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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 formal financial support (effective April 2025) has been fully implemented, with committed funds injected in phases. It has strengthened working capital for daily operations and project execution, and the major shareholder reaffirmed ongoing support for the future.

(2) Negotiation for new banking facilities

The Group is making dedicated efforts to advance negotiations with several banks for new credit facilities and the extension of existing loan agreements, which are critical to its financial strategy and ongoing operations. No formal agreements have been finalized as at the date of this Announcement. The Group are currently processing the utilisation of the secured asset to repay the bank loan.

(3) Equity fundraising through issuance of shares

The Company is proactively and continuously exploring all viable opportunities to raise capital through the issuance of shares, with the team maintaining active and ongoing discussions with potential investors to gauge investment interest and advance the process of securing funding. The Group is devoting significant effort to engaging with interested parties and refining the terms of potential fundraising arrangements, with these exploratory discussions ongoing as planned, and the Company has no definitive plans in place for such equity fundraising as at the date of this Announcement.

(4) Liability management through subcontractor negotiations

The Group is continuing to conduct constructive negotiations with certain subcontractors and suppliers to agree revised repayment schedules, with the team working diligently to reach mutually acceptable terms that support both parties' operational needs. The interest-free extension on repayment instalments for a related person loan, secured previously, remains in place, and the Group is maintaining regular follow-ups to ensure its smooth implementation. In addition, the Group is actively pursuing ongoing negotiations with banks regarding liability restructuring, having received positive preliminary feedback, and is devoting sustained effort to finalising the relevant formal terms with the banking parties.

In tandem with liability management efforts, the Group is driving forward key business development initiatives to strengthen cash flow and operational capacity, with material progress achieved across multiple projects and strategic pursuits:

- **Awarded Projects**: The three new projects with a total contract value of approximately HK$19 million have commenced, with the Group having received the upfront deposit and commenced the procurement of materials for the projects. The projects are on track and expected to be completed within the next 6 to 9 months.

- **M&A Progress**: The Group has received the latest financial statements of Kings Construction & Decoration Company Limited and is advancing the final stages of the acquisition process; a final decision on the acquisition is expected to be made on or before 30 June 2026.

- **Upcoming Major Project Pipeline**: The Group is also actively pursuing new major project tendering initiatives across different markets, with the notable logistics warehouse initiative in the New Territories still awaiting an update from the customer, and the Group devoting dedicated resources to advance the tendering process for two high-value major projects in the Mainland China market – the Mainland Spa Club Construction Project, a potential project with an estimated value approximately RMB15 million to RMB20 million for which the Group is preparing and submitting detailed bid documents, engaging in in-depth discussions with the project owners on proposal details and making steady progress in advancing all aspects of the tendering process, and the Renovation Project of a Private Residential and Commercial Building located on Hong Kong Island, with an estimated value approximately HK$80 million to HK$100 million, for which the Group is actively progressing tender preparation work and aligning with the project owners' requirements to advance the tendering process.

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, 31 March 2026

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 Ms. Sun Shui and Ms. Lo Lai Lai Samantha.

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.