City Coolxuan Company Limited
城 市 酷 选 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2026

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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**", together with its subsidiaries, the "**Group**") 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.*

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The board (the "**Board**") of Directors hereby presents the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2026 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 March 2025 (the "**Previous Period**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	*4*	**29,458**	39,553
Cost of sales		**(27,799)**	(38,811)
Gross profit		**1,659**	742
Other income	*5*	**1,154**	6
Distribution costs		**(672)**	(75)
Administrative expenses		**(13,313)**	(10,727)
Gain from derecognition of lease liabilities		**857**	–
Reversal of/(provision for) impairment loss on financial and contract assets, net		**708**	(2,126)
Impairment loss recognised on plant and equipment	*11*	**–**	(60)
Impairment loss recognised on right-of-use assets	*11*	**(466)**	(1,212)
Impairment loss recognised on intangible assets	*11*	**–**	(12)
Finance costs	*6*	**(486)**	(103)
Loss before taxation		**(10,559)**	(13,567)
Income tax credit	*7*	**13**	–
Loss for the year	*8*	**(10,546)**	(13,567)
Loss for the year attributable to:			
Owners of the Company		**(10,221)**	(13,410)
Non-controlling interests		**(325)**	(157)
		(10,546)	(13,567)

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Other comprehensive expenses			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		**(64)**	(3)
Other comprehensive expenses for the year		**(64)**	(3)
Total comprehensive expenses for the year		**(10,610)**	(13,570)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(9,748)**	(13,555)
Non-controlling interests		**(862)**	(15)
		(10,610)	(13,570)
			(Restated)
Loss per share attributable to the owners of the Company			
Basic and diluted (HK cents)	*10*	**(3.77)**	(4.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	**2026** **HK$'000**	2025 *HK$'000*
Non-current assets			
Plant and equipment		**108**	153
Right-of-use assets		**–**	–
Intangible assets		**–**	–
Goodwill		**–**	–
Total non-current assets		**108**	153
Current assets			
Trade and other receivables	*12*	**19,354**	13,030
Contract assets		**–**	180
Financial assets at fair value through profit or loss		**–**	52
Bank balances and cash		**1,838**	1,839
Total current assets		**21,192**	15,101
Current liabilities			
Trade and other payables	*13*	**21,112**	16,945
Contract liabilities		**34**	–
Lease liabilities		**287**	621
Financial liabilities at fair value through profit or loss		**–**	–
Income tax payable		**–**	15
Total current liabilities		**21,433**	17,581
Net current liabilities		**(241)**	(2,480)
Total assets less current liabilities		**(133)**	(2,327)

	Notes	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Loan from a shareholder	*14*	**–**	7,232
Other payables	*13*	**–**	4,800
Lease liabilities		**200**	593
Total non-current liabilities		**200**	12,625
Net liabilities		**(333)**	(14,952)
Equity			
Share capital		**135,625**	135,625
Reserves		**(121,476)**	(136,957)
Equity attributable to owners of the Company		**14,149**	(1,332)
Non-controlling interests		**(14,482)**	(13,620)
Capital deficiency		**(333)**	(14,952)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company							
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Translation reserve** *HK$'000*	**Other reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 April 2025	**135,625**	**99,935**	**(571)**	**299**	**(236,620)**	**(1,332)**	**(13,620)**	**(14,952)**
Loss for the year	**–**	**–**	**–**	**–**	**(10,221)**	**(10,221)**	**(325)**	**(10,546)**
Other comprehensive expenses								
Exchange differences arising on translating of financial statements from functional currency to presentation currency	**–**	**–**	**473**	**–**	**–**	**473**	**(537)**	**(64)**
Total comprehensive expenses for the year	**–**	**–**	**473**	**–**	**(10,221)**	**(9,748)**	**(862)**	**(10,610)**
	135,625	**99,935**	**(98)**	**299**	**(246,841)**	**(11,080)**	**(14,482)**	**(25,562)**
Deemed capital contribution arising from loans from a shareholder	**–**	**–**	**–**	**25,229**	**–**	**25,229**	**–**	**25,229**
At 31 March 2026	**135,625**	**99,935**	**(98)**	**25,528**	**(246,841)**	**14,149**	**(14,482)**	**(333)**

	Attributable to owners of the Company							
	Share capital *HK$'000*	Share premium *HK$'000*	Translation reserve *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 April 2024	135,625	99,935	(426)	–	(223,210)	11,924	(13,605)	(1,681)
Loss for the year	–	–	–	–	(13,410)	(13,410)	(157)	(13,567)
Other comprehensive expenses								
Exchange differences arising on translating of financial statements from functional currency to presentation currency	–	–	(145)	–	–	(145)	142	(3)
Total comprehensive expenses for the year	–	–	(145)	–	(13,410)	(13,555)	(15)	(13,570)
	135,625	99,935	(571)	–	(236,620)	(1,631)	(13,620)	(15,251)
Deemed capital contribution arising from loans from a shareholder	–	–	–	299	–	299	–	299
At 31 March 2025	135,625	99,935	(571)	299	(236,620)	(1,332)	(13,620)	(14,952)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

City Coolxuan Company Limited (formerly known as Quantum Thinking Limited) (the "**Company**") was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 8 May 2000 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 July 2000.

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company has been situated at Unit 1508, 15/F, Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong with effect from 1 November 2025.

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

The Company is an investing holding company. Its major operating subsidiaries are mainly engaged in the provision of system development services and other value-added technical consultation services, provision of short messaging services, trading of hardware and trading of usage rights of mobile application and its integrated marketing system.

The functional currency of the Company and the subsidiaries incorporated in Hong Kong are Hong Kong dollars ("**HK$**") while that of the subsidiaries established in the People's Republic of China (the "**PRC**") are Renminbi ("**RMB**"). For the purpose of presenting the consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") adopted HK$ as its presentation currency which is the same as the functional currency of the Company.

Pursuant to the passing of a special resolution at the extraordinary general meeting held on 26 September 2025, the English name of the Company was changed from "Quantum Thinking Limited" to "City Coolxuan Company Limited" and the Chinese name of the Company was changed from "量子思維有限公司" to "城市酷选有限公司". The Certificate of Incorporation on Change of Name was issued by the Registry of Companies of the Cayman Islands on 3 October 2025.

2. BASIS OF PRESENTATION

During the year ended 31 March 2026, the Group recorded a net loss and a net operating cash out flow of approximately HK$10,546,000 and HK$12,404,000, respectively. As at 31 March 2026, the Group had net current liabilities and net liabilities of approximately HK$241,000 and HK$333,000, respectively. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- 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.

- Hong Kong Coolxuan Group Company Limited ("**Coolxuan Group**"), the controlling shareholder of the Company, and Happy On Holdings Limited ("**Happy On**"), the former controlling shareholder of the Company, have each agreed to advance shareholder loans to support the Group's continuing operations. The Company entered into separate shareholder loan agreements with Coolxuan Group and Happy On both dated 1 April 2026, pursuant to which Coolxuan Group will grant an interest-free and unsecured loan in the principal amount of HK$8,169,000 and Happy On will grant an interest-free and unsecured loan in the principal amount of HK$10,700,000 respectively, with both loans carrying a term of 15 months; and the Company may utilise such loans at any time to repay the outstanding amounts of the trade and other payables or as working capital.

- The Group will further develop the business of a SaaS-enabled mobile application for physical store merchants' digitalization and its integrated marketing system for services for local life, and give full play to the business's synergy with the other business of SMS and digital product operation.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of new and amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendment to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is mandatorily effective for the preparation of the consolidated financial statements for the financial year commencing 1 April 2025:

Amendments to HKAS 21	Lack of Exchangeability

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

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature Dependent Electricity[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Annual Improvements to HKFRS Accounting standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective for annual periods beginning on or after a date to be determined.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from system development services, sales of hardware, short messaging service fee, sales of digital virtual products and sales of usage rights of mobile application and its integrated marketing system. An analysis of the Group's revenue for the year is as follows:

	2026 ***HK$'000***	2025 *HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– System development services	**4,044**	3,994
– Sales of hardware	**329**	239
– Short messaging service fee	**12,087**	35,320
– Sales of digital virtual products	**10,245**	–
– Sales of usage rights of mobile application and its integrated marketing system	**2,753**	–
	29,458	39,553

Set out below is the disaggregation of the Group's revenue from contracts with customers within the scope of HKFRS 15:

For the year ended 31 March 2026	**System development services** ***HK$'000***	**Sales of hardware** ***HK$'000***	**Short messaging service fee** ***HK$'000***	**Sales of digital virtual products** ***HK$'000***	**Sales of usage rights of mobile application and its integrated marketing system** ***HK$'000***	**Total** ***HK$'000***
Timing of revenue recognition						
At a point in time	**–**	**329**	**12,087**	**10,245**	**2,753**	**25,414**
Over time	**4,044**	**–**	**–**	**–**	**–**	**4,044**
	4,044	**329**	**12,087**	**10,245**	**2,753**	**29,458**

For the year ended 31 March 2025	System development services HK$'000	Sales of hardware HK$'000	Short messaging service fee HK$'000	Total HK$'000
Timing of revenue recognition				
At a point in time	–	239	35,320	35,559
Over time	3,994	–	–	3,994
	3,994	239	35,320	39,553

Information reported to the directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purpose of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the CODM has been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

– System development services;

– Sales of hardware;

– Short messaging service fee;

– Sales of digital virtual products; and

– Sales of usage rights of mobile application and its integrated marketing system

Segment revenues and results

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

For the year ended 31 March 2026

	System development services *HK$'000*	Sales of hardware *HK$'000*	Short messaging service fee *HK$'000*	Sales of digital virtual products *HK$'000*	Sales of usage rights of mobile application and its integrated marketing system *HK$'000*	Total *HK$'000*
Segment revenue	**4,044**	**329**	**12,087**	**10,245**	**2,753**	**29,458**
Segment profit/(loss)	**33**	**3**	**360**	**84**	**(113)**	**367**
Unallocated income						**1,962**
Unallocated corporate expenses						**(12,644)**
Unallocated finance costs						**(486)**
Reversal of impairment loss on financial and contract assets, net						**708**
Impairment loss recognised on right-of-use assets						**(466)**
Loss before taxation						**(10,559)**

For the year ended 31 March 2025

	System development services *HK$'000*	Sales of hardware *HK$'000*	Short messaging service fee *HK$'000*	Total *HK$'000*
Segment revenue	3,994	239	35,320	39,553
Segment loss	(1,992)	(119)	(308)	(2,419)
Unallocated income				4
Unallocated corporate expenses				(9,646)
Unallocated finance costs				(103)
Impairment loss recognised on other receivables				(119)
Impairment loss recognised on plant and equipment				(60)
Impairment loss recognised on right-of-use assets				(1,212)
Impairment loss recognised on intangible assets				(12)
Loss before taxation				(13,567)

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

Segment assets and liabilities

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

Segment assets

	2026 ***HK$'000***	2025 *HK$'000*
System development services	**3,510**	8,425
Sales of hardware	**286**	504
Short messaging service fee	**467**	2,070
Sales of digital virtual products	**8,893**	–
Sales of usage rights of mobile application and its integrated marketing system	**661**	–
Total segment assets	**13,817**	10,999
Corporate and other assets	**7,483**	4,255
Total assets	**21,300**	15,254

Segment liabilities

	2026	2025
	HK$'000	*HK$'000*
System development services	**4,426**	10,814
Sales of hardware	**360**	647
Short messaging service fee	**68**	103
Sales of digital virtual products	**11,211**	–
Sales of usage rights of mobile application and its integrated marketing system	**778**	–
Total segment liabilities	**16,843**	11,564
Corporate and other liabilities	**4,790**	18,642
Total liabilities	**21,633**	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, loan from a shareholder and other corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

Other segment information

For the year ended 31 March 2026

	System development services HK$'000	Sales of hardware HK$'000	Short messaging service fee HK$'000	Sales of digital virtual products HK$'000	Sales of usage rights of mobile application and its integrated marketing system HK$'000	Unallocated HK$'000	Total HK$'000
Amounts include in the measure of segment loss or segment assets:							
Depreciation and amortisation	–	–	–	–	–	168	168
(Reversal of)/provision for impairment loss on trade receivables	(521)	(42)	–	(1,320)	–	87	(1,796)
Impairment loss on contract asset	–	–	–	–	–	191	191
Impairment loss on other receivables	68	6	–	173	24	626	897
Impairment loss on plant and equipment	–	–	–	–	–	–	–
Impairment loss on right-of-use assets	–	–	–	–	–	466	466
Impairment loss on intangible assets	–	–	–	–	–	–	–
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	(1)	(1)
Finance costs	–	–	–	–	–	486	486

For the year ended 31 March 2025

	System development services	Sales of hardware	Short messaging service fee	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts include in the measure of segment loss or segment assets:					
Depreciation and amortisation	–	–	–	806	806
Impairment loss on trade receivables	1,983	18	–	–	2,001
Impairment loss on contract asset	6	–	–	–	6
Impairment loss on other receivables	–	–	–	119	119
Impairment loss on plant and equipment	–	–	–	60	60
Impairment loss on right-of-use assets	–	–	–	1,212	1,212
Impairment loss on intangible assets	–	–	–	12	12
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Interest income	–	–	–	(2)	(2)
Finance costs	–	–	–	103	103

Note: Non-current assets excluded goodwill for the years ended 31 March 2026 and 2025.

Geographical information

During the years ended 31 March 2026 and 2025, the Group's operations are mainly located in the PRC.

Substantially all of the Group's operation are in the PRC, no geographical information is presented.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2026	2025
	HK$'000	*HK$'000*
Company A[1]	**4,044**	3,974
Company B[2]	**7,234**	26,251
Company C[2,5]	**–**	4,585
Company D[2,5]	**–**	4,484
Company E[2,4]	**4,853**	–
Company F[3,4]	**10,244**	–

1 Revenue from system development services segment.

2 Revenue from short messaging service fee segment.

3 Revenue from sales of digital virtual products segment.

4 Revenue from relevant customers who were new customers for the year ended 31 March 2026.

5 Revenue from relevant customers who did not transact with the Group for the year ended 31 March 2026.

5. OTHER INCOME

	2026	2025
	HK$'000	*HK$'000*
Interest income from bank deposits	**1**	2
Income from waiver of other payables *(note i)*	**1,099**	–
Others	**54**	4
	1,154	6

Note:

(i) On 25 March 2026, Shenzhen Cyber Security Authentication Co., Ltd. ("**Cyber Security**"), a subsidiary of the Company, and Zhongzheng Huicheng (Shenzhen) Private Equity Investment Fund Management Co., Ltd. ("**Zhongzheng Huicheng**"), a prospective investor, entered into a termination agreement (the "**Termination Agreement**") to terminate the investment framework agreement which was signed in 2018 previously. Pursuant to the Termination Agreement, the earnest money of RMB 1,000,000 (equivalent to approximately HK$1,099,000) previously paid by Zhongzheng Huicheng was fully waived, and all outstanding rights, obligations, and claims between both Cyber Security and Zhongzheng Huicheng were discharged. Consequently, the Group has derecognised the corresponding financial liability of HK$1,099,000. A non-recurring income from waiver of other payables was recognised in other income in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2026.

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on lease liabilities	**36**	22
Interest on loan from a shareholder	**450**	81
	486	103

7. INCOME TAX CREDIT

	2026	2025
	HK$'000	*HK$'000*
Current year:		
PRC Enterprises Income Tax ("**EIT**")	**13**	–

Notes:

(a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability and, accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong profit tax rate is 16.5%. No Hong Kong Profits Tax has been provided for the years ended 31 March 2026 and 2025 as the Company did not have any assessable profits subject to Hong Kong Profits Tax.

(c) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The income tax credit can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026	2025
	HK$'000	*HK$'000*
Loss before taxation	**(10,559)**	(13,567)
Tax at the domestic income tax rate of 16.5% (2025: 16.5%)	**(1,742)**	(2,239)
Tax effect of expenses not deductible for tax purposes	**1,579**	2,150
Tax effect of income not taxable for tax purposes	**–**	(1)
Tax effect of tax losses not recognised	**541**	579
Utilisation of tax losses previously not recognised	**(421)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**56**	(489)
Income tax credit for the year	**13**	–

8. LOSS FOR THE YEAR

The Group's loss before tax is arrived at after charging/(crediting):

	2026	2025
	HK$'000	*HK$'000*
Directors' emoluments	**2,483**	2,299
Employee benefit expense (excluding directors' and chief executive's remuneration)		
– Wages and salaries	**5,122**	3,521
– Pension scheme contributions	**322**	278
Total staff costs	**7,927**	6,098
Auditor's remuneration		
– Audit services	**550**	500
– Non-audit services	**156**	–
Depreciation of plant and equipment	**52**	56
Depreciation of right-of-use assets	**116**	749
Amortisation of intangible assets	**–**	1
(Reversal of)/ provision for impairment loss on trade receivables	**(1,796)**	2,001
Impairment loss on other receivables	**897**	119
Impairment loss on contract assets	**191**	6
Impairment loss on recognised on plant and equipment	**–**	60
Impairment loss on recognised on right-of-use assets	**466**	1,212
Impairment loss on recognised on intangible assets	**–**	12
Cost of inventories recognised as an expense	**312**	227
Lease rentals for office premises *(note i)*	**284**	97

Note:

(i) The amounts represent lease rentals relating to short-term leases under HKFRS 16.

9. DIVIDENDS

No dividend was paid or proposed during the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

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

	2026	2025
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share, representing loss for the year attributable to owners of the Company	**(10,221)**	(13,410)

	2026	2025
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ('000 shares)	**271,250**	271,250

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the year ended 31 March 2025 has been adjusted for the consolidation of shares on the basis of every five ordinary shares into one consolidated share with effect from 8 December 2025. The dilutive loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2026 and 2025.

11. IMPAIRMENT TESTING ON PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the year ended 31 March 2026, the Group's business was underperformed and incurred losses due to the constraints to working capital. In view of the economic performance of the cash-generating unit ("**CGU**") that engaged in businesses of the provision of system development services and other value-added technical consultation services, provision of short messaging services, trading of hardware and trading of usage rights of mobile application and its integrated marketing system, which was worse than expected, management of the Group concluded there was an indication for impairment and conducted impairment assessment on plant and equipment, right-of-use assets and intangible assets with carrying amounts of approximately HK$108,000 (2025: HK$153,000), HK$nil (2025: HK$nil) and HK$nil (2025: HK$nil), respectively.

The Group estimates the recoverable amount of the CGU, to which the asset belongs when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established. The carrying amount of assets of CGU was nil.

The recoverable amount of CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a post-tax discount rate is 14% as at 31 March 2026. The cash flows beyond the five-year period are extrapolated using 2% growth rate, which is based on the industry growth forecasts and does not exceed the long- term average growth rate for the relevant industry. Another key assumption for the value in use calculation is the budgeted revenue, gross margin and operating expenses which are determined based on the CGU's past performance and management expectations for the market development.

Based on the result of the impairment assessment, management of the Group determined that the recoverable amount of the CGU is lower than the carrying amount. The impairment amount has been allocated to each category of plant and equipment, right-of- use assets and intangible assets with finite useful lives such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost to disposal, its value in use and zero. Based on the value in use calculation and the allocation, impairment loss of approximately HK$nil, HK$466,000 and HK$nil has been recognised against the carrying amount of plant and equipment, right-of-use assets and intangible assets respectively within the relevant functions to which these assets relate.

12. TRADE AND OTHER RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Receivables at amortised cost comprise:		
Trade receivables	**16,100**	12,332
Less: loss allowance for trade receivables	**(1,567)**	(3,185)
	14,533	9,147
Deposits	**2,701**	2,574
Prepayments	**1,355**	806
Other receivables	**2,898**	1,728
	21,487	14,255
Less: loss allowance for other receivables	**(2,133)**	(1,225)
	19,354	13,030

As at 31 March 2026, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK$16,100,000 (2025: HK$12,332,000).

There was a reversal of impairment loss on trade receivables of HK$1,796,000 (2025: impairment loss of HK$2,001,000) recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2026.

The Group normally allows a credit period of not more than 120 days to its customers, although an extension of the credit period is not uncommon for customers who have a long term relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables, with overdue balances reviewed regularly by senior management. As at 31 March 2026, the Group's trade receivables were highly concentrated, with 40% and 100% of the total trade receivables due from the Group's largest external customer and the top five largest external customers, respectively.

The following is an aged analysis of trade receivables, net of loss allowance for trade receivables, presented based on the invoice date, which approximates revenue recognition date at the end of each reporting period.

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**4,855**	1,986
91 to 180 days	**71**	83
181 to 365 days	**9,167**	1,244
Over 365 days	**440**	5,834
	14,533	9,147

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the allowance based on past due status is not further distinguished between the Group's different customer bases.

13. TRADE AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**16,383**	11,043
Accruals	**638**	856
Other payables *(note i)*	**4,091**	9,846
	21,112	21,745
Less: other payable classified as non-current liabilities	**–**	(4,800)
Current portion included in other payables	**21,112**	16,945

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**3,959**	2,482
91 to 180 days	**67**	115
181 to 365 days	**7,959**	1,781
Over 365 days	**4,398**	6,665
	16,383	11,043

The average credit period granted by its suppliers ranging from 30 to 120 days. The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

Note:

i) Details of other payables are as follows:

	2026	2025
	HK$'000	*HK$'000*
Advances from third parties	**1,955**	2,956
Payables for staff cost	**343**	376
Amounts due to a director *(note a)*	**–**	4,800
Others	**1,793**	1,714
	4,091	9,846

a) A director of the Company, Ms. Ho Ching, advanced an unsecured loan of approximately HK$2,000,000, HK$1,000,000, HK$1,000,000 and HK$800,000 to the Company on 1 January 2024, 1 March 2024, 1 April 2024 and 12 June 2024, respectively, which was originally repayable on 31 December 2024, 28 February 2025, 31 March 2025, and 11 June 2025, respectively, and all of these loans subsequently extended to 31 December 2026. These loans were contractually interest-free. They were initially measured at fair value using a market discount rate of 4.18%, and subsequently measured at amortised cost using the effective interest method.

On 25 August 2025, the Company entered into a waiver agreement with Ms. Ho Ching, under which Ms. Ho Ching unconditionally waived and discharged all repayment obligations of the Company of approximately HK$4,800,000. Consequently, the residual outstanding balance of amount due to Ms. Ho Ching was HK$nil.

14. LOAN FROM A SHAREHOLDER

On 1 November 2025, Hong Kong Coolxuan Group Company Limited ("**Coolxuan Group**"), the controlling shareholder of the Company, advanced an unsecured interest-free shareholder's loan of approximately HK$2,493,000 to the Company. The loan was contractually interest-free. It was initially measured at fair value using a market discount rate of 5.26%, and subsequently measured at amortised cost using the effective interest method. On 31 March 2026, the Company entered into a waiver agreement with Coolxuan Group, under which Coolxuan Group unconditionally waived and discharged all repayment obligations of the Company of approximately HK$2,493,000. Consequently, the residual outstanding balance of loan from Coolxuan Group was HK$nil.

On 1 August 2024, Happy On Holdings Limited ("**Happy On**"), the former controlling shareholder of the Company, advanced an unsecured loan of approximately HK$7,450,000 to the Company, which was originally repayable in July 2025 and subsequently extended to December 2026. On 1 April 2025, Happy On advanced a further unsecured loan of approximately HK$10,254,000 to the Company, which was originally repayable in March 2026. Both loans were contractually interest-free. They were initially measured at fair value using market discount rates of 4.18% and 5.26% respectively, and subsequently measured at amortised cost using the effective interest method.

Pursuant to the Share Purchase Agreement dated 18 August 2025, as Happy On is prepared to receive deferred payment of part of the consideration from Coolxuan Group subsequent to completion of transferring of all of the sale shares, Happy On is treated as providing financing or financial assistance to Coolxuan Group in connection with the acquisition of the sale shares and is therefore presumed to be acting in concert with Coolxuan Group under Class (9) of the definition of "acting in concert" under the Codes on Takeovers and Mergers and Share Buy-backs ("**Takeovers Code**").

The Company entered into waiver agreements with Happy On on 25 August 2025 and 31 March 2026 respectively, under which Happy On unconditionally waived and discharged all repayment obligations of the Company of approximately HK$10,850,000 and HK$6,854,000 respectively. Consequently, the residual outstanding balance of loans from Happy On was HK$nil. Such loans from Happy On were treated as providing financing or financial assistance to the Company, and the corresponding waiver of loans was deemed to be capital contribution within capital reserve.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the financial year ended 31 March 2026 (the "**Reporting Period**"), City Coolxuan Company Limited (the "**Company**", which together with its subsidiaries, is referred to as the "**Group**") stepped up its business diversification and transformation to cope with the challenges of the complicated and volatile market conditions and to seize opportunities in the ongoing intelligentisation and digital transformation of China's industries as well as the state policy to stimulate domestic consumption.

On 18 March 2026, the Company's wholly-owned subsidiary Sichuan Kuxuan Huaying Technology Co., Ltd. (四川酷選滙盈科技有限公司) entered into an agreement to obtain a global non-exclusive distribution right from Sichuan Urban Cool Selection Technology Co., Ltd. (四川城市酷选科技有限公司) in respect of a SaaS-enabled mobile application for physical store merchants' digitalisation, "城市酷选APP", together with its integrated "City Coolxuan Local Life Store Marketing System" ("城市酷选本地生活門店營銷系統").

Sichuan Urban Cool Selection Technology Co., Ltd., of which the Company's chairman and executive director Mr. Pu Jian is also the sole director and the manager, has developed and operates "城市酷选APP". The SaaS-enabled mobile application 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.

Under the agreement, Sichuan Kuxuan Huaying Technology Co., Ltd. has become a licensee authorised by Sichuan Urban Cool Selection Technology Co., Ltd., the licensor, to carry out sales and promotional activities for the SaaS-enabled mobile application and its integrated marketing system worldwide, including but not limited to directly selling the usage rights in respect of that mobile application and its integrated marketing system to third parties, as well as recruiting sub-distributors to engage in the distribution business.

The business of the SaaS-enabled mobile application and its integrated marketing system can work in synergy with the Group's businesses of SMS and digital product operation.

The Group started diversifying into the traditional, well-established industry of SMS for businesses in the second half of 2022 under its prudent business development strategy. The SMS for businesses can generate stable income and capitalise on the ongoing digital transformation of the country's industries. The Group signed two contracts with an information technology company during the first quarter of the financial year ended 31 March 2024 to provide SMS for businesses through the network of a major telecommunications carrier of China. During the financial year ended 31 March 2025 (the "**previous financial year**"), the Group signed two contracts with that information technology company to provide standardised 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.

The Group maintained the momentum of its business diversification by branching out into digital product operation. In September 2025, it signed a 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 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.

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. **Distributing the right to use SaaS-enabled mobile application and its integrated marketing system**

In March 2026, the Group entered into an agreement to obtain a global non-exclusive distribution right to sell the right to use a SaaS-enabled mobile application and its integrated marketing system for physical store merchants' digitalisation to third parties, as well as to recruit sub-distributors to engage in the distribution business.

2. **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 standardised products and services that enable the adoption of big data technology in SMS, and provided both an SMS channel and SMS through such channel.

3. **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.

4. **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

The Chinese government announced in March 2025 measures to bolster consumption, including those to foster the development of both lifestyle services and new forms of consumption through innovation and with artificial intelligence (Source: An announcement entitled "中共中央辦公廳、國務院辦公廳印發《提振消費專項行動方案》" posted on the website of Central People's Government of the PRC on 16 March 2025). The government stepped up the support as China Securities Regulatory Commission (CSRC) held a seminar on 14 May 2026 with representatives of businesses in the modern service industry and the field of new forms of consumption to discuss proposals for furthering the reform of the country's capital market to support such industries' development (Source: an article entitled "中國證監會召開資本市場支援現代服務業和新型消費企業發展座談會" and dated 15 May 2026 on the website of CSRC).

To capitalise on the digital transformation of industries, especially physical retail, the emergence of new forms of consumption and the government's supportive industrial policies, the Group will press on with its business transformation and diversification. The Group will further develop the business of a SaaS-enabled mobile application for physical store merchants' digitalisation and its integrated marketing system for services for local life, and give full play to the business's synergy with the other businesses of SMS and digital product operation.

The Group plans to expand the business of the SaaS-enabled system solutions for local lifestyle services providers in China and into overseas markets. It will do so by building up an ecosystem of merchants from various industries such as catering, retail, beauty and hair salons, leisure and entertainment, and services to residential communities. The merchants can deepen their cooperation and boost sales through the "cross-industry alliance" model promoted and adopted by " 城市酷选 APP". They can conduct joint marketing campaigns and let consumers accumulate and use consumption points across the various merchants who are in the cross-industry alliance through the closed-loop system of "consumption — cashback — repeat purchase". The overseas markets that the Group plans to enter include the United States of America, Southeast Asia and Dubai.

The business of the SaaS-enabled mobile application and its integrated marketing system can add impetus to the Group's overall development as it can work in synergy with the 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 Urban Cool Selection Technology Co., Ltd. can be used to analyse 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 personalised. 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.

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 at the date of this announcement, Happy On does not hold any shares of the Company.

Pursuant to the Company's circular dated 11 July 2013, the Company intended to apply the net proceeds of approximately HK$101,250,000 arising from the Subscription in the following manner: (i) approximately HK$30,000,000 to pay up the remaining registered capital of 廣州韻博信息科技有限公司 (Guangzhou YBDS IT Co., Ltd.*) ("**Guangzhou YBDS**") and 北京韻博港信息科技有限公司 (Beijing YBDS IT Co., Ltd.*) ("**Beijing Yunbo**"); (ii) approximately HK$50,000,000 as further investment for contribution towards the total investment amounts of Guangzhou YBDS and Beijing Yunbo; and (iii) the remaining balance of approximately HK$21,250,000 as 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 Yunbo 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 Yunbo's 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 its circulars dated 11 July 2013 and 10 November 2014, respectively.

On 19 September 2023, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group for the disposal of the entire equity interest in Guangzhou YBDS at a cash consideration of RMB1, since then, Guangzhou YBDS is no longer a subsidiary of the Company.

As mentioned in the Company's annual report for the year ended 31 March 2024 (the "**2024 Annual Report**"), the unutilised amount of net proceeds from the Subscription of approximately HK$2,794,000 was expected to be fully utilised by the end of March 2025. As further mentioned in the Company's annual report for the year ended 31 March 2025 (the "**2025 Annual Report**"), only approximately HK$904,000 of the net proceeds from the Subscription was utilised throughout the financial year ended 31 March 2025, rendering an amount of net proceeds of approximately HK$1,890,000 being unutilised as at 31 March 2025. Accordingly, there were two delays in fully utilising the unutilised net proceeds from the Subscription as general working capital.

As disclosed in the supplemental announcement dated 25 February 2026, the background and reason for the delays in use of such net proceeds pursuant to Rules 18.32(8) and 18.32A of the GEM Listing Rules are as follows. Given that the Company, at the relevant time, had available cash resources and/or alternative source of funding in support of its daily operation for its existing businesses, the Company did not have an imminent need for fully utilising all of such net proceeds as general working capital. As a result, some of such net proceeds earmarked for general working capital purpose was idled during the two financial years ended 31 March 2025. In order to better utilise the financial resources of the Group, the Company intended to earmark the unutilised net proceeds from the Subscription as general working capital for any potential new business to cater for its business and operational needs. Accordingly, as respectively disclosed in the 2024 Annual Report and the 2025 Annual Report, the Company stayed prudent in applying such unutilised net proceeds from the Subscription as general working capital and has placed the unutilised net proceeds in interest-bearing deposits with authorised financial institutions or licensed banks. Such interest-bearing deposits do not involve any investment in wealth management product.

During the year ended 31 March 2026, a total amount of approximately HK$1,890,000 of the net proceeds from the Subscription was utilised for the purpose as previously disclosed in the 2025 Annual Report, particulars of which are set out below:

As at 31 March 2026, all the net proceeds arising from the Subscription have been utilised.

	Unutilised net proceeds as at 31 March 2022 *HK'000* *(approximately)* *(Note 1)*	Revised allocation of unutilised net proceeds as at 13 June 2023 *HK'000* *(approximately)* *(Note 2)*	Unutilised net proceeds as at 31 March 2025 *HK'000* *(approximately)*	Amount utilised during the year ended 31 March 2026 *HK'000* *(approximately)*	Unutilised net proceeds as at 31 March 2026 *HK'000* *(approximately)*
New potential projects	9,874	3,428	–	–	–
General working capital for the New Business *(Note 3)*	20,998	8,460	1,890	(1,890)	–
Total	30,872	11,888	1,890	(1,890)	–

Notes:

1. As disclosed in the Company's supplemental announcement in relation to its annual report for the year ended 31 March 2022 published on 20 February 2023 (the "**2023 Supplemental Announcement**"), as at 31 March 2022, there was an unutilised amount of net proceeds of approximately HK$30.9 million, which was intended to be applied for new potential projects and general working capital purposes.

2. Pursuant to the Company's annual report for the year ended 31 March 2023 published on 26 June 2023 (the "**2023 Annual Report**"), as at 31 March 2023, there was an unutilised amount of net proceeds of approximately HK$11.89 million, which was intended to be applied for the purposes as previously disclosed in the 2023 Supplemental Announcement (which include new potential projects and general working capital), with the allocation of such unutilised net proceeds being revised. In particular, approximately HK$4.16 million of the net proceeds originally earmarked for new potential projects was then reallocated to the Company's general working capital purpose as at the date of the 2023 Annual Report (i.e. 13 June 2023).

3. New Business refers to the provision by the Group of 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. The Group signed a contract in September 2025 to provide that technology service under the New Business. In support of the provision of technology service under the New Business, the Group has applied all the unutilised net proceeds from the Subscription of HK$1,890,000 as general working capital for the New Business.

FINANCIAL REVIEW

During the year ended 31 March 2026 (the "**Reporting Period**"), the Group recorded a revenue of approximately HK$29,458,000, representing a decrease of approximately 26% when compared with that in the year ended 31 March 2025 (the "**Previous Period**") of approximately HK$39,553,000.

Loss attributable to owners of the Company for the Reporting Period was approximately HK$10,221,000 as compared with loss attributable to owners of the Company of approximately HK$13,410,000 for the Previous Period.

SEGMENTAL INFORMATION

Business segments

During the Reporting Period, when compared with the Previous Period, revenue generated from hardware sales increased by approximately 38%, while revenue from system development services increased by approximately 1%. The revenue from the segment of short messaging services recorded by the Group during the Reporting Period decreased by approximately 66% when compared with the Previous Period. The Group first recorded the revenue from the segment of sales of digital virtual products of approximately HK$10,245,000 and the revenue from the segment of sales of usage rights of mobile application and its integrated marketing system of approximately HK$2,753,000 during the Reporting Period.

Geographical segments

During the Reporting Period, the provision of system development services, hardware-related business, short messaging services business, sales of digital virtual products and sales of usage rights of mobile application and its integrated marketing system mainly catered for the PRC market. Revenue from the Hong Kong segment represented nil of the total revenue (Previous Period: nil).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 March 2026, the shareholders' funds deficiency of the Group amounted to approximately HK$14,149,000. Current assets were approximately HK$21,192,000, mainly comprising bank balances and cash of approximately HK$1,838,000, financial assets at fair value through profit or loss of approximately HK$nil, contract assets of approximately HK$nil and trade and other receivables of approximately HK$19,354,000. Current liabilities mainly comprised trade and other payables of approximately HK$21,112,000 and lease liabilities of approximately HK$287,000. The net liability value per share was approximately HK$0.0012 (as at 31 March 2026, number of shares: 271,250,000). The Group's gearing ratio, expressed as a percentage of bank borrowings and long term debts over total equity, was nil. The liquidity ratio of the Group, determined as a ratio of current assets over current liabilities, was 0.99:1 (as at 31 March 2025: 0.86:1).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group mainly operates in Hong Kong and China. The Group's assets and liabilities are principally denominated in Hong Kong dollar and Renminbi. The currency exchange rate risk of the Group is immaterial, and the Group did not engage in any hedging activities. However, the management will monitor foreign exchange exposure and consider hedging significant currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 31 March 2025 and 2026, the Group had no material contingent liabilities.

CHARGES ON THE GROUP'S ASSETS

As at 31 March 2025 and 2026, the Group had no charges on the Group's asset.

CAPITAL COMMITMENTS

As at 31 March 2025 and 2026, the Group did not have any significant capital commitments.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group had 33 employees (31 March 2025: 23 employees). The total remuneration paid to employees, including Directors, for the Reporting Period was approximately HK$7,927,000 (Previous Period: HK$6,098,000). Remuneration is determined by reference to market terms and the performance, qualification and experience of each individual employee. Annual year-end double pay is paid based on each individual employee's performance as 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. The Group also subsidises its employees for pursuing further studies in related fields.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the Reporting Period and up to the date of this announcement.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

SIGNIFICANT INVESTMENTS

The Group had no significant investment with a value of 5% or more of the Group's total assets during the Reporting Period.

MATERIAL OTHER RECEIVABLES

As at 31 March 2026, the Group had other receivables of approximately HK$2,898,000, mainly comprising of (i) advance to staff of approximately HK$284,000 and (ii) amounts due from former subsidiaries of approximately HK$1,238,000.

(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$284,000. 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 31 March 2026 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 31 March 2026 *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	307
Former Subsidiary D	24 August 2015	De-registererd on 25 September 2020	Unsecured, interest-free and have no repayment term	To support operation of former subsidiary	15
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	Date of grant	Date of disposal/ date of de-registration	Major terms	Reasons for grant	Approximate carrying amount as at 31 March 2026 *HK$'000*
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	349
(collectively, "**Former Subsidiaries**")					1,238

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 of trade and other receivables and contract assets of the Group for the financial year ended 31 March 2026 ("**FY2026**"). Such impairment assessment involved management's judgements and estimates involved in assessing the expected credit loss 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$75,000 and HK$1,035,000 for FY2026.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of and adopted the code provisions (the "**Code Provisions**") 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 the Code throughout the Reporting Period except for the deviations as explained as follows:

Code Provision C.1.7

Code Provision C.1.7 stipulates that an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

During the Reporting Period, the Board considered that under the current situations of close management of the Group and business scale, 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 should be separate.

During the Reporting Period, the executive Directors, namely, Mr. Wang Xiaoqi, Mr. Ho Yeung (who resigned on 1 June 2025), Ms. Ho Ching (who resigned on 31 October 2025), Mr. Chen Hua (who resigned on 31 October 2025), Mr. Pu Jian and Mr. Zhou Zhengjun focused on evaluating potential business and investment opportunities and formulating and implementing business strategies to enhance the revenue and growth potential of the Company.

Mr. Pu Jian was appointed as the chairman of the Board (the "**Chairman**") with effect from 31 October 2025. The Company has no such title as the chief executive officer and the daily operation and management of the Company is monitored by the executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who meet from time to time to discuss issues affecting the operations of the Group.

As disclosed in the Company's announcement dated 16 January 2026, following the resignation of Mr. Tse Yee Hin, Tony as an independent non-executive Director with effect from 31 October 2025, the Company was temporarily non-compliant with Rules 5.05(2) and 5.28 of the GEM Listing Rules. As further disclosed in the Company's announcement dated 30 January 2026, following the appointment of Ms. Deng Yongling as an independent non-executive Director and a member of the Audit Committee, at least one of the independent non-executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise. Accordingly, the Company has re-complied with Rules 5.05(2) and 5.28 of the GEM Listing Rules, as well as the requirements under the terms of reference of the Audit Committee.

Code Provision C.2.7

Code Provision C.2.7 stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

During the Reporting Period, no meetings were convened between the Chairman and the independent non-executive Directors without the presence of other executive Directors, as no agenda items necessitated such discussions. The independent non-executive Directors nonetheless maintained direct communication with the Chairman from time to time to exchange views on the Group's affairs. The Board therefore considers that sufficient channels of communication were in place to facilitate effective discussion between the Chairman and the independent non-executive Directors on matters relating to the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

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

AUDIT COMMITTEE

The audit committee of the Company (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, Mr. Lei Wenzheng and Ms. Deng Yongling all of whom are the 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 Audit Committee has reviewed the audited consolidated results of the Group for the Reporting Period, the risk management and internal control systems of the Group.

The Group's unaudited half-yearly results and audited annual results for the Reporting Period have been reviewed by the Audit Committee which is of the view that such financial statements have been prepared in compliance with the applicable accounting standards and that adequate disclosures have been made.

The Board and the Audit Committee considered the internal control and risk management mechanism of the Group to be operating effectively for the Reporting Period.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the preliminary announcement of the Group's results for the Reporting Period have been agreed by the Company's auditors, Prism Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by Prism Hong Kong Limited in this respect was limited and did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism Hong Kong Limited on this preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The following is the extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2026. The report includes particulars of a material uncertainty related to going concern without a qualified opinion:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. During the year ended 31 March 2026, the Group recorded a net loss and a net operating cash outflow of approximately HK$10,546,000 and HK$12,404,000, respectively. As at 31 March 2026, the Group had net current liabilities and net liabilities of approximately HK$241,000 and HK$333,000, respectively. These conditions, along with other matters as set forth in the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The Directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the "**AGM**") of the Company will be held on Tuesday, 1 September 2026. A notice convening the AGM will be issued and sent to the shareholders of the Company (the "**Shareholders**") in due course in the manner required under the GEM Listing Rules. The register of members of the Company will be closed from Thursday, 27 August 2026 to Tuesday, 1 September 2026 (both dates inclusive) during which period no transfer of shares of the Company (the "**Share(s)**") will be effected and the record date is Tuesday, 1 September 2026. In order to be eligible to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 26 August 2026.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.8050hk.com. The annual report of the Company for the Reporting Period containing all information required by the GEM Listing Rules will be despatched to the Shareholders and will be published on the websites of both the Stock Exchange and the Company in due course.

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

Hong Kong, 26 June 2026

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

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 website of the Company at www.8050hk.com.

* *For Identification purpose only*