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Polyfair Holdings Limited
寶發控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8532)

UPDATE IN RELATION TO DISCLAIMER OPINION ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Reference is made to the annual report (the "**2025 Annual Report**") of Polyfair Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 March 2025 ("**FY2025**"). As set out in the 2025 Annual Report, the auditors of the Company, Asia Alliance (HK) CPA Limited (the "**Auditors**"), had issued a disclaimer of opinion to the Group's consolidated financial statements for FY2024/25 (the "**2025 Disclaimer Opinion**"). The board (the "**Board**") of directors (the "**Directors**") of the Company would like to provide an update to the shareholders of the Company (the "**Shareholders**") in relation to the progress in resolving the issues underlying the 2025 Disclaimer Opinion.

MEASURES TO ADDRESS THE 2025 DISCLAIMER OPINION

As set out in the 2025 Annual Report, the Company has considered different measures to resolve the issues underlying the 2025 Disclaimer Opinion listed out as below:

(1) Financial support from the major shareholder

The financial support from the controlling shareholder has been formally secured and has been in effect since April 2025. This arrangement underscores the commitment of the controlling shareholder to enhance financial resources of the Company for ongoing operations and future development.

(2) Negotiation for new banking facilities

The Group is currently engaged in comprehensive negotiations aimed at securing new credit facilities with several banks, alongside efforts to extend existing loan agreements. These negotiations are critical to the Group's financial strategy and ongoing operations. As of the latest update, however, no formal agreements have been finalized.

(3) Equity fundraising through issuance of shares

The Company is actively exploring opportunities to raise capital through the issuance of shares and is currently in discussions with potential investors to gauge interest and secure funding. While these efforts are underway, no binding commitment or definitive timeline has been established at this stage

(4) Liability management through subcontractor negotiations

The Group is negotiating revised repayment schedules with certain subcontractors and suppliers. Separately, an interest-free extension on repayment instalments for a related person loan has already been secured. Negotiations with banks regarding liability restructuring are also ongoing, with positive feedback received but no formal agreement yet..

In addition, the Company's ongoing business developments are expected to further strengthen its financial position and support the resolution of the going concern issues:

- **Awarded Projects**: The Group has been awarded three new projects with a total contract value of approximately HK$19 million, which are scheduled to commence in early 2026. These projects are structured with improved payment terms, including upfront deposits and monthly progress-based installments, which are expected to enhance cash flow visibility and stability.

- **M&A Progress**: The acquisition of Kings Construction & Decoration Company Limited is in its final stages, with the long-stop date formally extended to 30 June 2026. This strategic expansion is anticipated to diversify the Group's service offerings, improve cost structures, and facilitate entry into new markets including Macau and Mainland China, thereby creating additional revenue streams.

- **Upcoming Major Project Pipeline**: The Group is actively engaged in bidding for a variety of projects, including a notable logistics warehouse initiative in the New Territories, which spans over 20,249 square meters. Among these proposals is a potential project valued at approximately HK$300 million, with the initial phase estimated to cost around HK$100 million. Successfully converting these bids is expected to considerably strengthen the Group's order book and enhance revenue visibility from early 2026. This strategic engagement not only positions the Group for significant future growth but also underscores its commitment to expanding its operational capabilities within the logistics sector.

These steps are part of the Company's comprehensive action plan to address the going concern issues highlighted in the Disclaimer of Opinion, with the aim of removing the disclaimer in the subsequent audit for the financial year ending 31 March 2026.

By Order of the Board
Polyfair Holdings Limited
Chow Mo Lam
Chairman

Hong Kong, 18 December 2025

As at the date of this announcement, the executive Directors are Mr. Chow Mo Lam, Mr. Yu Lap On Stephen and Mr. Wong Wai Man; and the independent non-executive Directors are Dr. Lung Cheuk Wah, Mr. Man Yun Yee and Ms. Sun Shui.

This announcement, for which the Directors 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 of Hong Kong Limited 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 Announcements" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting and on the website of the Company at www.polyfaircurtainwall.com.hk.