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China Sinostar Group Company Limited
中國華星集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 485)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of China Sinostar Group Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2026 which has been reviewed by the audit committee of the Company (the "**Audit Committee**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

		Six months ended 30 September	
		2026	2025
		HK$'000	*HK$'000*
	Notes	**(unaudited)**	(unaudited)
Revenue	3	**14,264**	14,858
Cost of sales		**(5,569)**	(7,387)
Gross profit		**8,695**	7,471
Other gain	5	**48**	6
Administrative expenses		**(7,485)**	(6,652)
Finance costs		**(1,180)**	(1,490)
Income (Loss) before tax	6	**78**	(665)
Income tax expenses	7	**(203)**	(131)
Loss for the period		**(125)**	(796)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**7,135**	4,574
Total comprehensive income for the period		**7,010**	3,778
		HK cents	*HK cents*
Loss per share			
– Basic and diluted	9	**(0.05)**	(0.37)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2026

	Notes	**30 September 2026** ***HK$'000*** **(unaudited)**	31 March 2026 *HK$'000* (audited)
Non-current assets			
Investment properties	10	**112,255**	108,802
Property, plant and equipment	10	**28,512**	25,718
Right-of-use assets	10	**395**	564
		141,162	135,084
Current assets			
Properties for sale under development	11	**15,302**	14,832
Properties held for sale		**43,002**	47,193
Trade receivables, deposits and other receivables	12	**30,794**	36,244
Bank balances and cash		**14,626**	26,182
		103,724	124,451
Current liabilities			
Amount due to immediate holding company	13	**2,121**	1,864
Amount due to a director	13	**12,029**	–
Trade payables and accrued charges	14	**20,528**	39,456
Lease liabilities		**345**	331
Contract liabilities		**1,392**	1,214
Current tax liabilities		**5,641**	5,442
Borrowings	15	**6,320**	21,552
Bonds payable	16	**6,182**	6,182
		54,558	76,041
Net current assets		**49,166**	48,410
Total assets less current liabilities		**190,328**	183,494
Non-current liabilities			
Lease liabilities		**60**	236
NET ASSETS		**190,268**	183,258
Capital and reserves			
Share capital	17	**2,548**	2,548
Reserves		**187,720**	180,710
TOTAL EQUITY		**190,268**	183,258

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

	Share capital	Share premium	Translation reserve	Capital redemption reserve	Contributed surplus	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2026 (audited)	**2,548**	**406,559**	**(17,420)**	**577,204**	**64,349**	**(849,982)**	**183,258**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(125)**	**(125)**
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	**–**	**–**	**7,135**	**–**	**–**	**–**	**7,135**
Total comprehensive income for the period	**–**	**–**	**7,135**	**–**	**–**	**(125)**	**7,010**
At 30 September 2026 (unaudited)	**2,548**	**406,559**	**(10,285)**	**577,204**	**64,349**	**(850,107)**	**190,268**
At 1 April 2025 (audited)	2,128	394,379	(30,342)	577,204	64,349	(836,939)	170,779
Loss for the period	–	–	–	–	–	(796)	(796)
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	–	–	4,574	–	–	–	4,574
Total comprehensive income for the period	–	–	4,574	–	–	(796)	3,778
At 30 September 2025 (unaudited)	2,128	394,379	(25,768)	577,204	64,349	(837,735)	174,557

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Net cash generated from operating activities	**11,839**	2,172
INVESTING ACTIVITIES		
Interest received	**1**	2
Purchase of property, plant and equipment	**(3,210)**	–
Net cash (used in) from investing activities	**(3,209)**	2
FINANCING ACTIVITIES		
Advance from immediate holding company	**257**	1,262
(Repayment to) Advance from a director	**(26,930)**	21
Proceeds from borrowings	**6,320**	–
Interest paid on bonds payable	**(227)**	(244)
Interest paid on lease liabilities	**(21)**	(5)
Repayment of bonds payable	**–**	(578)
Repayment of lease liabilities	**(162)**	(177)
Net cash from financing activities	**(20,763)**	279
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(12,133)**	2,453
Cash and cash equivalents at beginning of the reporting period	**26,182**	6,597
Effect of foreign exchange rate changes	**577**	1,217
Cash and cash equivalents at end of the reporting period, represented by bank balances and cash	**14,626**	10,267

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") ("**Listing Rules**").

These condensed consolidated financial statements should be read in conjunction with the 2026 annual financial statements. The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual consolidated financial statements for the year ended 31 March 2026 except for the adoption of new and revised Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the HKICPA effective as of 1 April 2026.

This condensed consolidated financial information has not been audited.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted the following new/revised HKFRS Accounting Standards issued by the HKICPA, which are effective for the current period:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards	Volume 11
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current and prior reporting periods.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within HKFRS 15:		
Development and sale of properties	**5,845**	8,537
Properties management	**6**	18
Operation and management of hydroelectric power stations	**6,410**	4,314
	12,261	12,869
Revenue from other sources:		
Rental income from operating leases:		
– fixed lease payments	**1,908**	1,446
– variable lease payments	**95**	543
	2,003	1,989
	14,264	14,858

In addition to the information shown in segment disclosures in note 4 to the condensed consolidated financial statements, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Six months ended 30 September 2026			
	Development and sale of properties ***HK$'000*** **(unaudited)**	**Properties management** ***HK$'000*** **(unaudited)**	**Operation and management of hydroelectric power stations** ***HK$'000*** **(unaudited)**	**Total** ***HK$'000*** **(unaudited)**
Type of transaction price:				
At fixed price	**5,845**	**6**	**6,410**	**12,261**
Timing of revenue recognition:				
At a point in time	**5,845**	**–**	**–**	**5,845**
Over time	**–**	**6**	**6,410**	**6,416**
	5,845	**6**	**6,410**	**12,261**

	Six months ended 30 September 2025			
	Development and sale of properties *HK$'000* (unaudited)	Properties management *HK$'000* (unaudited)	Operation and management of hydroelectric power stations *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Type of transaction price:				
At fixed price	8,537	18	4,314	12,869
Timing of revenue recognition:				
At a point in time	8,537	–	–	8,537
Over time	–	18	4,314	4,332
	8,537	18	4,314	12,869

As all of the revenue of the Group are attributable to the market in the Chinese Mainland, no geographical information is presented.

4. SEGMENT INFORMATION

The Group's operating divisions are as follows:

(1) Development and sale of properties ("**Properties development**")

(2) Properties investment

(3) Properties management

(4) Operation and management of hydroelectric power stations ("**Hydroelectric power business**")

Segment revenue and results

	For the six months ended 30 September 2026				
	Properties development ***HK$'000*** **(unaudited)**	**Properties investment** ***HK$'000*** **(unaudited)**	**Properties management** ***HK$'000*** **(unaudited)**	**Hydroelectric power business** ***HK$'000*** **(unaudited)**	**Total** ***HK$'000*** **(unaudited)**
Revenue	**5,845**	**2,003**	**6**	**6,410**	**14,264**
Segment results	**96**	**1,136**	**(10)**	**3,703**	**4,925**
Interest income					**1**
Unallocated expenses					**(3,668)**
Finance costs					**(1,180)**
Income before tax					**78**

	For the six months ended 30 September 2025				
	Properties development *HK$'000* (unaudited)	Properties investment *HK$'000* (unaudited)	Properties management *HK$'000* (unaudited)	Hydroelectric power business *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Revenue	8,537	1,989	18	4,314	14,858
Segment results	897	1,224	3	841	2,965
Interest income					2
Unallocated expenses					(2,142)
Finance costs					(1,490)
Loss before tax					(665)

5. OTHER GAIN

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**1**	2
Others	**47**	4
	48	6

6. INCOME (LOSS) BEFORE TAX

This is stated after charging:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs (including directors' remuneration):		
– wages and salaries	**1,871**	1,715
– contribution to defined contribution schemes	**103**	101
Cost of inventories sold	**5,492**	7,352
Depreciation:		
– property, plant and equipment	**1,822**	1,481
– right-of-use assets	**169**	171
Interest expenses on:		
– borrowings	**932**	1,241
– bonds payable	**227**	244
– lease liabilities	**21**	5

7. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2025: 16.5%) of the estimated assessable profits for the period. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for each of the six months ended 30 September 2026 and 2025.

The Enterprise Income Tax ("**EIT**") in respect of operations in the Chinese Mainland is calculated at a rate of 25% (six months ended 30 September 2025: 25%) on the estimated assessable profits for the reporting period based on existing legislation, interpretations and practices in respect thereof.

The Land Appreciation Tax ("**LAT**") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value.

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current period		
EIT	**118**	–
LAT	**85**	131
	203	131

8. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 September 2026 (six months ended 30 September 2025: nil). The Directors have determined that no dividend will be paid in respect of the six months ended 30 September 2026 (six months ended 30 September 2025: nil).

9. LOSS PER SHARE

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

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period	**(125)**	(796)
	Number of Shares	Number of shares
Weighted average number of ordinary shares for the basic and diluted loss per share	**245,289,193**	212,839,878
	HK cents	*HK cents*
Basic and diluted loss per share	**(0.05)**	(0.37)

Diluted loss per share is same as the basic loss per share for the six months ended 30 September 2026 and 2025. The Company did not have any dilutive potential ordinary shares during the six months ended 30 September 2026 and 2025.

10. INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2026, the Group has not acquired or disposed of any items of investment properties and right-of-use assets (six months ended 30 September 2025: nil).

During the six months ended 30 September 2026, the Group acquired items of property, plant and equipment with a cost of HK$3,210,000 (six months ended 30 September 2025: nil).

11. PROPERTIES FOR SALE UNDER DEVELOPMENT

At 30 September 2026, properties for sale under development of HK$15,302,000 (31 March 2026: HK$14,832,000) were pledged to secure banking facility with an aggregate principal amount of HK$27,795,000 (31 March 2026: HK$26,940,000) granted to third parties. All properties for sale under development are located in the Chinese Mainland.

12. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

The ageing analysis of trade receivables, net of loss allowance, based on invoice dates which approximate the respective recognition dates, at the end of the reporting period is as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0–30 days	**4,287**	2,360
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**–**	7,801
	4,287	10,161

The Group allows an average credit period ranging from 0 to 365 days (31 March 2026: 0 to 365 days) to its trade customers.

13. AMOUNTS DUE TO IMMEDIATE HOLDING COMPANY/A DIRECTOR

The amounts due are interest-free, unsecured and repayable on demand (31 March 2026: same).

14. TRADE PAYABLES AND ACCRUED CHARGES

The ageing analysis of trade payables based on invoice dates at the end of the reporting period is as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Over 90 days	**2,073**	2,010

The average credit period is 90 days (31 March 2026: 90 days) and certain suppliers grant longer credit period on a case-by case basis.

15. BORROWINGS

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Other borrowings, secured	**–**	21,552
Other borrowings, unsecured	**6,320**	–
	6,320	21,552

Other borrowings are repayable as follows:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within one year	**6,320**	21,552

As at 30 September 2026, other borrowings of HK$6,320,000 are unsecured, interest-bearing at 5.4% per annum and repayable on 7 August 2027.

As at 31 March 2026, other borrowings of HK$21,552,000 were interest-bearing at 12% per annum, secured by investment properties of HK$13,396,000 and repayable on 2 May 2026. On 2 May 2026, the repayment date of these borrowings was extended for one year to 2 May 2027 with all other terms remain unchanged. On 2 August 2026, such other borrowings were assigned entirely to a director of the Company, who waived the interest and released the security upon completion of the transfer, resulting in an amount due to a director (note 13).

16. BONDS PAYABLE

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Corporate bonds		
Current liabilities	**6,182**	6,182

As at 30 September 2026, the Company had corporate bonds with principal amount of HK$6,182,000 (31 March 2026: HK$6,182,000) issued under the placing agreement dated 13 November 2018 for bonds issuance with an aggregate principal amount of up to HK$200,000,000 (the "**Placing Agreement**"). Pursuant to the Placing Agreement, the bonds carry fixed interest rates ranging from 6% to 6.5% per annum. The bonds are with a maturity period ranging from three to five years from the issue date, and the interests are paid semi-annually in arrears on 30 June and 31 December in each year and on the maturity date.

The Company has been actively communicating and maintaining constructive dialogue with the bond holders and is in the process of amicable negotiation with the bond holders in respect of the repayment plans.

As at 31 March 2026, all bonds payable were unsecured. The bonds payable of an aggregate principal amount of HK$5,409,000 was interest bearing at the interest rate of 0.7% per month and repayable on 30 June 2026. The remaining bonds payable of an aggregate principal amount of HK$773,000 was overdue and interest-free.

On 18 June 2026, the maturity date of certain bonds payable in an aggregate principal amount of HK$5,409,000 are further extended to 30 June 2027 with all other terms remain unchanged.

As at 30 September 2026, all bonds payable were unsecured. The bonds payable of an aggregate principal amount of HK$5,409,000 was interest bearing at the interest rate of 0.7% per month and repayable on 30 June 2027. The remaining bonds payable of an aggregate principal amount of HK$773,000 was overdue and interest free.

17. SHARE CAPITAL

	Nominal value per share *HK$*	Number of shares	Amount *HK$'000*
Authorised:			
At 1 April 2025, 31 March 2026 and 30 September 2026	0.01	50,000,000,000	500,000
Issued and fully paid:			
At 1 April 2025	0.01	212,839,878	2,128
Issue of new shares	0.01	42,000,000	420
At 31 March 2026 and 30 September 2026	**0.01**	**254,839,878**	**2,548**

On 23 December 2025, an aggregate of 42,000,000 subscription shares with subscription price of HK$0.3 per share were allotted and issued under general mandate pursuant to the subscription agreement dated 5 December 2025. These shares rank pari passu with the existing shares in all respects. Please refer to the announcements of the Company dated 5 December 2025 and 23 December 2025 for details.

18. CAPITAL COMMITMENTS

	30 September 2026 ***HK$'000*** **(unaudited)**	31 March 2026 *HK$'000* (audited)
Properties for sale under development:		
Contracted but not provided for in the condensed consolidated financial statements	**628**	609

19. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions:

	Six months ended 30 September	
	2026 ***HK$'000*** **(unaudited)**	2025 *HK$'000* (unaudited)
Remuneration of key management personnel	**1,000**	1,006

Key management personnel are deemed to be the members of the Board which has responsibility for planning, directing and controlling the activities of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is engaged principally in properties development, properties investment, properties management and the operation and management of hydroelectric power stations. The management of the group has continued to utilise its professional and committed workforce and financial resources to achieve maximum returns for its shareholders. For the six months ended 30 September 2026, the Group's revenue was mainly derived from properties development, properties investment and the hydroelectric power business.

Accelerating deglobalisation, regional military conflicts, and geopolitical tensions created complex challenges for the world economy, driving substantial uncertainty across international markets. Meanwhile, economic growth in the Chinese Mainland continued to face headwinds from ongoing real estate and debt pressures. The properties market remained volatile and unpredictable, facing structural challenges such as high levels of unsold inventory, weak end-user demand and affordability constraints. National real estate development investment, sales area and sales volume continued to decline during the six months ended 30 September 2026.

According to the National Bureau of Statistics of China, from January to September 2026, the national investment in real estate development amounted to approximately RMB5,336 billion, representing a year-on-year decrease of 21%, of which approximately RMB4,113 billion was invested in residential housing, representing a year-on-year decrease of 21%. Meanwhile, the sales of commodity housing in the Chinese Mainland were approximately RMB5,380 billion, representing a year-on-year decrease of 14%, of which the sales of residential housing decreased by 14%. The sales area of commodity housing in the Chinese Mainland was approximately 565 million sq.m., representing a year-on-year decrease of 13%, with residential housing sales area recording a similar decline.

While the central government of the People's Republic of China implemented various policy measures aimed at stabilising the properties market, including lowering mortgage rates, relaxing purchase restrictions in certain cities and introducing initiatives to convert unsold housing into affordable units, the outcome has been limited. These measures helped slow the pace of decline but have not reversed the downward trend. As a result, new project launches and construction activities remained subdued, and the operations and financial performance of the Group were inevitably affected during the six months ended 30 September 2026.

For the six months ended 30 September 2026, the Group recorded a revenue of approximately HK$14,264,000 representing a decrease of approximately 4% as compared to the revenue of approximately HK$14,858,000 for the corresponding period in 2025. Administrative expenses for the six months ended 30 September 2026 were approximately HK$7,485,000, which increased slightly from approximately HK$6,652,000 for the six months ended 30 September 2025. Further, finance costs for the six months ended 30 September 2026 were approximately HK$1,180,000, as compared to approximately HK$1,490,000 recorded for the corresponding period in 2025, which resulted from the borrowings and bonds payable for the Group's refinancing and general corporate purposes.

Overall, the Group recorded a loss for the period of approximately HK$125,000 for the six months ended 30 September 2026, representing a narrowing of approximately 84% as compared to a loss of approximately HK$796,000 for the six months ended 30 September 2025.

Properties Development

Leveraging on the experience and connections of the management and following the business directions of the Company, the Group has engaged in the properties development business since the financial year of 2018.

During the six months ended 30 September 2026, the Group owned two properties development projects in the Chinese Mainland, namely Xiguan Project and Bagua Town Project II. Particulars of which are as follows:

Project name	Location	Approximate site area *(sq.m.)*	Approximate gross floor area *(sq.m.)*	Group's interest	Type	Property Status
Xiguan Project	No. 1, Group 13, Fumen Street, Huanren County, Benxi City, Liaoning Province, the Chinese Mainland* (中國遼寧省本溪市桓仁縣福民街1號13組)	46,243	80,462	100%	Residential and commercial	Completed
Bagua Town Project II	No. 1, Unit 0, Block 0, Group 05, Huanren County Center, Huanren County, Benxi, Liaoning Province, the Chinese Mainland* (中國遼寧省本溪市桓仁縣桓仁鎮中心05組0幢0單元1號)	9,188	14,700	100%	Commercial	Preliminary stage of preparation

* *For identification purposes only*

Xiguan Project

Xiguan Project contained 19 buildings providing 775 residential units, 30 commercial units and 121 parking spaces. The construction work of the Xiguan Project was completed during the financial year of 2019.

For the six months ended 30 September 2026, the Group sold approximately 2% of the gross floor area and achieved total contracted sales of approximately HK$5,845,000, while approximately 4% of the gross floor area was sold and total contracted sales of approximately HK$8,537,000 were recorded for the six months ended 30 September 2025.

Bagua Town Project II

Bagua Town Project II is at the preliminary stage of preparation ahead of construction. Bagua Town Project II is planned to include pedestrian streets, retail stores, shopping malls, and tourism, historical and cultural facilities, and is expected to enhance the future business performance of the Group.

The Group acquired the land use rights for Bagua Town Project II during the financial year of 2020. However, the Natural Resources Bureau of Huanren Manchu Autonomous County (the "**Bureau**"), which was responsible for delivering vacant possession of the land, repeatedly postponed the matter due to relocation disputes with two remaining holdout households who had demanded excessive compensation. Following the issuance of forced demolition orders, relocation compensation terms were agreed between the Bureau and the holdout households in October 2025. Vacant possession of the land was delivered to the Group in May 2026. The Group has applied to the Bureau for a development plan adjustment based on the latest market needs. The Bureau has agreed in principle to an increase in total gross floor area from 14,700 sq.m. to 19,700 sq.m., however, formal approval has not yet been obtained. Construction of the Bagua Town Project II is expected to be completed within 12 months from the receipt of such formal approval, and marketing and sales of the completed units are expected to commence upon completion of construction.

For the six months ended 30 September 2026, revenue from properties development was derived from the sale of remaining completed properties of the Xiguan Project. The properties market in the Chinese Mainland remained under downward pressure and the housing supply and prices continued to be dragged down by weakened demand. For the six months ended 30 September 2026, segment revenue was approximately HK$5,845,000, representing a decrease of approximately 32% as compared to approximately HK$8,537,000 for the six months ended 30 September 2025. Segment profit of approximately HK$96,000 was recorded for the six months ended 30 September 2026, representing a decrease of approximately 89% as compared to approximately HK$897,000 for the six months ended 30 September 2025.

Sales performance has not yet witnessed significant improvement, however, policy relaxations and support measures across both the supply and demand sides are expected to gradually take effect. The central government of the People's Republic of China has continued to take proactive steps to support the properties market, including mortgage rate reductions, relaxed purchase restrictions, and initiatives to convert unsold housing into affordable units. While these measures have contributed to a slower pace of decline, the sector continues to face structural headwinds. The Group remains cautiously optimistic and committed to navigating the evolving market landscape with resilience and agility. Looking ahead, the Board remains positive towards the long-term prospects of the properties development industry in the Chinese Mainland and will proactively align with and respond to policy adjustments to capture potential market opportunities and enhance shareholders' value. Further, the Group will continue to advance the development of its existing projects, including obtaining formal approval for the adjusted development plan of Bagua Town Project II, and strive to generate improved results for the Group.

Properties Investment

Revenue generated from properties investment was mainly derived from the leasing of commercial properties and carparks located in Benxi City, Liaoning Province, the Chinese Mainland. Particulars of which are as follows:

Location	Use	Approximate gross floor area *(sq.m.)*	Group's interest	Lease expiry
No. 1, the first floor, Block 5, Shengli Road, Pingshan District, Benxi City, Liaoning Province, the Chinese Mainland* (中國遼寧省本溪市平山區勝利路5幢1層1號)	Commercial	808	100%	2055
Zhanqian, Pingshan District, Benxi City, Liaoning Province, the Chinese Mainland* (中國遼寧省本溪市平山區站前)	Carparks	7,000	100%	2036
Xinglong Street, Pingshan District, Benxi City, Liaoning Province, the Chinese Mainland* (中國遼寧省本溪市平山區興隆街)	Carparks	6,867	100%	2046
Qian Jie Commercial Street, Bagua Town, Center Street, Huanren County, Benxi City, Liaoning Province, the Chinese Mainland* (中國遼寧省本溪市桓仁縣中心大街八卦城乾街商業街)	Commercial	7,543	100%	2058

* *For identification purposes only*

The segment revenue and segment profit for the six months ended 30 September 2026 were approximately HK$2,003,000 and approximately HK$1,136,000, respectively, whereas the segment revenue and segment profit for the six months ended 30 September 2025 were approximately HK$1,989,000 and approximately HK$1,224,000, respectively.

Properties Management

To complement the properties development business, the Group has engaged in the properties management business and delivered comprehensive properties management services for residential and commercial properties developed by the Group since the financial year of 2020.

The segment revenue and segment loss for the six months ended 30 September 2026 were approximately HK$6,000 and approximately HK$10,000, respectively, whereas the segment revenue and segment profit for the six months ended 30 September 2025 were approximately HK$18,000 and approximately HK$3,000, respectively. The Group is gradually exiting from the properties management business and thus, resulted in the decrease in both segment revenue and segment results.

Hydroelectric Power Business

The Group has engaged in the business of clean and renewable energy since the financial year of 2016. Revenue was generated from the operation and management of two hydroelectric power stations located in the northern Chinese Mainland which are connected to the national power grid and supply electricity mainly for industrial use. The business of clean and renewable energy contributed stable income of the Group during the period.

For the six months ended 30 September 2026, segment revenue was approximately HK$6,410,000, representing an increase of approximately 49% as compared to approximately HK$4,314,000 for the six months ended 30 September 2025. The additions to plant and machinery enhanced the operations of the hydroelectric power stations, which resulted in increased power generation during the six months ended 30 September 2026. As a result, segment profit increased from approximately HK$841,000 for the six months ended 30 September 2025 to approximately HK$3,703,000 for the six months ended 30 September 2026.

Sustainable development in clean and renewable energy remains a global trend. The Group believes that continued investment in the renewable energy business will benefit the Group in the long run and generate sustainable revenue for the Group.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2026, the Group's bank balances and cash, denominated mainly in Hong Kong dollars and Renminbi, amounted to approximately HK$14,626,000, representing a decrease of approximately 44% as compared to approximately HK$26,182,000 as at 31 March 2026, which was mainly due to the net cash outflows from investing and financing activities.

As at 30 September 2026, the gearing ratio was 0.07 (31 March 2026: 0.15), which was calculated based on the total borrowings and bonds payable divided by total equity. The Group will continue to monitor and manage its financial structure and associated potential risks in the course of its development.

As at 30 September 2026, the current ratio was 1.90 (31 March 2026: 1.64), which was calculated by dividing the total current assets by the total current liabilities.

Financing and Capital Structure

The Group finances its operations by a combination of equity and borrowings. The Group adopts prudent funding and treasury policies, its liquidity requirements are satisfied by a combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time. The Group regularly monitors its liquidity requirements to ensure that we maintain sufficient financial resources for working capital and capital expenditure needs.

The Company entered into a subscription agreement with a subscriber (the "**Subscriber**") on 5 December 2025, pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue an aggregate of 42,000,000 subscription shares (the "**Subscription Share(s)**") at the subscription price of HK$0.30 per Subscription Share (the "**Subscription**"). Completion of the Subscription took place on 23 December 2025. An aggregate of 42,000,000 Subscription Shares, representing approximately 16.48% of the issued share capital of the Company (as enlarged by the allotment and issue of the Subscription Shares), were allotted and issued by the Company to the Subscriber at the subscription price of HK$0.30 per Subscription Share. The aggregate nominal value of the 42,000,000 Subscription Shares was HK$420,000. Please refer to the announcements of the Company dated 5 December 2025 and 23 December 2025 for details.

The gross proceeds and net proceeds (after deducting all applicable costs and expenses of the Subscription) from the Subscription were approximately HK$12,600,000 and approximately HK$12,350,000, respectively. The Company intends to apply the net proceeds from the Subscription for the capital needs and cash flow of the properties development projects of the Group. As at 30 September 2026, none of the net proceeds had been utilised. The Company intends to fully utilise the net proceeds by 31 March 2027 in accordance with the intended use as previously disclosed.

As at 30 September 2026, the Group had borrowings of approximately HK$6,320,000 (31 March 2026: HK$21,552,000) and bonds payable of approximately HK$6,182,000 (31 March 2026: HK$6,182,000), which were for the Group's refinancing and general corporate purposes. Details regarding the borrowings and bonds payable of the Group are set out in notes 15 and 16 to the condensed consolidated financial statements.

Exposure to Fluctuation in Exchange Rates

For the six months ended 30 September 2026, the Group's transactions were mostly denominated in Hong Kong dollars and Renminbi. No foreign currency hedge was made during the six months ended 30 September 2026. The Group did not have significant exposure to foreign exchange fluctuations as the management monitors the related foreign currencies closely and will consider hedging against significant foreign currency exposure, if necessary.

Pledge of Assets

Details regarding the pledge of assets are set out in notes 11 and 15 to the condensed consolidated financial statements.

Contingent Liabilities

As at 30 September 2026, the Group had no material contingent liabilities (31 March 2026: nil).

STAFF

As at 30 September 2026, the Group had a total of 14 employees (31 March 2026: 16), of which 8 (31 March 2026: 10) were employed in the Chinese Mainland. Details regarding the total amount of staff costs of the Group are set out in note 6 to the condensed consolidated financial statements.

The employees' remuneration, promotion, salary increments and discretionary bonus are assessed based on both the individual's and the Group's performance, professional and working experience and by reference to prevailing market practice and standards. In addition, the Group also provides employee benefits such as employee insurance, retirement scheme and training programmes.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisitions or disposals during the six months ended 30 September 2026.

SIGNIFICANT INVESTMENT HELD

Save as disclosed in the paragraphs headed "Business Review", the Group did not have any significant investments held as at 30 September 2026.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

Save as disclosed in the paragraphs headed "Business Review", "Prospect" and "Material Acquisition and Disposal" in this section, the Group will actively seek potential opportunities in different industries and business sectors. However, the Group had not executed any legally binding agreement in relation to material investment or acquisition of capital assets and did not have any specific plans relating to material investment or capital assets as at the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 September 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2026, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER REPORTING PERIOD

Save as disclosed, the Board is not aware of any important events affecting the Group which occurred after the end of the reporting period and up to the date of this announcement.

PROSPECT

Looking ahead, the Group will continue to adhere to its prudent and steady operating principles, consolidate its existing business foundation, and continuously enhance operational quality and asset efficiency. At the same time, the Group will maintain a prudent investment strategy and actively promote business diversification to broaden its revenue streams.

The Group is actively deepening its presence in the Northern Mainland China market to tap into its development potential, while empowering and upgrading its existing projects toward cultural tourism and wellness, as well as strategically expanding into the life sciences and grand health industries, striving to cultivate new business growth engines. These initiatives aim to drive sustainable growth and deliver enhanced financial performance and long-term value for the Group and the shareholders of the Company.

CORPORATE GOVERNANCE

The Company adopted all the code provisions in Corporate Governance Code (the "**Code Provisions**") set out in Appendix C1 to the Listing Rules on the Stock Exchange as its own code on corporate governance practices and guidance. During the six months ended 30 September 2026, in the opinion of the Directors, the Company has complied with all Code Provisions and, where appropriate, the applicable recommended best practices of the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"), as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all the Directors that they have complied with the Model Code throughout the six months ended 30 September 2026.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors and reports directly to the Board. The Audit Committee meets regularly with the Group's senior management and the external auditor to review the financial reporting and internal control systems of the Group as well as the financial statements of the Company. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 September 2026.

BOARD OF DIRECTORS

As at 30 September 2026, the Board comprises Mr. Wang Jing and Mr. Wang Xing Qiao as executive Directors; Ms. Zhao Hongxia as non-executive Director; and Mr. Su Bo, Mr. Tang Shengzhi and Ms. Liu Xiaofeng as independent non-executive Directors.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.00485.hk. The interim report of the Company for the six months ended 30 September 2026 containing all information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

For and on behalf of
China Sinostar Group Company Limited
Wang Xing Qiao
Executive Director and Chief Executive Officer

Hong Kong, 27 November 2026

As at the date of this announcement, the Board comprises Mr. Wang Jing and Mr. Wang Xing Qiao as executive Directors; Ms. Zhao Hongxia as non-executive Director; and Mr. Su Bo, Mr. Tang Shengzhi and Ms. Liu Xiaofeng as independent non-executive Directors.