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QUALI-SMART HOLDINGS LIMITED

滙達富控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1348)

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

INTERIM RESULTS

The board of directors (the “**Directors**”, each a “**Director**”) (the “**Board**”) of Quali-Smart Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2025 (the “**Current Period**”) together with comparative figures for the corresponding period in 2024 (the “**Previous Period**”).

FINANCIAL HIGHLIGHTS

Revenue

The Group’s revenue for the Current Period was approximately HK\$27.8 million for which the Toys Division and the Financial Services Division contributed approximately HK\$22.5 million and HK\$5.3 million respectively, representing an overall decrease of approximately HK\$30.5 million or 52.3% as compared to the Group’s revenue of approximately HK\$58.3 million for the Previous Period.

Decrease in the Group’s revenue for the Current Period of approximately HK\$30.5 million was mainly attributable to a decrease in revenue of the Toys Division of approximately HK\$25.3 million and a decrease in revenue from the Financial Services Division of approximately HK\$5.2 million, representing a decrease of approximately 52.9% and a decrease of approximately 49.5%, respectively, on a period-on-period basis.

Decrease in revenue of the Toys Division was mainly attributable to the decrease in orders placed by certain major customers.

* For identification purpose only

Revenue for the Financial Services Division for the Current Period was approximately HK\$5.3 million comparing to that of HK\$10.5 million in the Previous Period, representing a decrease of about 49.5% over the Previous Period, mainly attributable to the decrease in investment advisory income of approximately HK\$2.5 million, referral fee income of approximately HK\$1.3 million and brokerage commission of approximately HK\$0.4 million during the Current Period.

The gross profit of the Toys Division for the Current Period was approximately HK\$2.5 million, which decreased about HK\$2.5 million or 50.5% when compared with the Previous Period. Such decrease was mainly due to the decrease in sales to the major customers during the Current Period from the Toys Division.

Net loss of the Group amounts approximately HK\$10.9 million for the Current Period, representing comparatively the same on a period-on-period basis. Of which, it was mainly attributable to:

- a decrease in revenue of Financial Services Division approximately HK\$5.2 million;
- a decrease in gross profit of approximately HK\$2.5 million attributable to the decrease in revenue of the Toys Division for the Current Period;
- a decrease in other income, gains and losses of about HK\$3.7 million as a result of decrease in office facilities service income of the Financial Services Division of approximately HK\$3.0 million and an increase in loss on disposal of subsidiaries of approximately HK\$0.6 million during the Current Period;
- a decrease in selling expenses of approximately HK\$0.4 million for the Current Period;
- a decrease in administrative expenses of about HK\$10.1 million as a result of (i) a decrease in expenses related to staff cost to approximately HK\$8.4 million; (ii) decrease in depreciation expenses of property, plant and equipment of approximately HK\$0.6 million; and (iii) decrease in depreciation expenses of right-of-use assets of approximately HK\$0.3 million; and
- a decrease in finance costs of approximately HK\$0.2 million for the Current Period attributable to the decrease in the interest of the promissory note issued by the Company.

The Board does not recommend the payment of any interim dividend for the Current Period.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
REVENUE	5	27,836	58,309
Other revenue	5	315	4,056
Cost of sales for manufacturing and sales of toys division		(20,037)	(42,807)
Selling expenses for manufacturing and sales of toys division		(599)	(1,035)
Administrative expenses included financial services division costs		(16,095)	(26,166)
Finance costs	6	(2,274)	(2,475)
LOSS BEFORE INCOME TAX EXPENSE	7	(10,854)	(10,118)
Income tax expense	8	—	(26)
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(10,854)	(10,144)
Loss and total comprehensive income attributable to:			
Owners of the Company		(10,783)	(10,230)
Non-controlling interests		(71)	86
		(10,854)	(10,144)
Loss per share			
– Basic and diluted (<i>HK cents</i>)	9	(0.74)	(0.69)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	17	391
Right-of-use assets		3,432	5,131
Statutory deposits for financial service business		–	369
Deposits		35	35
		<hr/>	<hr/>
Total non-current assets		3,484	5,926
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories	11	2,591	3,271
Trade receivables	12	16,056	2,358
Prepayments, deposits and other receivables		976	5,452
Tax receivables		354	354
Cash and bank balances held on behalf of customers		–	63,265
Time Deposits		23,454	58,467
Cash and cash equivalents		20,736	25,561
		<hr/>	<hr/>
Total current assets		64,167	158,728
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	13	11,623	66,125
Accruals and other payables		1,058	3,072
Lease liabilities		3,411	3,799
Convertible note		7,994	–
Amount due to non-controlling interests		–	13,041
		<hr/>	<hr/>
Total current liabilities		24,086	86,037
		<hr/>	<hr/>
NET CURRENT ASSETS		40,081	72,691
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,565	78,617
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

		At 30 September 2025 <i>Notes</i> HK\$'000 (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
NON-CURRENT LIABILITIES			
Promissory note		16,000	31,000
Convertible note		–	7,295
Lease liabilities		–	1,455
Deferred tax liabilities		–	178
Provision for long services payments		110	392
		<hr/>	<hr/>
Total non-current liabilities		16,110	40,320
		<hr/>	<hr/>
NET ASSETS		27,455	38,297
		<hr/>	<hr/>
EQUITY			
Share capital	14	287	287
Reserves		27,168	37,951
		<hr/>	<hr/>
		27,455	38,238
Non-controlling interests		–	59
		<hr/>	<hr/>
TOTAL EQUITY		27,455	38,297
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000 (note 1)	Other reserve HK\$'000	Share option reserve HK\$'000 (note 2)	Convertible notes equity reserve HK\$'000 (note 3)	Retained earning HK\$'000	Total HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
Unaudited for the six months ended 30 September 2025									
At 1 April 2025 (audited)	287	418,769	1,000	27,084	3,662	(412,564)	38,238	59	38,297
Disposal of a subsidiaries	-	-	-	-	-	-	-	12	12
Lapse of share option (note 15)	-	-	-	(19,341)	-	19,341	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(10,783)	(10,783)	(71)	(10,854)
At 30 September 2025 (unaudited)	<u>287</u>	<u>418,769</u>	<u>1,000</u>	<u>7,743</u>	<u>3,662</u>	<u>(404,006)</u>	<u>27,455</u>	<u>-</u>	<u>27,455</u>
	Share capital HK\$'000	Share premium HK\$'000 (note 1)	Other reserve HK\$'000	Share option reserve HK\$'000 (note 2)	Convertible notes equity reserve HK\$'000 (note 3)	Retained earning HK\$'000	Total HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
Unaudited for the six months ended 30 September 2024									
At 1 April 2024 (audited)	287	418,769	1,000	27,501	17,825	(339,806)	56,110	58	56,168
Lapse of share option (note 15)	-	-	-	(416)	-	416	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(10,230)	(10,230)	86	(10,144)
At 30 September 2024 (unaudited)	<u>287</u>	<u>418,769</u>	<u>1,000</u>	<u>27,085</u>	<u>3,662</u>	<u>(404,923)</u>	<u>45,880</u>	<u>144</u>	<u>46,024</u>

Notes:

1. The share premium account of the Group represents the premium arising from the issuance of Shares above its per value.
2. Cumulative expenses recognised on the granting of share options to the eligible participants over the vesting period.
3. Amount of proceeds on issue of convertible notes relating to the equity component (i.e. option to convert the debt into share capital).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated/(used in) from operating activities	<u>3,495</u>	<u>(3,901)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	501	606
Purchase of property, plant and equipment	(27)	(10)
Decrease/(increase) in time deposits	25,115	(14,468)
Net cash outflow arrive from disposal of subsidiaries	<u>(13,114)</u>	<u>–</u>
Net cash generated from/(used) in investing activities	<u>12,475</u>	<u>(13,872)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(2,020)	(2,177)
Interest paid on bank and other borrowings	(1,448)	(1,835)
Interest paid on lease liabilities	(127)	(98)
Repayment of non-controlling interests	(2,200)	–
Repayment of promissory note	<u>(15,000)</u>	<u>–</u>
Net cash used in financing activities	<u>(20,795)</u>	<u>(4,110)</u>
Net decrease in cash and cash equivalents	(4,825)	(21,883)
Cash and cash equivalents at 1 April	<u>25,561</u>	<u>57,537</u>
Cash and cash equivalents at 30 September	<u><u>20,736</u></u>	<u><u>35,654</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 14 March 2012 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Workshop C on 19th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, Hong Kong. The ordinary shares in the capital of the Company (the "**Shares**") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**" or "**HKEx**").

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2025 ("**Interim Condensed Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange. Interim Condensed Financial Statements have not been audited by the Company's auditor but have been reviewed by the Audit Committee.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2025 (the "**2025 Annual Financial Statements**").

The Interim Condensed Financial Statements were approved and authorised for issue by the Board on 27 November 2025.

2. BASIS OF PREPARATION

The accounting policies applied in preparing the Interim Condensed Financial Statements are consistent with those applied in preparing the 2021 Annual Financial Statements, except for the amendments and interpretations of Hong Kong Financial Reporting Standards ("**New/amended HKFRSs**") issued by HKICPA which have become effective for the first time for periods beginning on or after 1 April 2024. The adoption of such New/amended HKFRSs has no material impact on the accounting policies in the Group's Interim Condensed Financial Statements for the period.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSS

The HKICPA has issued a number of new or amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 21 and HKFRS 1, *Lack of exchangeability*

The application of the amendments to HKFRS in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker considers the business primarily on the assessment of operating performance in each operating unit, which is the basis upon which the Group is organised. Each operating unit is distinguished based on types of goods or services delivered or provided. The following summary describes the operations in each of the Group's reportable segments:

- Manufacturing and sales of toys; and
- Securities brokerage, underwriting, securities margin financing, investment and corporate finance advisory and asset management service (“**Financial Services**”).

(a) Reportable segments

Management assesses the performance of the operating segments based on the measure of segment results which represents the net of revenues, incomes and gains, costs and expenditures directly attributable to each operating segment. Central administrative costs are not allocated to the operating segment as they are not included in the measure of the segment results that are used by the chief operating decision-maker for assessment of segment performance.

4. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

The following is an analysis of the Group's revenue and results by reporting segment for the period:

Segment revenue and results

	Manufacturing and sales of toys <i>HK\$'000</i>	Financial Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the period ended 30 September 2025			
(Unaudited)			
External revenue	22,492	5,344	27,836
Cost of sales/financial services <i>(note (b))</i>	(20,037)	(5,320)	(25,357)
Segment profit/(loss)	67	(4,159)	(4,092)
Central administrative cost <i>(note (a))</i>			(6,762)
Loss before income tax expense			(10,854)
For the period ended 30 September 2024			
(Unaudited)			
External revenue	47,765	10,544	58,309
Cost of sales/financial services <i>(note (b))</i>	(42,807)	(13,511)	(56,318)
Segment profit/(loss)	652	(6,220)	(5,568)
Central administrative cost <i>(note (a))</i>			(4,550)
Loss before income tax expense			(10,118)

Notes:

- (a) Central administrative cost for the six months ended 30 September 2025 mainly includes directors' remuneration, finance costs of promissory note and convertible note and legal and professional fees.
- (b) Cost of financial services was grouped into administrative expenses of the consolidated statement of profit or loss and other comprehensive income.
- (c) Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of corporate income, and central administrative cost. This is the information reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

4. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

Segment assets

All assets (other than cash and cash equivalents and time seposit) are allocated to reportable segments other than prepayments, cash and cash equivalents.

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Manufacturing and sales of toys	18,724	8,474
Financial Services	–	72,152
	<hr/>	<hr/>
Total segment assets	18,724	80,626
Unallocated	48,927	84,028
	<hr/>	<hr/>
Consolidated assets	<u>67,651</u>	<u>164,654</u>

Segment liabilities

All liabilities (other than accruals of corporate expenses, promissory notes, convertible notes, deferred tax liabilities and amount due to non-controlling interest) are allocated to reportable segments.

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Manufacturing and sales of toys	11,941	3,109
Financial Services	–	70,529
	<hr/>	<hr/>
Total segment liabilities	11,941	73,638
Unallocated	28,255	52,719
	<hr/>	<hr/>
Consolidated liabilities	<u>40,196</u>	<u>126,357</u>

4. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

Other segment information

Amounts included in the measure of segment profit/(loss) or segment assets:

For the period ended 30 September 2025 (Unaudited)

	Manufacturing and sales of toys <i>HK\$'000</i>	Financial Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	–	27	27
Depreciation of property, plant and equipment	(271)	(80)	(351)
Depreciation of right-of-use assets	–	(1,875)	(1,875)
	<u> </u>	<u> </u>	<u> </u>

For the period ended 30 September 2024 (Unaudited)

	Manufacturing and sales of toys <i>HK\$'000</i>	Financial Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	–	10	10
Depreciation of property, plant and equipment	(1,989)	(63)	(2,052)
Depreciation of right-of-use assets	–	(2,136)	(2,136)
	<u> </u>	<u> </u>	<u> </u>

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment property and other non-current assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of property, plant and equipment.

4. OPERATING SEGMENT INFORMATION *(Continued)*

(b) Geographical information *(Continued)*

(i) Revenue from external customers

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
North America <i>(note 1)</i>	21,099	37,673
Western Europe		
– United Kingdom	112	1,523
– France	17	269
– Netherlands	–	457
– Others <i>(note 2)</i>	37	2,968
South America	–	663
Mainland China, People's Republic of China (the “PRC”) and Taiwan	–	1,429
Australia, New Zealand and Pacific Islands	–	501
Central America, Caribbean and Mexico	–	1,156
Others <i>(note 3)</i>	6,571	11,670
	<hr/>	<hr/>
Total	27,836	58,309
	<hr/>	<hr/>

Notes:

1. North America includes United States of America and Canada.
2. Others include Germany, Belgium, Italy, Czech Republic, Spain and Netherlands.
3. Others include Hong Kong, Africa, India, Japan, Korea, Israel, Saudi Arabia and Southeast Asia and South America.

(ii) Specified non-current assets

	At	At
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Mainland China, the PRC	18	288
Hong Kong	3,431	5,234
	<hr/>	<hr/>
Total	3,449	5,522
	<hr/>	<hr/>

4. OPERATING SEGMENT INFORMATION *(Continued)*

(c) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's revenue, is set out below:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A*	–	34,781
Customer B	6,475	–
Customer C	15,824	–
	<u> </u>	<u> </u>

* The customer contributed less than 10% of the Group's revenue during the period ended 30 September 2025.

5. REVENUE, OTHER INCOME, GAINS AND LOSSES

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts and provision of financial services. An analysis of revenue, other income and gains is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Manufacturing and sales of toys	22,492	47,765
Financial Services	5,344	10,544
	<u> </u>	<u> </u>
	27,836	58,309
	<u> </u>	<u> </u>
Other income, gains and (losses)		
Service income	108	3,055
Moulding income	–	(10)
Loss on disposal of subsidiaries	(590)	–
Interest income from bank deposits	501	606
Exchange gains, net	29	50
Others	267	355
	<u> </u>	<u> </u>
	315	4,056
	<u> </u>	<u> </u>

6. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings:		
– Promissory note	1,177	1,563
– Convertible note	970	814
	<u>2,147</u>	<u>2,377</u>
Interest on lease liabilities	127	98
	<u>2,274</u>	<u>2,475</u>

7. LOSS BEFORE INCOME TAX EXPENSE

The Group's loss before income tax expense is arrived at after charging:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	20,037	42,807
Depreciation of property, plant and equipment	351	2,052
Depreciation on right-of-use assets	1,875	2,136
Employee benefits expenses (including Directors' remuneration):	8,724	17,156
Wages and salaries	8,239	16,304
Contribution to defined contribution plan (<i>note</i>)	150	317
Other benefits	335	535
Auditor's remuneration	503	578
Expense relating to short-term leases	105	193

7. LOSS BEFORE INCOME TAX EXPENSE (Continued)

Note: The Group has arranged for its employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”) in Hong Kong, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% (30 September 2024: 5%) of the employees’ earnings as defined under the Mandatory Provident Fund legislation. Both the Group’s and the employees’ contributions were subject to a cap of HK\$1,500 (30 September 2024: HK\$1,500) and thereafter contributions are voluntary. Contributions to the MPF Scheme are recognised as an expense in profit or loss when the services are rendered by the employees. During the period ended 30 September 2025, the aggregate amount of the Group’s contributions to the aforementioned pension schemes was approximately HK\$150,000 (2024: HK\$317,000). As at 30 September 2025, the Group was not entitled to any forfeited contributions to reduce its contributions (2024: nil).

8. INCOME TAX EXPENSE

Hong Kong Profits Tax were calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million for the six months ended 30 September 2025 and 2024 respectively. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the locations in which the Group operates.

The major components of the income tax expense for the period are as follows:

	Six months ended	
	30 September	
	2025	2024
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Current – Hong Kong Profits Tax		
Charge for the period	–	–
Over-provision in prior years	–	(10)
	<hr/>	<hr/>
Income tax expense for the period	–	(10)
	<hr/> <hr/>	<hr/> <hr/>

8. INCOME TAX EXPENSE (Continued)

The income tax expense for the period can be reconciled to the loss before income tax expense per the condensed consolidated statement of comprehensive income as follows:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before income tax expense	(10,854)	(10,118)
Tax at the applicable tax rate of 16.5% (2024: 16.5%)	(1,791)	(1,669)
Tax effect of expenses not deductible for tax purposes	1,100	690
Tax effect of tax loss not recognised	691	1,031
Tax concession	–	(26)
Income tax expense	–	26

No deferred tax asset has been recognised in respect of the unused tax losses of HK\$263,107,000 (For the six months ended 30 September 2024: HK\$256,592,000) due to the unpredictability of future profit streams. The unused tax losses can be carried forward indefinitely.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to the owners of the Company	(10,783)	(10,230)
Number of shares	'000	'000
Weighted average number of ordinary shares for the purposes of basic loss per share	1,474,232	1,474,232

The calculation of basic loss per share attributable to the owners of the Company is based on the loss for the period ended 30 September 2025 of approximately HK\$10,783,000 (2024: HK\$10,230,000), and of the weighted average number of 1,474,232,000 (2024: 1,474,232,000) ordinary shares in issue during the period.

9. LOSS PER SHARE (Continued)

Diluted loss per share is the same as basic loss per share for the period ended 30 September 2025 (2024: same) as the impact of the potential dilutive ordinary shares outstanding has an anti-dilutive effect on the basic loss per share presented for the period ended 30 September 2025 (2024: anti-dilutive).

There is no dilutive effect on the convertible notes as they are anti-dilutive (2024: anti-dilutive).

10. PROPERTY, PLANT AND EQUIPMENT

	<i>HK\$'000</i>
Net book value:	
At 1 April 2025 (Audited)	391
Additions	27
Disposal of subsidiaries	(50)
Depreciation	(351)
	<hr/>
At 30 September 2025 (Unaudited)	17
	<hr/> <hr/>

11. INVENTORIES

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Raw materials	2,005	2,849
Finished goods	586	422
	<hr/>	<hr/>
	2,591	3,271
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12. TRADE RECEIVABLES

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Trade receivables from financial services segment	–	1,614
Trade receivables from manufacturing and sales of toys segment	16,056	744
	<hr/>	<hr/>
	16,056	2,358
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE RECEIVABLES (Continued)

Trade receivables from financial services segment

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Accounts receivable arising from the ordinary course of business of securities brokerage:		
– Cash clients	–	103
Accounts receivable arising from the ordinary course of business of provision of:		
– Advisory services	–	1,511
	–	1,614

Ageing analysis of trade receivables of the financial services segment based on due date and net of provision for impairment is as follows:

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Neither past due nor impaired	–	1,614
	–	1,614

The settlement terms of trade receivables from the business of securities brokerage are one or two days after the respective trade date.

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In the view of the fact that those receivables related to a number of diversified cash clients, clearing houses and issuer clients, the historical settlement track records of these clients and no significant increase in credit risk since initial recognition and the respective balance at the end of the reporting period, therefore, the directors of the Company considered the expected credit losses ("ECLs") of those balances was immaterial to be recognised for both period/year.

The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk.

12. TRADE RECEIVABLES (Continued)

Trade receivables from manufacturing and sales of toys segment

The credit period on sales of goods ranging from 30 to 90 days from the invoice date. An aged analysis of the trade receivables at the end of the reporting period, based on the invoice date and before impairment loss, is as follows:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Current to 30 days	5,425	691
31 – 60 days	3,150	53
61 – 90 days	2,476	–
Over 90 days	5,005	–
	<u>16,056</u>	<u>744</u>

In respect of trade receivables from manufacturing and sales of toys segment, these evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of the customers. The Group does not obtain collateral from customers.

Taking into account of the credit worthiness and reputation of the debtors, and recent market environment, the directors of the Company consider that the ECLs of trade receivables from the Toys Division was assessed to be immaterial.

13. TRADE PAYABLES

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Trade payables from financial services segment	–	63,368
Trade payables from manufacturing and sales of toys segment	11,623	2,757
	<u>11,623</u>	<u>66,125</u>

13. TRADE PAYABLES (Continued)

Trade payables from financial services segment

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Accounts payable arising from the ordinary course of business of securities brokerage and margin financing:		
– Cash clients	–	63,264
– Brokers and clearing house	–	104
	<u>–</u>	<u>104</u>
	<u>–</u>	<u>63,368</u>

The settlement terms of trade payable attributable to the business of securities brokerage are one to two days after the respective trade date.

As at the 30 September 2025, included in trade payable was nil (31 March 2025: HK\$63,264,000) payable to clients to other institutions in respect of trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities.

Trade payables from manufacturing and sales of toys segment

The Group normally obtains credit terms of ranging from 15 to 60 days from its suppliers. Trade payables are interest-free.

An aged analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	At 30 September 2025 <i>HK\$'000</i> (Unaudited)	At 31 March 2025 <i>HK\$'000</i> (Audited)
Current to 30 days	5,021	2,747
31 to 60 days	185	10
61 to 90 days	2,386	–
More than 90 days but less than 365 days	4,031	–
	<u>11,623</u>	<u>2,757</u>

14. SHARE CAPITAL

	Number of Shares	HK\$'000
Authorised:		
Ordinary Shares of US\$0.000025 each at 1 April 2025 (Audited) and at 30 September 2025 (Unaudited)	6,000,000,000	1,168
Issued and fully paid:		
Ordinary Shares of US\$0.000025 each at 1 April 2025 (Audited) and at 30 September 2025 (Unaudited)	1,474,232,000	287

15. EQUITY SETTLED SHARE-BASED PAYMENTS

There has been no changes in the Company's share option scheme, details of which are disclosed in the 2025 Annual Financial Statements. For the six months ended 30 September 2025 and 2024 respectively, there was no equity settled share-based payments incurred as all outstanding share options granted were fully vested before 31 March 2019.

Set out below are details of movements of the outstanding share options granted under the Share Option Scheme during the period ended 30 September 2025:

	Exercise Price (note 1)	Number of share options			Date of grant of share options	Exercisable periods of share options
		Balance as at	Lapsed	Balance as at		
		1 April 2025 (note 1)	during the period (note 4)	30 September 2025		
Executive Directors						
– Mr. Lau (note 2)	HK\$1.02	4,000,000	(4,000,000)	–	3 July 2015	3 July 2015 to 2 July 2025
– Poon Pak Ki, Eric	HK\$1.02	5,400,000	(5,400,000)	–	3 July 2015	3 July 2015 to 2 July 2025
	HK\$0.748	7,500,000	–	7,500,000	24 March 2016	24 March 2016 to 23 March 2026
– Chu, Raymond (note 3)	HK\$0.748	12,847,800	(12,847,800)	–	24 March 2016	24 March 2016 to 23 March 2026
– Hau Yiu Por	HK\$1.02	5,400,000	(5,400,000)	–	3 July 2015	3 July 2015 to 2 July 2025
	HK\$0.748	6,800,000	–	6,800,000	24 March 2016	24 March 2016 to 23 March 2026

15. EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

	Exercise Price <i>(note 1)</i>	Number of share options			Date of grant of share options	Exercisable periods of share options
		Balance as at	Lapsed	Balance as at		
		1 April 2025 <i>(note 1)</i>	during the period <i>(note 4)</i>	30 September 2025		
Executive Directors						
Tang Yuen Ching, Irene	HK\$1.02	600,000	(600,000)	–	3 July 2015	3 July 2015 to 2 July 2025
	HK\$0.748	600,000	–	600,000	24 March 2016	24 March 2016 to 23 March 2026
Non-executive Director						
– Madam Li <i>(note 2)</i>	HK\$1.02	1,400,000	(1,400,000)	–	3 July 2015	3 July 2015 to 2 July 2025
Independent Non-executive Directors						
– Leung Po Wing, Bowen Joseph	HK\$1.02	1,400,000	(1,400,000)	–	3 July 2015	3 July 2015 to 2 July 2025
	HK\$0.748	1,400,000	–	1,400,000	24 March 2016	24 March 2016 to 23 March 2026
– Chan Siu Wing, Raymond	HK\$1.02	1,400,000	(1,400,000)	–	3 July 2015	3 July 2015 to 2 July 2025
	HK\$0.748	1,400,000	–	1,400,000	24 March 2016	24 March 2016 to 23 March 2026
– Wong Wah On, Edward	HK\$0.748	1,400,000	–	1,400,000	24 March 2016	24 March 2016 to 23 March 2026
Employees						
	HK\$1.02	1,200,000	(1,200,000)	–	3 July 2015	3 July 2015 to 2 July 2025
	HK\$0.748	12,896,000	(11,696,000)	1,200,000	24 March 2016	24 March 2016 to 23 March 2026
Total		65,643,800	(45,343,800)	20,300,000		

15. EQUITY SETTLED SHARE-BASED PAYMENTS *(Continued)*

Notes:

1. Upon the share-division which became effective on 13 January 2016, pro-rata adjustments have been made to the exercise price and the number of outstanding share-options accordingly.
2. Mr. Lau Ho Ming, Peter and Madam Li Man Yee, Stella retired as executive Chairman and Non-executive Director respectively on 9 November 2023. Mr. Lau was appointed as a Senior Advisor to the Company on the same date and both Mr. Lau and Madam Li remains as directors of certain subsidiaries of the Company.
3. On 1 September 2025, Mr. Chu, Raymond resigned as executive Director of the Company.
4. On 3 July 2025, all outstanding share options granted on 3 July 2015 were lapsed upon the expiry of the Option Period as defined in the Share Option Scheme.

The exercise price of the share options granted on 24 March 2016 remained outstanding as at 30 September 2025 was HK\$0.748 and the weighted average remaining contractual life was 0.5 year (2024: 1.5 years). Of the total number of share options outstanding as at 30 September 2025 and 31 March 2025, no share options had not vested and were not exercisable.

16. DIVIDENDS

At the Board meeting held on 27 November 2025, the Directors did not propose an interim dividend for the Current Period (Previous Period: Nil).

BUSINESS REVIEW

For the Current Period, our Group's core business remained as the manufacture of toys operated under our wholly-owned subsidiary, Qualiman Industrial Co. Limited (the **"Toys Division"**) and the provision of financial services operated under Crosby Asia Limited (the **"Financial Services Division"**) up to 31 August 2025 and under the Company afterwards respectively.

The Toys Division

During the Current Period, our Toys Division was still navigating on a complex landscape marked by declining orders because of the market uncertainty attributable by significant shifts in global trade dynamics. The high U.S. tariffs also continued to reduce direct exports as well as the trade tensions caused supply chain fragmentation. Accordingly, the Toys Division attempted to diversify other markets opportunities such as Latin America, Eastern Europe, Middle East and Southeast Asia for further business potential. Meanwhile, it was also noted that there is rising demand trend in products for educational/STEM toys and the Toys Division may assess any potential in engaging appropriate business collaboration in developing such business opportunities.

The Financial Services Division

The Financial Services Division is divided into several business segments: 1) Institutional Business –Institutional Sales and Trading and Research; 2) Capital Markets focusing on both corporate finance and underwriting; 3) Wealth Management; and 4) Asset Management.

During the Current Period, the capital market sentiment was noted to comparatively improve against the Previous Period. Despite of the improved sentiment, the Financial Services Division still faced with strong challenges in maintaining a break-even status with reference to existing capital base, its business development potential and its consecutive losses incurred over the past years. Revenue for the Current Period still mainly generated from limited capital based business, namely investment advisory services.

Attributable to the market condition over the past years and taking into consideration of the business outlook of the financial services business and hence the absence of expected synergy from the acquisition of Ballas Group Limited in mid 2022, namely, to strengthen our Financial Services Division to provide more comprehensive financial services to our issuer clients and continue to maintain its competitiveness under the new regulatory environment arising from the consultation conclusions on the proposed code of conduct of bookbuilding and placing activities in the equity capital and debt capital markets, on 2 May 2025, the Group has entered into sale and purchase agreement to dispose its wholly-owned subsidiary, Ballas Group Limited and its wholly-owned subsidiary, Ballas Capital Limited, (**"Ballas Group"**) a licensed corporation carrying type 1 and type 6 regulated activities under the Securities Futures Ordinance (**"SFO"**) (under Chapter 571 of Hong Kong Law). The disposal of Ballas Group was completed on 3 July 2025. Such disposal did not constitute a notifiable transaction of the Company under the Listing Rule. Furthermore, the Group considered that it would be beneficial to dispose another

core operating entity of this division, Crosby Securities Limited (“**CSL**”), a wholly-owned subsidiary of the Company, a licensed corporation carrying type 1, type 4, type 6 and type 9 regulated activities under the SFO of this division by disposing the entire equity interest of Crosby Asia Limited, the immediate holding company of CSL, in order to alleviate the financial burden and improve the liquidity and capital usage efficiency of the Company. Details of this disposal can be referred to the announcement of the Company dated 6 June 2025 (the “**Announcement**”). As per the Announcement, the Company, as vendor, entered into a sale and purchase agreement for the disposal of the entire equity interest in Crosby Asia Limited, a wholly-owned subsidiary of the Company, together with its entire equity interest in Crosby Securities Limited, a wholly-owned subsidiary operated under the Financial Services Division to Emperor Capital Investment Holdings Limited, an independent third party (the “**CAL Disposal**”). On 31 August 2025, the Company has completed the CAL Disposal. Following the completion of the CAL Disposal, the Company continues to operate its financial services business by its wholly-owned subsidiary CAM Wealth Management Company Limited (formerly Crosby Asset Management (Hong Kong) Limited) (“**CAM**”), a licensed corporation carrying type 4 and type 9 regulated activities on the condition that it does not hold clients assets under the SFO.

The Company is further assessing its business strategy for the Financial Services Division in order to enhance the value of the Company as a whole. Please refer further details under the section “Event After Reporting Period”.

FINANCIAL REVIEW

Revenue

The Group’s revenue for the Current Period was approximately HK\$27.8 million, representing a decrease of approximately HK\$30.5 million or 52.3% as compared to the Group’s revenue of approximately HK\$58.3 million for the Previous Period.

The decrease in the Group’s revenue for the Current Period of approximately HK\$30.5 million was mainly attributable to the decrease in revenue from the Toys Division of approximately HK\$25.3 million, and a decrease in revenue of the Financial Services Division of approximately HK\$5.2 million, representing a decrease of approximately 52.9% and a decrease of approximately 49.5%, respectively, on a period-on-period basis.

The decrease in revenue of the Toys Division was mainly attributable to the decrease in orders placed by certain major customers from markets located in North America by approximately HK\$16.6 million, Western Europe by approximately HK\$5.1 million, and Central America, Caribbean and Mexico of approximately HK\$1.2 million compared with the Previous Period.

Revenue for the Financial Services Division for the Current Period was approximately HK\$5.3 million comparing to that of HK\$10.5 million in the Previous Period, representing a decrease of about 49.5% over the Previous Period. Such increase was mainly attributable to a decrease in revenue on investment advisory fee of approximately HK\$2.5 million, referral fee income of approximately HK\$1.3 million and brokerage commission of approximately HK\$0.4 million during the Current Period.

Gross Margin

The Group's gross margin of the Toys Division increased from approximately 10.4% in the Previous Period to approximately 10.9% in the Current Period. The gross profit of the Toys Division for the Current Period was approximately HK\$2.5 million, which decrease about HK\$2.5 million or 50.5% when compared with the Previous Period. Such decrease was mainly due to the decrease in sales to the major customers during the Current Period from the Toys Division.

Selling Expenses

Selling expenses for the Toys Division mainly consisted of transportation fees and declaration fees. During the Current Period, selling expenses for the Toys Division decreased by approximately HK\$0.4 million or 42.1% from approximately HK\$1.0 million for the Previous Period to approximately HK\$0.6 million for the Current Period. Such decrease was mainly due to decrease in sales orders for the Current Period as explained above.

Administrative Expenses

Administrative expenses mainly consisted of salaries to employees, depreciation on right-of-use assets, depreciation on property, plant and equipment, and other administrative expenses. Administrative expenses decreased by approximately HK\$10.1 million or 38.5% from approximately HK\$26.2 million for the Previous Period to approximately HK\$16.1 million for the Current Period as a result of a decrease in expenses related to staff cost to approximately HK\$8.4 million; decrease in depreciation expenses of property, plant and equipment of approximately HK\$0.6 million; and decrease in depreciation expenses of right-of-use assets of approximately HK\$0.3 million.

Other Income, Gains and Losses

During the Current Period, other income, gain and losses resulted in a decrease in overall gain of approximately HK\$0.3 million from an overall gain of approximately HK\$4.0 million for the Previous Period, representing a decrease in overall gain of approximately HK\$3.7 million or 92.2% during the Current Period. Such decrease was mainly attributable to decrease in service income arising from administrative support by the Financial Services Division of approximately HK\$3.0 million during the Current Period compared to approximately HK\$0.1 million in the Previous Period, and an increase in loss on disposal of subsidiaries of approximately HK\$0.6 million during the Current Period.

Finance Costs

Finance costs mainly consisted of interest on the Group's effective interest on the convertible note and promissory note issued by the Company and interest on lease liabilities resulting from adoption of HKFRS 16 Leases as set out in note 6 to the financial statements. Finance costs decreased by 8.1% to approximately HK\$2.3 million for the Current Period when compared with approximately HK\$2.5 million for the Previous Period. Such decrease was primarily due to a decrease in the interest of the promissory note issued by the Company to approximately HK\$1.2 million for the Current Period from approximately HK\$1.6 million in the Previous Period whereas offsetting by an increase in the effective interest of the convertible note issued by the Company to approximately HK\$0.2 million for the Current Period from approximately HK\$0.8 million in the Previous Period.

Income Tax

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Net Loss

Net loss of the Group amounts approximately HK\$10.9 million for the Current Period, representing comparatively the same on a period-on-period basis. Of which, it was mainly attributable:

- a decrease in revenue of Financial Services Division approximately HK\$5.2 million;
- a decrease in gross profit of approximately HK\$2.5 million attributable to the decrease in revenue of the Toys Division for the Current Period;
- a decrease in other income, gains and losses of about HK\$3.7 million as a result of decrease in office facilities service income of the Financial Services Division of approximately HK\$3.0 million during the Current Period from approximately HK\$0.1 million in the Previous Period, and increase in loss on disposal of subsidiaries of approximately HK\$0.6 million during the Current Period;
- a decrease selling in expenses of approximately HK\$0.4 million for the Current Period;
- a decrease in administrative expenses of about HK\$10.1 million as a result of (i) a decrease in expenses related to staff cost to approximately HK\$8.4 million; (ii) decrease in depreciation expenses of property, plant and equipment of approximately HK\$0.6 million; and (iii) decrease in depreciation expenses of right-of-use assets of approximately HK\$0.3 million; and
- a decrease in finance costs of approximately HK\$0.2 million for the Current Period attributable to the decrease in the interest of the promissory note issued by the Company.

Inventory

The inventory of the Group, comprising mainly inventory of the Toys Division, decreased by 20.8% to approximately HK\$2.6 million as at 30 September 2025 from approximately HK\$3.3 million as at 31 March 2025. The inventory turnover period, as calculated by dividing the average closing inventories by the cost of sales for the year/period and multiplied by 365 days/182.5 days, decreased by 64.0% from 74.2 days for the year ended 31 March 2025 to 26.7 days for the Current Period. Such decrease was mainly due to faster turnover rate during the Current Period.

Trade Receivables

Trade receivables from the Toys Division increased to approximately HK\$16.1 million as at 30 September 2025 from approximately HK\$0.7 million as at 31 March 2025, which was primarily due to the peak season of its business. The trade receivables turnover days, calculated as dividing the average closing trade receivables by the revenue for the period/year and multiplied by 182.5 days/365 days, was 68.2 days for the Current Period, as compared with 68.0 days for the year ended 31 March 2025. The increase in trade receivables turnover days during the Current Period as compared to the year ended 31 March 2025 was due to the peak season of the toy manufacturing business.

For the Financial Services Division, trade receivables mainly arose from dealing in securities on behalf of our cash clients and placing and investment advisory businesses. As at 30 September 2025, there was nil balance in trade receivables for this division when compared to approximately HK\$1.6 million as at 31 March 2025.

Trade Payables

Trade payables of the Toys Division decreased to approximately HK\$11.6 million as at 30 September 2025 when compared with approximately HK\$2.8 million as at 31 March 2025, representing an increase of approximately HK\$8.9 million or 321.6%, which was primarily due to the peak season of the toy manufacturing business.

The trade payables turnover days for the Toys Division for the Current Period, as calculated as dividing the average closing trade payables by the cost of sales for the period/year and multiplied by 182.5 days/365 days, were 65.5 days for Current Period as compared with 50.1 days for the year ended 31 March 2025.

Trade payables of the Financial Services Division were mainly payable to cash clients or the clearing house for settlement of trades or cash held on behalf of clients in their accounts. The settlement terms for such trade payable attributable to dealing in securities are typically one to two days after the trade date. As at 30 September 2025, there was nil balance in trade payables for this division, representing a decrease from approximately HK\$63.4 million as at 31 March 2025.

LIQUIDITY AND FINANCIAL RESOURCES

For the Current Period, the Group continued to maintain a prudent and cautious financial management approach towards its treasury policies and a healthy liquidity position. The Group strived to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board continued to closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

For the Current Period, the Group mainly financed its working capital by internal resources. On 15 May 2025, the maturity of the 2023 PN was extended to 16 May 2027 under mutual agreement between the noteholder and the Company. As at 30 September 2025, cash and cash equivalents of the Group amounted to approximately HK\$20.7 million (31 March 2025: HK\$25.6 million), representing a decrease in cash and cash equivalents of about HK\$4.9 million for the Current Period. There was no interest-bearing bank borrowings due as at 30 September 2025 (31 March 2025: nil). The debt to equity ratio of the Group, calculated as the ratio of the closing debt balance divided by the closing total equity of the period/year, decreased to approximately 87.4% (31 March 2025: 100%) as a result of the decrease in early redemptions of the promissory notes in June 2025. As at 30 September 2025, all available banking facilities were subject to floating interest rates. The current ratio of the Group, as calculated by total current assets over total current liabilities, was approximately 2.7 (31 March 2025: 1.8).

CONVERTIBLE NOTES

On 11 May 2020, the Company issued 6% convertible notes with a maturity of three years with principal value of HK\$40.0 million (the “**2020 CN**”), to redeem the remaining HK\$80.0 million in principal value of the convertible notes issued in 2017 by itself. On 16 May 2023, the Company issued 6% convertible notes with a maturity of three years in principal amounts of HK\$9.0 million (the “**2023 CN**”) and a 10.0% promissory note due 2026 in the principal amount of HK\$31.0 million (the “**2023 PN**”) to Benefit Global Limited, an independent third party, for redeeming the 2020 CN. Net proceeds of the HK\$9.0 million was raised under the 2023 CN.

As at the date of this announcement, the net proceeds of HK\$9.0 million from the 2023 CN have been used as follows:

	<i>HK\$ millions</i>
Partial redemption of the 2020 Convertible Notes	9.0
TOTAL	9.0

CHARGE ON ASSETS

As at 30 September 2025, the Group had no charge on assets (31 March 2025: Nil).

CONTINGENT LIABILITIES

As at 30 September 2025, the Group had no contingent liabilities (31 March 2025: Nil).

CAPITAL COMMITMENTS

As at 30 September 2025, there was no capital commitment of the Group (31 March 2025: Nil).

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company as at 30 September 2025 (31 March 2025: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed under the section “BUSINESS REVIEW” of the Financial Services Division on the disposal of the Ballas Group and the CAL Disposal, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies by the Group during the Current Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2025, the Group did not have any plans to acquire or dispose any material investments or capital assets.

FOREIGN CURRENCY EXPOSURES

Substantially all the transactions of the Company’s subsidiaries in Hong Kong are carried out in United States dollar (“USD”) and Hong Kong dollar (“HK\$”). As HK\$ is linked to USD, the Group does not have material exchange rate risk on such currency. During the Current Period, the Group did not enter into any deliverable forward contracts to manage the foreign currency risk arising from fluctuation in exchange rate of the RMB against the USD.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group had a total of 12 employees (31 March 2025: 36). Total staff costs were approximately HK\$8.7 million for the Current Period (2024: HK\$17.2 million).

Remuneration policies in respect of the Directors and senior management of the Group are reviewed regularly by the Remuneration Committee and the Directors, respectively. Remuneration packages of the Group were determined with reference to its remuneration policy based on position, duties and performance of the employees. Employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The performance appraisal cycle varies according to the positions of the employees. Performance appraisal of staff is conducted annually. The performance appraisal is supervised by respective executive Directors of the Group. The Company also adopted a share option scheme for the purpose of rewarding eligible participants for their contribution to the Group.

SHARE SCHEMES

The Company did not adopt any share award scheme during the Current Period and up to the date of this announcement.

Share Option Scheme

The Company adopted a share option scheme pursuant to a resolution in writing passed by the Shareholders on 3 January 2013 as incentives or rewards for eligible participants who contribute to the Group. The Share Option Scheme was valid and effective for a term of 10 years commencing on 3 January 2013 (i.e. the adoption date of the Share Option Scheme). As at 30 September 2025, there was no remaining life of the Share Option Scheme.

As at 30 September 2025, the number of shares that may be issued in respect of share options granted under the Share Option Scheme divided by the weighted average number of Shares in issue during the six months ended 30 September 2025 was approximately 1.4%.

For details of the Share Option Scheme, please refer to note 15 to the “Notes to Condensed Consolidated Financial Statement”. Save as the above, there has been no share options granted, exercised, lapsed and cancelled during the Current Period.

PROSPECTS

Under the current backdrop for the toys OEM business, it is crucial to navigate margin pressures and strategically adapt to the evolving global toy market to sustain growth. Namely, investing in developing proprietary IP or innovative product lines is likely to improve margins and hence moving beyond the status with low-margin manufacturing. Besides, to align production with high-growth demand for educational, sustainable, and tech-integrated toys would also be helpful for the business development of the Toys Division. Meanwhile, the persistent pressure from digital entertainment imposes intense competition to the traditional toys industry. In terms of the enhancing safety and environmental concern, the stricter global safety standards increase compliance costs as well. Accordingly, the Company will further assess the appropriate strategy for the Toys Division for its further business positioning and investment.

Apart from the above, following the CAL Disposal, in order to more efficiently deploy the financial resources of the Company, on 15 October 2025, the Company has further entered the CAM Disposal in view of its limited potential to contribute to the growth of the Group. Meanwhile, the Company is still carefully assessing other business opportunities in strengthening the profitability and value of the Group as a whole.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Current Period (Previous Period: Nil).

EVENT AFTER REPORTING PERIOD

On 15 October 2025, the Company as vendor, entered into a sale and purchase agreement for the disposal of the entire equity interest in CAM (“**CAM SPA**”), (the “**CAM Disposal**”). Completion of the CAM Disposal is pending for the fulfillment of relevant conditions precedent of the CAM SPA. As at date of this announcement, the CAM Disposal was not completed. The CAM Disposal did not constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

On 21 November 2025, the outstanding principal of the 2023 PN due 2027 was redeemed in full.

Saved for disclosed above and under the heading of “UPDATE ON DIRECTORS INFORMATION” on page 34 of this announcement, as at 30 September 2025 and up to the date of this announcement, there was no material subsequent event for the Group.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements and the interim report for the six months ended 30 September 2025 and discussed the financial related matters, including the accounting principles and practices adopted by the Group, with the management during the period under review. The Audit Committee was satisfied that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2025 have been prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2025.

CORPORATE GOVERNANCE

The Company adopted the Corporate Governance Code set out in Appendix C1 of the Listing Rules (the “**Code**”) as its own code of corporate governance practice. Throughout the interim period under review, the Company has complied with all applicable code provisions under the Code with the exception discussed herein below.

Code C.2.1

Pursuant to the code provision under the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. There has been no chief executive officer since the re-designation of Mr. Lau as the former Executive Chairman of the Company with effect from 25 November 2013. He ceased to act as the chief executive officer of the Group since then. The role of chief executive officer has been taken up by all executive Directors. The Directors believe such arrangement would achieve a better balance of power and responsibilities.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, all the Directors have complied with the required standard set out in the Model Code during the Current Period and up to the date of this announcement.

UPDATE ON DIRECTORS INFORMATION

Chairman and executive Director

Mr. Chu Raymond

Mr. Chu, Raymond resigned as chairman of the Board on 7 July 2025. On 1 September 2025, Mr. Chu resigned as executive Director and position held in all board committees of the Company.

Mr. Poon Pak Ki, Eric

On 7 July 2025, Mr. Poon Pak Ki, Eric was re-designated as the chairman of the Board.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND 2025/2026 INTERIM REPORT

This announcement is published on the website of the Stock Exchange and the Company at www.hkexnews.hk and www.quali-smart.com.hk respectively. The 2025/2026 interim report of the Company containing all information requiring by the Listing Rules will be published on the above websites and despatched to the Shareholders on or about mid-December 2025.

By order of the Board
Quali-Smart Holdings Limited
Poon Pak Ki, Eric
Chairman and Executive Director

Hong Kong, 27 November 2025

As at the date of this announcement, the Board comprises executive Directors of Mr. Poon Pak Ki, Eric (Chairman), Mr. Hau Yiu Por and Ms. Tang Yuen Ching, Irene; and independent non-executive Directors of Mr. Leung Po Wing, Bowen Joseph GBS, JP, Mr. Chan Siu Wing, Raymond, Mr. Wong Wah On, Edward and Ms. Yeung Wai Ling.