



City Coolxuan Company Limited

城市酷选有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Directors**”) of City Coolxuan Company Limited (formerly known as Quantum Thinking Limited) (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board (the “**Board**”) of Directors hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2025 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2024 (the “**Corresponding Period**” or “**2024**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended	
		30 September	
		2025	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(unaudited)	(unaudited)
Revenue	4	21,937	21,867
Cost of sales and services		<u>(21,270)</u>	<u>(21,463)</u>
Gross profit		667	404
Other income and gains	5	16,110	3
Distribution costs		(6)	(39)
Administrative expenses		(5,617)	(4,931)
Finance costs	6	<u>(23)</u>	<u>(14)</u>
Profit/(loss) before income tax		11,131	(4,577)
Income tax expense	7	<u>15</u>	<u>–</u>
Profit/(loss) for the period	8	<u>11,146</u>	<u>(4,577)</u>
Other comprehensive expense			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		<u>(56)</u>	<u>(13)</u>
Other comprehensive expense for the period, net of tax		<u>(56)</u>	<u>(13)</u>
Total comprehensive income/(expense) for the period		<u>11,090</u>	<u>(4,590)</u>

		Six months ended	
		30 September	
		2025	2024
		HK\$'000	HK\$'000
<i>Notes</i>		(unaudited)	(unaudited)
Profit/(loss) for the period attributable to:			
	Owners of the Company	11,175	(4,496)
	Non-controlling interests	(29)	(81)
		<u>11,146</u>	<u>(4,577)</u>
Total comprehensive income/(expense) for the period attributable to:			
	Owners of the Company	11,296	(4,304)
	Non-controlling interests	(206)	(286)
		<u>11,090</u>	<u>(4,590)</u>
Earnings/(loss) per share attributable to the owners of the Company:			
	— Basic earnings/(loss) per share:		
	(HK cents)	<u>0.82</u>	<u>(0.33)</u>
	— Diluted earnings/(loss) per share:		
	(HK cents)	<u>0.82</u>	<u>(0.33)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
	<i>Notes</i>		
Non-current assets			
Plant and equipment		130	153
Right-of-use assets		–	–
Intangible assets		–	–
Goodwill		–	–
Total non-current assets		130	153
Current assets			
Trade and other receivables	11	22,755	13,030
Contract assets		183	180
Financial assets at fair value through profit or loss	12	–	52
Bank balances and cash		267	1,839
Total current assets		23,205	15,101
Current liabilities			
Trade and other payables	13	25,590	16,945
Lease liabilities		634	621
Income tax payable		–	15
Total current liabilities		26,224	17,581
Net current liabilities		(3,019)	(2,480)
Total assets less current liabilities and net liabilities		(2,889)	(2,327)
Non-current liabilities			
Loan from a shareholder		–	7,232
Other payables	13	1,000	4,800
Lease liabilities		272	593
		1,272	12,625
Net liabilities		(4,161)	(14,952)
Equity			
Share capital	14	135,625	135,625
Reserves		(125,960)	(136,957)
Equity attributable to owners of the Company		9,665	(1,332)
Non-controlling interests		(13,826)	(13,620)
Capital deficiency		(4,161)	(14,952)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company							
	Share capital	Share premium	Translation reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 April 2024	135,625	99,935	(426)	–	(223,210)	11,924	(13,605)	(1,681)
Comprehensive expense								
Loss for the period	–	–	–	–	(4,496)	(4,496)	(81)	(4,577)
Other comprehensive income/(expense)								
Exchange differences arising on translation of foreign operations	–	–	192	–	–	192	(205)	(13)
Total comprehensive income/(expense)	–	–	192	–	(4,496)	(4,304)	(286)	(4,590)
As at 30 September 2024	135,625	99,935	(234)	–	(227,706)	7,620	(13,891)	(6,271)
As at 1 April 2025	135,625	99,935	(571)	299	(236,620)	(1,332)	(13,620)	(14,952)
Comprehensive income/(expense)								
Profit/(loss) for the period	–	–	–	–	11,175	11,175	(29)	11,146
Other comprehensive income/(expense)								
Exchange differences arising on translation of foreign operations	–	–	121	–	–	121	(177)	(56)
Total comprehensive income/(expense)	–	–	121	–	11,175	11,296	(206)	11,090
Reversal of deemed capital contribution arising from loan from a former shareholder	–	–	–	(299)	–	(299)	–	(299)
As at 30 September 2025	135,625	99,935	(450)	–	(225,445)	9,665	(13,826)	(4,161)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
	Notes		
Net cash used in operating activities		(1,303)	(4,935)
Cash flows from investing activities			
Purchase of intangible asset		–	(13)
Proceeds from disposal of financial assets at fair value through profit or loss		52	–
Interest received from bank	5	1	8
Investment income from financial assets at fair value through profit or loss	5	2	–
Net cash generated from/(used in) investing activities		55	(5)
Cash flows from financing activities			
Advance from a director		–	1,800
Advance from a shareholder		–	2,200
Repayment of lease liabilities		(330)	(447)
Net cash (used in)/generated from financing activities		(330)	3,553
Net decrease in cash and cash equivalents		(1,578)	(1,387)
Cash and cash equivalents at the beginning of the period		1,839	2,742
Effect on foreign exchange rate changes, on cash held		6	44
Cash and cash equivalents at the end of the period		267	1,399
Analysis of balances of cash and cash equivalents			
Cash and cash equivalents with an original maturity of three months or less:			
Cash at banks and in hand		267	1,399

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL INFORMATION

City Coolxuan Company Limited (formerly known as Quantum Thinking Limited) (the “**Company**”) was incorporated in the Cayman Islands on 8 May 2000 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company’s registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong was situated at Unit 1308, 13/F, Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong, and has changed to Unit 1508, 15/F, Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong with effect from 1 November 2025.

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of system development services and other value-added technical consultation services and trading of hardware products and short messaging services.

In the opinion of the directors (“**Director(s)**”) of the Company, the parent and ultimate holding company of the Company is Hong Kong Coolxuan Group Company Limited (“**Coolxuan Group**”), which was incorporated in Hong Kong.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2025 (the “**Condensed Financial Report**”) 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 and the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

The Condensed Financial Report should be read in conjunction with the annual financial statements of the Company for the year ended 31 March 2025 (the “**2025 Annual Financial Statements**”). The principal accounting policies used in the Condensed Financial Report are consistent with those adopted in the 2025 Annual Financial Statements, except for the adoption of the new or amendments to HKFRS Accounting Standards which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 April 2025. Details of these changes in accounting policies are set out in note 3.

The preparation of the Condensed Financial Report 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 Condensed Financial Report has been prepared under the historical cost convention, except for financial instruments classified as financial assets at fair value through profit or loss which are stated at fair values. The Condensed Financial Report is presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company and all values are rounded to the nearest thousands (“**HK\$’000**”) unless otherwise stated.

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

For the six months ended 30 September 2025 (the “**Reporting Period**”), the Group reported a profit attributable to owners of the Company of HK\$11,175,000. In addition, as of 30 September 2025, the Group’s current liabilities exceeded its current assets by approximately HK\$3,019,000 and the Group had net liabilities of approximately HK\$4,161,000.

The Directors consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis after taking into consideration the followings:

- (i) The Group will continue to take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustments and containment of capital expenditures.
- (ii) The Group, through its subsidiary namely, Shenzhen Xinyoutong Technology Co. Ltd (深圳市馨優通科技有限公司) based in the People’s Republic of China (the “**PRC**”), signed three new contracts in May and June 2025 to cooperate with two information technology companies in providing short messaging services. The Directors consider that these will be profitable and would contribute towards the Group’s business in providing short messaging services.

3. CHANGES IN ACCOUNTING POLICIES

The adoption of the new and revised HKFRS Accounting Standards has had no significant effect on these unaudited condensed consolidated financial statements for the Reporting Period and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the Reporting Period.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group’s results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

All significant transactions amongst the companies comprising the Group have been eliminated on consolidation. Revenue recognised by segments during the Reporting Period is as follows:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue:		
Hardware	180	96
System development and consultancy services (“ Services ”)	1,025	1,554
Short messaging service fee	10,610	20,217
Digital product	10,122	–
	21,937	21,867
Disaggregation of revenue from contracts with customers by timing of recognition:		
Timing of revenue recognition		
At a point in time	10,302	96
Over time	11,635	21,771
Total revenue from contracts with customers	21,937	21,867

Management has determined the operating segments based on the announcements reviewed by the executive Directors that are used to make operating decisions. The executive Directors are considered as the chief operating decision maker (“**CODM**”).

The CODM reviews the Group’s financial information from hardware and services perspectives. The announcementable segments are classified in a manner consistent with the information reviewed by the CODM.

The CODM assesses the performance of the operating segments based on a measure of reportable segment (loss)/profit. This measurement basis excludes unallocated other income and unallocated expenses.

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Six months ended 30 September 2025				
	Services	Short messaging service fee	Hardware	Digital product	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	<u>1,025</u>	<u>10,610</u>	<u>180</u>	<u>10,122</u>	<u>21,937</u>
Segment loss	<u>(108)</u>	<u>30</u>	<u>(18)</u>	<u>(1,086)</u>	<u>(1,182)</u>
Unallocated corporate income					16,110
Unallocated corporate expenses					(3,774)
Unallocated finance costs					<u>(23)</u>
Profit before taxation					11,131

Six months ended 30 September 2024				
	Services	Short messaging service fee	Hardware	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	<u>1,554</u>	<u>20,217</u>	<u>96</u>	<u>21,867</u>
Segment loss	<u>(1,385)</u>	<u>(76)</u>	<u>(63)</u>	<u>(1,524)</u>
Unallocated corporate income				3
Unallocated corporate expenses				(3,042)
Unallocated finance costs				<u>(14)</u>
Loss before taxation				<u><u>(4,577)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) of each segment without allocation of central administration costs, Directors' emoluments, finance costs and other income. This is the measure reported to the Directors with respect to the resource allocation and performance assessment.

Segment assets mainly exclude assets that are managed on a central basis. Segment liabilities mainly exclude liabilities that are managed on a central basis.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Hardware	1,211	504
System development services	7,605	8,425
Short messaging service fee	1,872	2,070
Digital product	10,796	—
Total segment assets	21,484	10,999
Corporate and other assets	1,851	4,255
Total assets	23,335	15,254
Hardware	772	647
System development services	9,042	10,814
Short messaging service fee	—	103
Digital product	10,277	—
Total segment liabilities	20,091	11,564
Corporate and other liabilities	7,405	18,642
Total liabilities	27,496	30,206

* For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segment, other than intangible assets, unallocated deposits, prepayments and other receivables, financial assets at fair value through profit or loss, bank balances and cash and other corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to operating segments, other than unallocated other payables and accruals, income tax payable and other corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

5. OTHER INCOME AND GAINS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income from bank deposits	1	1
Investment income from financial assets	2	–
Reversal of impairment loss on financial assets	331	–
Others	45	2
	<u>379</u>	<u>3</u>
Waiver of a loan from a former director (<i>Note (a)</i>)	4,800	–
Waiver of a loan from a former shareholder (<i>Note (b)</i>)	10,850	–
Waiver of deemed accrued interests of a loan from a former shareholder (<i>Note (b)</i>)	81	–
	<u>15,731</u>	<u>–</u>
	<u>16,110</u>	<u>3</u>

Note (a) Amounts due to Ms. Ho Ching, a former executive Director, of approximately HK\$4,800,000, which was waived by Ms. Ho Ching on 25 August 2025 by way of a deed of waiver.

Note (b) Loan from a former shareholder of approximately HK\$10,850,000 and an accumulated deemed accrued interests of approximately HK\$380,000, were waived by such former shareholder together on 25 August 2025 by way of a deed of waiver. Of the total amount waived, approximately HK\$299,000 was recognised as the reversal of deemed capital contribution arising from the loan from a former shareholder and the remaining HK\$81,000 was recognised as gains from waiver of deemed accrued interests of a loan from a former shareholder.

6. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interests on lease liabilities	<u>23</u>	<u>14</u>

7. INCOME TAX EXPENSE

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
Current year:		
PRC Enterprise Income Tax	15	–

No Hong Kong Profits Tax has been provided for the six months ended 30 September 2025 and 2024 as the Company did not have any assessable profits subject to Hong Kong Profits Tax.

Deferred tax has not been provided for the Group because the Group had no material temporary differences at the reporting date (30 September 2024: Nil).

8. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the Reporting Period is arrived at after charging:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cost of inventories sold	171	91
Depreciation of plant and equipment	26	28
Depreciation of right-of-use assets	–	420
Research and development costs	–	69
Employee benefit expense	3,303	3,078
Short-term leases/operating lease charges in respect of rented premises	137	14

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share for the six months ended 30 September 2025 is calculated by dividing the profit attributable to owners of the Company for the six months ended 30 September 2025 of approximately HK\$11,175,000 (six months ended 30 September 2024: loss of approximately HK\$4,496,000) by the weighted average number of 1,356,250,000 (six months ended 30 September 2024: weighted average number of 1,356,250,000) ordinary shares in issue during the Reporting Period.

No adjustment has been made to the basic earnings/(loss) per share presented for the six months ended 30 September 2025 and 2024 as the Group had no potential dilutable ordinary shares in issue during the six months ended 30 September 2025 and 2024.

10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 September 2024: Nil).

11. TRADE AND OTHER RECEIVABLES

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Receivables at amortised cost comprise (<i>Note a</i>):		
Trade receivables	21,759	12,332
Less: loss allowance for trade receivables	(2,915)	(3,185)
	<u>18,844</u>	<u>9,147</u>
Deposits	2,618	2,574
Prepayments	744	806
Other receivables	1,787	1,728
	<u>23,993</u>	<u>14,255</u>
Less: loss allowance for other receivables	(1,238)	(1,225)
	<u>22,755</u>	<u>13,030</u>

Note a: The credit period granted by the Group to its customers generally ranged from 0 to 120 days. As at 30 September 2025 and 31 March 2025, the ageing analysis of the Group's trade receivables (net of loss allowance for trade receivables) based on invoice date is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Within 90 days	10,908	1,986
91 to 180 days	1,186	83
181 to 365 days	4,425	1,244
Over 365 days	2,325	5,834
	<u>18,844</u>	<u>9,147</u>

All amounts are short term and hence the carrying values of the Group's trade and other receivables are considered to be a reasonable approximation of fair values.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Wealth management products by the bank in the PRC	–	52

The wealth management products by the bank in the PRC with underlying financial instrument mainly consisted of the short-term bonds, money market investment fund and bank deposits of the PRC.

Such wealth management products carried floating interest rate at 1.60%–2.17% per annum as at 31 March 2025.

13. TRADE AND OTHER PAYABLES

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Trade payables (<i>Note a</i>)	20,091	11,043
Accruals	260	856
Other payables (<i>Note b</i>)	6,239	9,846
	<u>26,590</u>	<u>21,745</u>
Less: other payable classified as non-current liabilities	(1,000)	(4,800)
	<u>25,590</u>	<u>16,945</u>

Note a: The ageing analysis of the Group's trade payables based on invoice date is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Within 90 days	10,384	2,482
91 to 180 days	1,126	115
181 to 365 days	4,205	1,781
Over 365 days	4,376	6,665
	<u>20,091</u>	<u>11,043</u>

The carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair values.

Note b: Details of other payables are as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Advances from third parties	2,979	2,956
Payables for staff cost	455	376
Amounts due to a former director (<i>note i</i>)	–	4,800
Amounts due to a former shareholder (<i>note i</i>)	1,000	–
Others	1,805	1,714
	<u>6,239</u>	<u>9,846</u>

- (i) During the Reporting Period, the amounts due to a former director and amounts due to a former shareholder were waived. Details are set out in note 5.

14. SHARE CAPITAL

	Authorised ordinary shares of HK\$0.10 each	
	Number of shares (in thousands)	HK\$'000 (unaudited)
As at 31 March 2025 and 30 September 2025	<u>2,000,000</u>	<u>200,000</u>
	Issued and fully paid ordinary shares of HK\$0.10 each	
	Number of shares (in thousands)	HK\$'000 (unaudited)
As at 31 March 2025 and 30 September 2025	<u>1,356,250</u>	<u>135,625</u>

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

15.1 Financial assets measured at fair value

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 2	
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Assets		
Financial assets at fair value through profit or loss:		
Wealth management products	<u> – </u>	<u> 52 </u>

Wealth management products are derived from net asset values of the investment funds with reference to observable quoted price of underlying investment portfolio in active markets.

The carrying amounts of the financial instruments carried at amortised cost are not materially different from their fair values as at 30 September 2025 and 31 March 2025.

16. MATERIAL RELATED PARTY TRANSACTION

In addition to the transactions and balances disclosed elsewhere in these Condensed Financial Report, the Group had no significant transactions with related parties during the Reporting Period (six months ended 30 September 2024: Nil).

The remuneration of key management personnel for the Reporting Period amounted to HK\$1,063,000 (six months ended 30 September 2024: HK\$1,097,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the Reporting Period, the Group recorded a revenue of approximately HK\$21,937,000, representing an increase of approximately 0.3% when compared with that of approximately HK\$21,867,000 for the Corresponding Period.

Profit before income tax of the Group for the Reporting Period was approximately HK\$11,131,000 as compared with loss before income tax of approximately HK\$4,577,000 for the Corresponding Period. Profit attributable to owners of the Company for the Reporting Period was approximately HK\$11,175,000 as compared with loss attributable to owners of the Company of approximately HK\$4,496,000 for the Corresponding Period.

As at 30 September 2025, the Group's gearing ratio, expressed as a percentage of bank borrowings and long term debts over total equity, was nil (31 March 2025: nil).

INDUSTRY OVERVIEW

The People's Republic of China ("China" or the "PRC") forged ahead with its plan to integrate digital technologies with its real economy despite the United States of America government's sanctions against its technology sector amid the two countries' strained relations. Remarkably, China has attained breakthroughs in artificial intelligence ("AI") and the development of certain advanced chips since the beginning of 2025. The progress will contribute significantly to the overall national development for the long term, thus boding well for the prospect of the country's information system solution industry.

For the medium term, some information system solution developers and providers have coped with uncertainties in the current business environment by shifting the focus of their business to the operation of information systems from the development of such systems — the former can generate stable income and requires much less capital commitment, and is thus less susceptible to the volatile market conditions than the latter.

One of the traditional, well-established businesses of operating information systems that can benefit from the ongoing intelligentization and digital transformation of China's industries as well as the state policy to stimulate domestic consumption is short messaging services ("SMS") for businesses.

The short messaging services have been growing steadily in recent years and have become an important method of communication between businesses and end-users. Digitalization at a faster pace has led to the wide application of SMS in such sectors as finance, e-commerce, logistics and administrative affairs because SMS plays a key role in identity authentication, notification of transactions and sales and marketing. Specifically, as part of the evolution of e-commerce, the development of SaaS (Software as a Service) platforms and cloud communication service is expected to boost small and medium-sized enterprises' demand for SMS in 2025 (Source: a research announcement entitled “2025年中國短信SMS行業市場規模及投資前景預測分析報告” by 博研諮詢 and posted on China's online reading platform www.docin.com (豆丁網 in Chinese)).

The number of short messages sent through mobile phones in China rose by 19.9% year on year in the first nine months of 2025, according to the statistics from the Ministry of Industry and Information Technology of the PRC.

BUSINESS REVIEW

During the six months ended 30 September 2025, the reporting period (“**Reporting Period**”) of City Coolxuan Company Limited (the “**Company**”, which together with its subsidiaries, is referred to as the “**Group**”; formerly known as Quantum Thinking Limited), the Group continued to implement its business diversification and transformation prudently to mitigate the impact of the complicated and volatile market conditions in the past several years.

It has broadened its income stream and fostered growth drivers by shifting its business focus to the operation of information technology systems from the development of such systems.

Under its prudent business development strategy, the Group started diversifying into the traditional, well-established industry of SMS for businesses in the second half of 2022 by cooperating with an information technology company in providing a multimedia short messaging service for businesses on behalf of a branch of a major telecommunications carrier of China in Guangdong province. The SMS for businesses can generate stable income and capitalize on the ongoing digital transformation of the country's industries. The Group followed that up by signing two more contracts with that information technology company during the first quarter of the financial year ended 31 March 2024 to provide SMS for businesses through the network of that major telecommunications carrier. During the financial year ended 31 March 2025 (the “**previous financial year**”), the Group signed two contracts with that information technology company to provide standardized products and services that enable the adoption of big data technology in SMS as well as to provide SMS through a branch of that major telecommunications carrier of China in Guangdong province, one contract with another information technology firm to provide SMS for businesses, and one contract to provide both an SMS channel and SMS through such channel for another information technology company. In April 2025, it signed one more contract with an information technology company to provide SMS for businesses.

SMS accounted for approximately 48% of the Group's total revenue during the Reporting Period.

The Group maintained the momentum of its business diversification by branching out into digital product operation. In that new business, the Group would provide a technology service that assists a China-based mobile television company in having customer accounts topped up for the purchase of its digital products and services such as news, books, magazines, music videos, television programmes, web applications and digital products and services of online games, etc. through application programming interface (API). The Group would assist the mobile television company in either directly topping up customer accounts online or in issuing service card numbers and electronic passwords to customers for topping up their accounts by themselves. In the process of topping up customer accounts, the Group would manage, collect and review the data and information about the customers and their orders, and would then feed such data and information back to the mobile television company, thus helping it conduct precision marketing, which is part of digital product operation. The Group signed a contract in September 2025 to provide that technology service.

Meanwhile, the Company's 70%-held Shenzhen Cyber Security Authentication Co., Ltd. (formerly known as Shenzhen CITIC Cyber Security Authentication Co., Ltd.) ("**Cyber Security**") continued to fulfil a contract to build a unified digital authentication system, carry out application integration and operate and maintain such system for an information technology subsidiary of a China-based transportation infrastructure design and construction firm.

Cyber Security was also fulfilling a contract to build an infrastructure for real-name system management based on eCitizen digital identity verification technology for a technology development company. eCitizen ("e公民" in Chinese) is Cyber Security's proprietary product for electronic identity authentication that enables users of services to safely log in, sign digitally and have their personal data protected in online transactions. Cyber Security would provide 5G-eCitizen SIM cards, develop applications customized for certain occasions, and provide technical support in that project.

During the Reporting Period, the Group also engaged in other businesses that included the supply of electrical and electronic components, namely inductors and master control chips; and designing mobile web pages for marketing on behalf of an information technology firm and its client as an end-user and providing technical support for them in running such web pages.

1. Providing SMS for businesses and technology and channel for such services

During the Reporting Period, the Group continued to cooperate with various information technology companies in providing SMS for businesses. It also provided standardized products and services that enable the adoption of big data technology in SMS, and provided both an SMS channel and SMS through such channel.

2. Digital product operation

In September 2025, the Group signed a digital product operation contract to provide a technology service that assists a China-based mobile television company in having customer accounts topped up for the purchase of its digital products and services through API. In the process of topping up customer accounts, the Group would manage, collect and review the data and information about the customers and their orders, and then feed such data and information back to the mobile television company, thus helping it conduct precision marketing.

3. Construction of a unified digital authentication system, application integration and operation and maintenance of the system

In July 2020, Cyber Security signed a contract to build a unified digital authentication system, carry out application integration and operate and maintain such system for an information technology subsidiary of a China-based transportation infrastructure design and construction firm. Cyber Security provided both services and hardware for its client during the Reporting Period.

4. Building infrastructure for real-name system management based on eCitizen digital identity verification technology

In March 2022, Cyber Security signed a contract to build an infrastructure for real-name system management based on eCitizen digital identity verification technology for a technology development company. Cyber Security would provide 5G-eCitizen SIM cards, develop applications customized for certain occasions, and provide technical support.

5. Designing mobile web pages for marketing

In June 2022, Shenzhen YBDS IT Co., Ltd.* (深圳市韻博信息科技有限公司) signed a contract to design mobile web pages for marketing on behalf of an information technology firm and its client as an end-user and to provide technical support for them in running such web pages for the client's marketing campaigns. The services were provided during the Reporting Period.

PROSPECT

In August 2025, the Company was acquired by a new controlling shareholder, Hong Kong Coolxuan Group Company Limited (香港酷選集團有限公司) (“**Coolxuan Group**”), an investment holding company incorporated in Hong Kong. Coolxuan Group’s sole director, Mr. Pu Jian, our executive Director, established Sichuan Chengdu Coolxuan Technology Co., Ltd.* (四川城市酷选科技有限公司) which has developed and operates a SaaS-enabled mobile application “城市酷选APP” that allows merchants from various industries to conduct sharing sales and marketing, and lets consumers access myriad services for local life provided by leading e-commerce platforms and renowned retail chains in China through the “Online-Merge-Offline” business model. That business can work in synergy with the Group’s businesses of SMS and digital product operation.

For “城市酷选APP”, the Group’s SMS business can serve as a means of reaching out to customers. For instance, the mobile application platform can notify its users of member benefits and merchants’ special offers and promotional sales through SMS, thus broadening the sales and marketing channel and raising the user activity level. Meanwhile, the SMS business can work in sync with the membership system of “城市酷选APP” as people need to register to become members and log in with identity authentication by means of SMS, for example. This can boost the volume of the SMS business.

The SaaS technology can be deeply integrated into the Group’s digital product operation business. The SaaS of Sichuan Chengdu Coolxuan Technology Co., Ltd.* (四川城市酷选科技有限公司) can be used to analyze the data on the users’ consumption patterns, help a business conduct precise customer profiling for digital product operation and thus improve the marketing content conveyed by SMS. Recommendations to the users can therefore be personalized. Furthermore, the Group can leverage the SaaS capability to develop digital tools geared towards merchants such as those for customer relationship management and marketing automation system, and develop new businesses which are based on such technologies and thus can complement the Group’s digital product operation business. All of them will be able to help merchants raise their operational efficiency.

The “cross-industry alliance” model promoted and adopted by “城市酷选APP” has enabled the mobile application platform to aggregate about 900,000 merchants who can be prospective customers of the Group’s SMS business. Moreover, the joint marketing campaigns conducted through such cross-industry alliances can also generate more business opportunities for the Group’s digital product operation business.

The breakthroughs in China’s AI industry and development of certain advanced chips will give strong support to the country’s industrial upgrading and economic transformation. The Group will capitalize on the trend by continuing to build up its SMS business to strengthen its business fundamentals and, at the same time, by pressing ahead with business diversification prudently. It will leverage its existing expertise and adapt it for other traditional, well-established businesses of operating information systems. Meanwhile, with the help of the new controlling shareholder’s strengths and resources, the Group will explore new business opportunities that can add impetus to its development in the future.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Company raised net proceeds of approximately HK\$100 million through a subscription (the “**Subscription**”) on 5 August 2013 by issuing 450,000,000 ordinary shares of the Company at a subscription price of HK\$0.225 per ordinary share of the Company to Happy On Holdings Limited (“**Happy On**”). Immediately after the completion of the Subscription, Happy On held 987,888,771 shares of the Company, representing approximately 72.83% of the total issued share capital of the Company.

As stipulated in the circular of the Company dated 11 July 2013, such proceeds were to be applied in (i) paying and contributing to the registered capital, increased registered capital and further investment in Guangzhou YBDS IT Co., Ltd.* (廣州韻博信息科技有限公司) (“**Guangzhou YBDS**”) and Beijing YBDS IT Co., Ltd.* (北京韻博港信息科技有限公司) (“**Beijing YBDS**”), the two indirect wholly-owned subsidiaries of the Company, especially for Beijing YBDS in order to meet the minimum capital threshold requirement when submitting bids for the proposed projects offered by relevant telecommunications service providers in the PRC; and (ii) general working capital of the Company.

During the year ended 31 March 2015, the Company applied approximately HK\$19,785,000 of the proceeds to pay up the outstanding remaining increased registered capital of Guangzhou YBDS. As the Company acquired China Mobile Payment Technology Group Company Limited on 23 December 2014, a holding company that owns a subsidiary with the aforesaid threshold requirement for bids submission, Beijing YBDS was no longer needed and had been deregistered on 17 June 2016. As stated in the announcement dated 23 December 2014, the part of proceeds of approximately HK\$45.5 million originally earmarked for Beijing YBDS’ registered capital and the capital increase, together with the remaining balance of the proceeds were then added to the Company’s capital for new potential projects and general working capital purposes.

For details, please refer to the announcements of the Company dated 3 June 2013, 5 August 2013, 20 August 2014 and 23 December 2014, and the circulars dated 11 July 2013 and 10 November 2014.

On 18 August 2025, Happy On and Coolxuan Group entered into the share purchase agreement, pursuant to which Happy On as vendor conditionally agreed to sell and Coolxuan Group as purchaser conditionally agreed to purchase 985,162,771 shares of the Company, representing approximately 72.64% of the total issued share capital of the Company as at the date thereof, for a total consideration of HK\$56,292,200 (the “**Transfer**”). Completion of the Transfer (“**Completion**”) took place on 25 August 2025. As a result, Coolxuan Group held 985,162,771 shares of the Company, representing approximately 72.64% of the total issued share capital of the Company upon Completion. Pursuant to Rule 26.1 of the Code on Takeovers and Mergers in Hong Kong, Coolxuan Group is required to make a general offer for all the issued shares of the Company (other than those already owned or agreed to be acquired by Coolxuan Group and/or parties acting in concert with it) (the “**Offer**”). For details of the Offer, please refer to the joint announcements of Coolxuan Group and the Company respectively dated 18 August 2025 and 25 August 2025, and the composite document jointly issued by Coolxuan Group and the Company on 22 September 2025.

Pursuant to the joint announcement of Coolxuan Group and the Company dated 13 October 2025, Coolxuan Group received valid acceptance in respect of a total of 137,114,000 shares of the Company under the Offer. Accordingly, immediately after the close of the Offer, Coolxuan Group was interested in an aggregate of 1,122,276,771 shares of the Company, representing approximately 82.75% of the total issued share capital of the Company upon closing of the Offer. Furthermore, as disclosed in the announcement of the Company dated 28 October 2025, an application has been made by the Company to the Stock Exchange pursuant to Rule 11.23(11) of the GEM Listing Rules for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for a period starting from 13 October 2025 up to and including 15 January 2026 to allow Coolxuan Group a reasonable time to restore the public float of the Company by appointing suitable placing agent(s) to conduct placing of 105,471,271 shares of the Company or any part thereof on a best effort basis.

As at 30 September 2025, given that on 25 August 2025, (i) Ms. Ho Ching, the former Director who resigned on 31 October 2025, executed a deed of waiver in favour of the Company in relation to the waiver of the director's loans in the aggregated outstanding amount of HK\$4,800,000 as at the date thereof owing by the Company to her; and (ii) Happy On, the former shareholder, executed a deed of waiver in favour of the Company in relation to the waiver of the shareholder's loans in the aggregated outstanding amount of HK\$10,850,000 as at the date thereof owing by the Company to it, the Group remained to have a loan owing to a former shareholder, namely, Happy On in an outstanding balance of approximately HK\$1,000,000, which was unsecured and interest-free and repayable in March 2027.

SIGNIFICANT INVESTMENTS

The Group had no significant investments during the Reporting Period.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

Most of the transactions of the Group are denominated in Hong Kong Dollar (“**HKD**”) and Renminbi (“**RMB**”). The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD, or in the local currencies of the operating subsidiaries to minimize the exposure to foreign exchange risks. As at 30 September 2025, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have any material acquisition or disposal of subsidiaries or associated companies during the Reporting Period.

MATERIAL OTHER RECEIVABLES

As at 30 September 2025, the Group had other receivables of approximately HK\$1,787,000, mainly comprising of (i) advance to staff of approximately HK\$273,000 and (ii) amounts due from former subsidiaries of approximately HK\$1,217,000.

(i) Advance to staff

Such advance to staff represents a historical advance made by the Group to an employee on 30 September 2022 in an outstanding amount of approximately HK\$273,000. Such advance to staff is unsecured, interest-free and has no repayment term.

The reasons for granting the aforesaid advance is to enable the relevant staff to settle on behalf of the Group certain daily expenses and miscellaneous charges for the Group's operation (including but not limited to utility charges, transportation and travelling expenses and entertainment expenses) as well as daily expenses relating to projects under the short messaging services business (such as travelling expenses and entertainment expenses). The Company considers that it is expedient to grant such advance to staff in settling expenses and charges necessary for the Group's normal business operation, and thus was in line with the Company's then business strategies.

(ii) Amounts due from former subsidiaries

Such amounts are due from six former subsidiaries of the Group, five out of which were wholly owned subsidiaries of the Group at the time when the relevant advances were made. Particulars of outstanding amounts due from the following former subsidiaries as at 30 September 2025 are as follows:

Former Subsidiary	Date of grant	Date of disposal/ date of de-registration	Major terms	Reasons for grant	Approximate carrying amount as at 30 September 2025 HK\$'000
Former Subsidiary A	Before 1 April 2012	14 November 2016	Unsecured, interest-free and have no repayment term	To support operation of former subsidiary	28
Former Subsidiary B	Before 1 April 2012	14 November 2016	Unsecured, interest-free and have no repayment term	To support operation of former subsidiary	533
Former Subsidiary C	15 December 2014 and 30 July 2017	19 August 2020	Unsecured, interest-free and have no repayment term	To support operation of former subsidiary	306
Former Subsidiary D	24 August 2015	De-registered on 25 September 2020	Unsecured, interest-free and have no repayment term	To support operation of former subsidiary	8

Former Subsidiary	Date of grant	Date of disposal/ date of de-registration	Major terms	Reasons for grant	Approximate carrying amount as at 30 September 2025 HK\$'000
Former Subsidiary E	31 October 2023	19 September 2023	Unsecured, interest-free and have no repayment term	Advance to such entity for settlement of its daily expenses on behalf of the entity and such amount is immaterial	6
Former Subsidiary F	10 January 2022 and 22 February 2022	28 February 2022	(1) pursuant to the loan agreement, the principal amount of loan is RMB206,869.67, which is unsecured, interest-free and repayable on 9 January 2023; and (2) pursuant to the loan agreement, the principal amount of loan is RMB100,978.62, which is unsecured, interest-free and repayable on 21 February 2023	To support operation of former subsidiary	336
(collectively, “Former Subsidiaries”)					1,217

The reasons for the amounts due from the Former Subsidiaries are similar. The Company considers that granting of such advances to the relevant Former Subsidiaries (which then formed part of the Group) was necessary for supporting normal business operation of the Group at all material times, and thus was in line with the Company’s then business strategies.

(iii) Impairment loss and basis of impairment

The Company has engaged an independent external valuer to conduct an independent assessment on the expected credit loss (“ECL”) of trade and other receivables and contract assets of the Group for the financial year ended 31 March 2025 (“FY2025”). Such impairment assessment involved management’s judgements and estimates involved in assessing the ECL model, based on the historical credit loss experience and forward-looking information specific to the debtors and their economic environments.

The Group recorded impairment losses for other receivables in respect of the aforesaid advance to staff and amounts due from former subsidiaries in the respective amounts of approximately HK\$65,000 and HK\$215,000 for FY2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2025, the Group did not have future plans for material investments and capital assets.

CONTINGENT LIABILITIES

As at 30 September 2025, the Group had no material contingent liabilities.

CHARGES ON THE GROUP’S ASSETS

As at 30 September 2025, the Group had no charges on the Group’s assets.

SEGMENT INFORMATION

The analysis of the principal activities of the operations of the Group is set out in Note 4 to the Condensed Financial Report.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2025, the Group had 25 employees (2024: 23 employees). The total remuneration paid to employees, including the Directors, for the Reporting Period was approximately HK\$3,112,000 (2024: HK\$2,848,000). The remuneration is determined by reference to the market terms and the performance, qualification and experience of each individual employee. The annual year-end double pay is paid based on each individual employee’s performance as a recognition of and reward for their contributions. Other benefits accruing to the employees include contributions made to statutory mandatory provident fund scheme and a group medical scheme. We also subsidise our employees for pursuing further studies in related fields.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2025, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ chief executive	Capacity	Number of issued ordinary shares (“Shares”) of the Company held (Note 2)	Approximate percentage of issued share capital of the Company as at 30 September 2025 (Note 3)
Mr. Pu Jian (“ Mr. Pu ”) (Note 1)	Interest in a controlled corporation	985,162,771 (L)	72.64%
Mr. Wang Xiaoqi	Beneficial owner	382,000 (L)	0.028%

Notes:

- Mr. Pu was appointed as an executive Director on 31 October 2025. Pursuant to the disclosure of interests notice filed by Mr. Pu on 19 August 2025, Coolxuan Group acquired from Happy On 985,162,771 Shares. Coolxuan Group was in turn held as to 51.0% by Mr. Pu. Accordingly, Mr. Pu was deemed to be interested in those 985,162,771 Shares held by Coolxuan Group by virtue of the SFO. Subsequently, based on the disclosure of interests notice filed by Mr. Pu on 16 October 2025, as at 13 October 2025, Coolxuan Group received valid acceptance of the Offer in respect of 137,114,000 Shares. Accordingly, Mr. Pu was deemed to be interested in those 1,122,276,771 Shares, representing approximately 82.75% of the total issued share capital of the Company, held by Coolxuan Group following the Offer by virtue of the SFO.
- “L” means long positions in the Shares.
- The appropriate percentage shown was the number of Shares the relevant director/chief executive was interested in expressed as a percentage of the total number of issued Shares of 1,356,250,000 as at 30 September 2025.

Save as disclosed above, as at 30 September 2025, none of the other Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2025, so far as the Directors were aware of and having made due enquires, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Name of shareholder	Capacity	Number of issued ordinary Shares held (Note 3)	Approximate percentage of total issued share capital of the Company as at 30 September 2025 (Note 4)
Coolxuan Group (Note 1)	Beneficial owner	985,162,771 (L)	72.64%
Chen Zhengfen (“ Ms. Chen ”) (Note 2)	Interest in controlled corporation	985,162,771 (L)	72.64%

Notes:

- Pursuant to the disclosure of interests notice filed by Coolxuan Group on 19 August 2025, Coolxuan Group acquired from Happy On 985,162,771 Shares. Subsequently, based on the disclosure of interests notice filed by Coolxuan Group on 16 October 2025, as at 13 October 2025, Coolxuan Group received valid acceptance of Offer in respect of 137,114,000 Shares. Accordingly, Coolxuan Group was interested in a total of 1,122,276,771 Shares, representing approximately 82.75% of the total issued share capital of the Company, following the Offer by virtue of the SFO.
- Based on the disclosure of interests notices filed by Mr. Pu and Ms. Chen on 19 August 2025, Coolxuan Group was held as to 51.0% by Mr. Pu and 39.0% by Ms. Chen. Ms. Chen is the mother of Mr. Pu. Accordingly, Ms. Chen was deemed to be interested in those 985,162,771 Shares held by Coolxuan Group by virtue of the SFO. Subsequently, based on the disclosure of interests notice filed by Ms. Chen on 16 October 2025, as at 13 October 2025, Coolxuan Group received valid acceptance of Offer in respect of 137,114,000 Shares. Accordingly, Ms. Chen was deemed to be interested in those 1,122,276,771 Shares, representing approximately 82.75% of the total issued share capital of the Company, held by Coolxuan Group following the Offer by virtue of the SFO.
- “L” means long positions in the Shares.

4. The approximate percentage shown was the number of Shares the relevant company/person was interested in expressed as a percentage of the total number of issued Shares of 1,356,250,000 as at 30 September 2025.

Save as disclosed above, as at 30 September 2025, so far as the Directors were aware of and having made due enquiries, there were no other persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this announcement, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the date of this announcement, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which competed with or might compete with any business of the Group and had or might have any other conflicts of interest with the Group.

SHARE OPTION SCHEME

A share option scheme was adopted on 1 August 2011 by the shareholders of the Company under which the executive Directors may, at their discretion, grant options to themselves and any employees of the Group entitling them to subscribe for Shares representing up to a maximum of 10 per cent of the Shares in issue as at the date of approval of the aforesaid share option scheme. The purpose of such share option scheme is to enable the Company to grant options to participants as incentives and rewards for their contribution to the Company or its subsidiaries.

No option was granted under such share option scheme since its adoption by the Company or outstanding, lapsed, cancelled or exercised at any time during the Reporting Period.

The aforesaid share option scheme remained in force for a period of 10 years commencing on 1 August 2011, being the date on which it was adopted by the shareholders of the Company, and expired on 31 July 2021.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries, all the then existing Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions (the “**Code Provision(s)**”) set out in the Corporate Governance Code (the “**Code**”) as set out in Appendix C1 to the GEM Listing Rules. The Company has complied with the Code Provisions set out in Part 2 of the Code throughout the Reporting Period except for the deviations from Code Provisions C.1.7 and C.2.1 of the Code as explained as follows:

Code Provision C.1.7

Code Provision C.1.7 stipulates that the Company should arrange appropriate insurance cover in respect of legal actions against its directors.

During the Reporting Period, the Board considered that under the current situations of the close management and the business scale of the Group, the possibility of actual litigation against the Directors is very low. The Company will consider reviewing various insurance cover proposals and will make such an arrangement as appropriate.

Code Provision C.2.1

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated.

During the Reporting Period, the executive Directors, namely, Mr. Wang Xiaoqi, Mr. Ho Yeung (who resigned on 1 June 2025), Mr. Chen Hua (who was appointed on 1 June 2025) and Ms. Ho Ching focus on evaluating new potential business and investment opportunities and formulating and implementing business strategies to enhance the revenue and growth potential of the Company. Hence, a new chairman and chief executive officer would not be appointed until suitable candidates have been identified for such purpose. Mr. Pu Jian was appointed as the chairman of the board of Directors with effect from 31 October 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has conducted a review of its risk management and internal control systems under Code Provision D.2 of the Code.

The Board has engaged an independent consultants, PAL Advisory Limited (“**PAL**”) to execute the internal audit and risk management functions. The Board reviews risk management and internal control systems on an annual basis and when necessary.

A review of the effectiveness of the risk management and internal control systems has been conducted and the Company considers them effective and adequate during the Reporting Period.

During the Reporting Period, the Company has followed up on those recommendations made by PAL as part of its comprehensive review on the internal controls of the Group. As such, the Group's internal supervision and risk prevention measures continue to improve.

AUDIT COMMITTEE

The Audit Committee was established in May 2000, and the Company had adopted a revised specific terms of reference on 10 January 2019 in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules. Currently, the Audit Committee comprises Ms. Yao Suyang, Mr. He Wenlong and Mr. Lei Wenzheng, all of whom are independent non-executive Directors. Ms. Yao Suyang is the current chairman of the Audit Committee. The primary duties of the Audit Committee are to review the Group's audit findings, accounting policies and standards, changes of accounting rules (if any), compliance with the GEM Listing Rules, internal and audit control, and cash flow forecast.

The unaudited consolidated results of the Group for the Reporting Period have been reviewed by the Audit Committee.

By Order of the Board
City Coolxuan Company Limited
Pu Jian
Executive Director and Chairman

Hong Kong, 28 November 2025

As at the date of this announcement, the executive Directors are Mr. Wang Xiaoqi, Mr. Pu Jian and Mr. Zhou Zhengjun; and the independent non-executive Directors are Ms. Yao Suyang, Mr. He Wenlong and Mr. Lei Wenzheng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at www.8050hk.com.

* For identification purpose only