMB and incurred costs mainly in Hong Kong dollars and RMB. The Group does not foresee any real significant risk caused by exchange rate fluctuation to its financial health in the near future. However, any permanent or significant changes in RMB against Hong Kong dollars may still have an impact on the Group's presentation of financial results in the future. The management will monitor the foreign exchange risk and may adopt appropriate hedging policy when necessary.

5. Staff and remuneration policy

The Group determines staff remuneration in accordance with market terms, individual qualifications and performances. Remuneration of the Board are determined and from time to time reviewed by the Board based on the recommendations from the remuneration committee of the Company with reference to the Group's operating results, individual performance and comparable market statistics. Staff recruitment and promotion is based on individuals' merit and their development potential for the positions offered. As at 31 March 2026, the Group employed approximately 100 employees (as at 31 March 2025: 96), and the total remuneration of employees (including the Directors) was approximately HK\$16,488,000 for the Period (twelve months ended 31 March 2025: HK\$29,209,000). During the Period, according to the Company's share option scheme and share award plan, no share options and awarded shares previously granted were vested to Directors and eligible employees due to unfulfillment of the relevant vesting conditions of the share option scheme and the share award plan. To enhance the expertise of our employees, the Group also provides them on-the-job training and sponsors them to attend external training courses and seminars.

6. Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

7. Rights Issue

On 18 October 2022, in order to satisfy the funding needs of the Group for the Group's business expansion, the Company proposed to conduct rights issue of not more than 201,366,286 rights shares (the "**Rights Share(s)**") at the subscription price of HK\$0.63 per Rights Share on the basis of five (5) Rights Shares for every eight (8) existing shares of the Company in issue (the "**Rights Issue**"). An underwriting agreement was entered into between the Company and Eastmount Global Limited, a current controlling shareholder of the Company, as the underwriter to the Rights Issue on 18 October 2022 (the "**Underwriting Agreement**"). Pursuant to the Underwriting Agreement, the Rights Issue had been conducted on a fully underwritten basis. A placing agreement (the "**Placing Agreement**") had also been entered into between the Company and Eddid Securities and Futures Limited as the placing agent (the "**Placing Agent**") on the same day, pursuant to which the Placing Agent has agreed to procure placee(s), on a best effort basis, to subscribe for unsubscribed Rights Shares. An aggregate of 189,907,953 new shares were allotted and issued by the Company on 8 February 2023 as a result of the Rights Issue. Among all 189,907,953 new shares issued, Eastmount Global Limited, as the underwriter, had performed its underwriting obligation under the Underwriting Agreement and took up 123,596,678 Rights Shares that were unsubscribed and were not placed by the Placing Agent.

The Rights Shares had been offered for subscription at the subscription price of HK\$0.63 per Rights Share. The gross proceeds from the Rights Issue were approximately HK\$119.6 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK\$117.1 million. The net price per Rights Share is therefore HK\$0.62. The Rights Shares (when allotted, fully paid or credited as fully paid and issued) rank pari passu in all respect among themselves and with the shares of the Company in issue as at the date of allotment and issuance. The closing price of the shares as quoted on the Stock Exchange on 18 October 2022, being the date of publication of the announcement in relation to the Rights Issue, was HK\$0.73 per share. On 15 January 2024, taking into consideration of the adverse and ongoing uncertain market condition of the Hong Kong property sector, the management of the Company was of the view that it was not the best timing for the Company to make property investment in Hong Kong as it might lead to potential losses to the Group and its shareholders. As such, the Board resolved to change and reallocate the use of the unutilised net proceeds originally intended for property investment of approximately HK\$23.4 million, such that (i) approximately HK\$20.0 million were to be used for the pursuance of strategic acquisitions of businesses engaging in energy management contracting ("**EMC**") services; and (ii) the remaining HK\$3.4 million were reallocated as the general working capital of the Group.

The utilisation of the net proceeds from the Rights Issue as at 31 March 2026 has been summarised as follows:

	Approximate percentage of total net proceeds	Original allocation of net proceeds <i>HK\$'000</i>	Revised allocation of net proceeds <i>HK\$'000</i>	Amount utilised up to 31 March 2026 <i>HK\$'000</i>	Unutilised balance as at 31 March 2026 <i>HK\$'000</i>	Expected timeline for utilisation
1) Research and development of the procurement service software	5%	5,855	5,855	5,855	–	N/A
2) Procurement services business	50%	58,550	58,550	58,550	–	N/A
3) Trading business	10%	11,710	11,710	11,710	–	N/A
4) Investment in office properties in Hong Kong	–	23,420	–	–	–	N/A
5) General working capital	18%	17,565	20,985	20,985	–	N/A
6) Acquisition of EMC business	17%	–	20,000	–	20,000	By the end of 2026
		<u>117,100</u>	<u>117,100</u>	<u>97,100</u>	<u>20,000</u>	

As at 31 March 2026, the net proceeds of approximately HK\$70.2 million were used for paying orders for procurement services business and trading business; approximately HK\$5.9 million were used for research and development of the procurement service software; and approximately HK\$21.0 million were used as general working capital for payment to suppliers and operating expenses as intended.

Further details of the Rights Issue and change in use of proceeds had been set out in the announcements of the Company dated 18 October 2022, 20 December 2022, 7 February 2023 and 15 January 2024, circular of the Company dated 30 November 2022 and the prospectus of the Company dated 6 January 2023.

8. Placing

To enhance the Group's financial capability to expand new energy business while also support the development of its procurement services and working capital, on 19 August 2024, the Company, as issuer, and Elstone Securities Limited, as placing agent (the "**Placing Agent**"), entered into a placing agreement (the "**Placing Agreement**"), the completion on which took place on 26 September 2024. Upon the completion, the Placing Agent had successfully placed, and the Company had allotted and issued 98,752,000 ordinary shares (the "**Placing Shares**") under general mandate (being approximately 20% of the existing issued share capital of the Company as at the date of the Placing Agreement, and approximately 16.67% of the then issued share capital of the Company as enlarged only by the allotment and issue of the Placing Shares) at the placing price of HK\$0.433 per share to eight placees. The aggregate nominal value of the placing shares is HK\$9,875,000. The closing price of the shares of the Company as quoted under the Stock Exchange on 16 August 2024, being the last trading day of the shares of the Company prior to the date of the Placing Agreement was HK\$0.550. To the best knowledge of the Directors, the placees (and where relevant, their ultimate beneficial owners) are third parties independent of the Company and its connected persons. None of the placees has become a controlling shareholder or a substantial shareholder of Company immediately upon completion of the placing. The net proceeds from the placing were approximately HK\$42.4 million. The net price per the new shares was therefore HK\$0.429. While the Company announced on 26 September 2024 that the net proceeds were expected to be utilised as follows: approximately HK\$16.9 million for investment into new energy related projects; approximately HK\$16.9 million for the expansion and development of the procurement services provided by the Group and approximately HK\$8.6 million for the replenishment of the general working capital of the Group, on 16 May 2025, as further announced by the Company, since the Board considered artificial intelligence to be the future of technology, and that the market of intelligent services will continue to grow in next decade, the Board resolved to change the use of the approximately HK\$16.9 million originally allocated for expansion and development of the procurement services provided by the Group to investment into intelligent service related projects.

The utilisation of the net proceeds from the placing as at 31 March 2026 has been summarised as follows:

Use of net proceeds	Original allocation <i>HK\$'000</i>	Revised allocation of the net proceeds <i>HK\$'000</i>	Utilised amount as at the 31 March 2026 <i>HK\$'000</i>	Unutilised net proceeds as at 31 March 2026 <i>HK\$'000</i>	Updated expected timeline for utilisation after the change in the use of proceeds
Investment into new energy related projects	16,900	16,900	–	16,900	By the end of 2026
For expansion and development of the procurement services	16,900	–	N/A	N/A	
General working capital	8,600	8,600	8,600	–	
Investment into intelligent service related projects	N/A	16,900	–	16,900	By the end of 2026
Total	42,400	42,400	8,600	33,800	

9. Going concern assessment

The Group reported a net loss of approximately HK\$28,632,000 during the Period and as of 31 March 2026, the Group had a net current liability of approximately HK\$98,083,000. As at 31 March 2026, the Group held cash and cash equivalents of approximately HK\$2,928,000 against bank and other borrowings of approximately HK\$123,590,000, which were repayable on demand.

In view of these circumstances, the Directors have given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and the available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow forecast prepared by the management, which covers a period of twelve months from 31 March 2026, and take into consideration of the following plans and measures: (a) The Group will take more stringent cost controls; (b) An undrawn credit facility of RMB150,000,000 was available as at the date of approval for issue of these unaudited condensed consolidated financial statements as per a credit facility agreement (the "**Facility**") entered into on 5 August 2025 with a limited partnership which is related to the Group (the "**Financier**") with a valid period of three years from the date of the Facility. The Directors satisfied their due diligence responsibilities by reviewing the proof of funding and financial statements provided by the Financier, and are also satisfied as to the legality and enforceability of the Facility. The Facility constitutes an unconditional and irrevocable standby credit facility, with terms including that it is unsecured, bears interest at 5% per annum, and is repayable within twenty-four months from the drawdown date or a date mutually agreed between the Group and the Financier. As of the date approval for issue of these unaudited condensed consolidated financial statements, the Group had not drawn down any amounts under the Facility; and (c) The Group will continue to adopt the equity financing approach to strengthen the financial position of the Group and to raise additional funds for the Group to replenish its working capital.

The Directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 March 2026.

Accordingly, the Directors consider it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

10. Event after the Period

Save as disclosed elsewhere in this announcement, there are no other material events subsequent to the end of the Period.

(IV) BUSINESS PROSPECTS

Although the Group faced tough business operational environment during the Period, the Group strived to look for new business opportunities to support its future growth. Leveraging on the Group's deep understanding of and long term presence in the new energy industry, the Group is exploring the photovoltaic inverter business in the PRC. The Group is also exploring the business opportunity of energy storage solutions. Apart from the above mentioned businesses, the Group is exploring other business opportunities and hopes to open new income avenues to support the long term growth for its shareholders.

However, the Group remains cautious in starting new businesses. Due to uncertain economic and geopolitical situations, the financial credits of business partners of the Group in its upper and lower business chain worsened. The Group will strengthen its risk management and control system to better safeguard its economic benefits when venturing into new businesses. More internal control measures shall be implemented within the Group as needed to better monitor and control both financial and non-financial risks. The Group shall strive to take these actions to counter balance and mitigate the risks from the future potential problems that might arise from its operational partners who might be facing increasing liquidity risks under the current macroeconomic situation just like many other businesses.

Save as disclosed in this announcement, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules during the Period since the publication of the Company's last annual report for the year ended 31 March 2025.

CORPORATE GOVERNANCE

1. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Stock Exchange issued the corporate governance code ("**CG Code**") as set out in part 2 of Appendix C1 to the Listing Rules, which provides code provisions and recommends best practices in relation to corporate governance for listed companies. The Company has complied with the CG Code during the Period except for the deviation as described below.

Under code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

During the Period, Mr. Yang Hua served as both the chief executive and one of the joint chairman of the Board ("**Joint Chairman**") while Mr. Zhou Xiangtao is the other Joint Chairman up to 17 November 2025. Mr. Zhou Xiangtao resigned on 17 November 2025 and Mr. Zhao Zhijiao was appointed as a Joint Chairman on the same day. The roles of the Joint Chairman are clearly defined and segregated as follows: Mr. Yang Hua primarily focuses on the daily operations and management of the Group; whereas Mr. Zhou Xiangtao and Mr. Zhao Zhijiao primarily focus on the strategic planning and the development of corporate culture of the Group. Through the supervision of the Board and the Board committees, balance of power and authority can be ensured. Although such practice deviates from code provision C.2.1 of the CG Code, the Board believes that vesting the roles of both the Joint Chairman and the chief executive officer in the same individual, has the benefit of ensuring consistent leadership to advance long-term strategy and operating efficiency of the Group, while at the

same time, with the aid of the other Joint Chairman, ensuring that the balance of power and authority of the Board will not be impaired, therefore, the Board believes that it is in the best interests of the Company for Mr. Yang Hua to assume the roles of chief executive and as one of the Joint Chairman until such time as the Board considers that such roles should be assumed by different individuals.

The Company considered its prevailing structures and systems to be satisfactory in terms of ensuring its compliance with the CG code and will continuously enhance its corporate governance standards throughout the Group and ensure further measures to be put in place by reference to the recommended best practices whenever suitable and appropriate.

2. AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises three members, namely, Mr. He Zhi (Chairman), Mr. Zhao Zhijiao and Ms. Wang Xiaoqiong. All of them are independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management in respect to the financial reporting matters, including review of the unaudited interim results of the Group for the Period. The Audit Committee has no disagreement with the accounting treatment adopted by the Group and is also of the opinion that such statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

3. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors and relevant employees of the Group. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Period.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Period (twelve months ended 31 March 2025: Nil).

By order of the Board
CHERISH SUNSHINE INTERNATIONAL LIMITED
Yang Hua
Joint Chairman and Chief Executive

Hong Kong, 29 May 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Yang Hua (Joint Chairman and Chief Executive); one non-executive Director, namely Mr. Ng Siu Hong; and three independent non-executive Directors, namely Mr. Zhao Zhijiao (Joint Chairman), Mr. He Zhi and Ms. Wang Xiaoqiong.