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CHINLINK INTERNATIONAL HOLDINGS LIMITED

普匯中金國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0997)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Chinlink International Holdings Limited (the “**Company**” or “**Chinlink**”) hereby announces the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2025 (the “**Period**”), together with the unaudited comparative figures for the corresponding period in 2024 (the “**Previous Period**”), as follows:–

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3A		
Services		25,461	31,362
Rental		9,391	11,320
Interest			
– Other interest revenue		880	1,743
Total revenue		35,732	44,425
Cost of sales		(12,243)	(14,908)

* *For identification purpose only*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)**

For the six months ended 30 September 2025

		Six months ended 30 September	
	<i>Notes</i>	2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Gross profit		23,489	29,517
Other income, gains and losses		(16,889)	(22,609)
Loss on fair value change of investment properties		(52,964)	(140,978)
Reversal of allowance/(allowance) under expected credit loss model, net		718	(11,359)
Selling and distribution costs		(2,078)	(3,399)
Administrative expenses		(22,877)	(24,533)
Finance costs	4	(58,329)	(81,484)
Loss before tax		(128,930)	(254,845)
Income tax credit	6	8,288	24,267
Loss for the period	5	(120,642)	(230,578)
Other comprehensive income/(expense)			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		30,476	56,804
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on equity investments at fair value through other comprehensive income, net of tax		(2,683)	(8,760)
Other comprehensive income for the period, net of income tax		27,793	48,044
Total comprehensive expense for the period		(92,849)	(182,534)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)**

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Loss for the period attributable to:			
– Owners of the company		(120,185)	(228,946)
– Non-controlling interests		(457)	(1,632)
		<u>(120,642)</u>	<u>(230,578)</u>
Total comprehensive expense for the period attributable to:			
– Owners of the company		(92,486)	(181,027)
– Non-controlling interests		(363)	(1,507)
		<u>(92,849)</u>	<u>(182,534)</u>
		HK cents	HK cents
LOSS PER SHARE			
Loss per share attributable to owners of the Company for the period:			
– Basic	7	(10.28)	(19.58)
– Diluted		<u>(10.28)</u>	<u>(19.58)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

	Notes	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		87,565	90,466
Right-of-use assets		9,920	12,436
Investment properties		2,295,087	2,302,012
Equity investment at fair value through other comprehensive income		36,987	39,670
Deposit paid for land auction		877	859
Financial assets at fair value through profit or loss		–	–
Deposits		1,683	1,676
		<u>2,432,119</u>	<u>2,447,119</u>
Current assets			
Properties under development for sale		618,751	602,218
Trade receivables	9	361	297
Trade receivables from related companies	9	1,188	1,165
Loan receivables	9	–	–
Factoring receivables	9	–	15,205
Other receivables, deposits and prepayments		29,575	31,800
Pledged bank deposits		21,772	21,305
Bank balances and cash		4,794	5,497
		<u>676,441</u>	<u>677,487</u>
Current liabilities			
Trade payables	10	673	661
Other payables and accruals		125,373	129,301
Loans from staff		733	718
Construction costs accruals		316,551	311,530
Receipts in advance		10,215	7,889
Lease liabilities		5,884	5,662
Contract liabilities		115,546	115,441
Deposits received from tenants and customers		9,780	22,712
Deferred income		20,696	9,830
Tax payable		7,213	6,260
Bank and other borrowings	11	1,571,624	529,914
6.5% coupon bonds		114,965	110,797
		<u>2,299,253</u>	<u>1,250,715</u>
Net current liabilities		<u>(1,622,812)</u>	<u>(573,228)</u>
Total assets less current liabilities		<u>809,307</u>	<u>1,873,891</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION **(CONTINUED)**

At 30 September 2025

	<i>Notes</i>	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
Non-current liabilities			
Deferred income		1,309	4,927
Amounts due to directors		63,265	55,098
Lease liabilities		5,080	7,925
Bank and other borrowings	<i>11</i>	140,981	1,111,445
Amounts due to related companies		89,812	86,952
Deferred tax liabilities		163,121	168,956
		463,568	1,435,303
		345,739	438,588
Capital and reserves			
Share capital	<i>12</i>	11,693	11,693
Reserves		329,657	422,143
Equity attributable to owners of the Company		341,350	433,836
Non-controlling interests		4,389	4,752
		345,739	438,588

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The presentation currency of the unaudited condensed consolidated financial statements is Hong Kong Dollar (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

Going concern basis

For the period ended 30 September 2025, the Group incurred a net loss for the period of approximately HK\$120,642,000. As of 30 September 2025, the Group had net current liabilities of approximately HK\$1,622,812,000, while its bank balances and cash amounted to approximately HK\$4,794,000 only as at 30 September 2025. In addition, the Group had outstanding borrowings and bonds of approximately HK\$1,571,624,000 and HK\$114,965,000 respectively which were repayable on demand or due for repayment or renewal in the next twelve months after 30 September 2025. The Group has defaulted in repayment of principals and interest of borrowings and bonds of approximately HK\$148,448,000 and HK\$80,401,000 respectively during six months ended 30 September 2025, as a result the carrying amounts of the defaulted borrowings and bonds of approximately HK\$1,230,696,000 and HK\$114,965,000 respectively as at 30 September 2025 were repayable on demand. The default of these borrowings and bonds triggered cross default of another borrowings, the carrying amounts of which were approximately HK\$38,335,000 as at 30 September 2025, which was originally due for repayment in January 2027 and August 2027. The bank and financial institutions are contractually entitled to request immediate repayment of the outstanding borrowings and bonds of approximately HK\$1,269,031,000 and HK\$114,965,000 respectively as at 30 September 2025. Further details are set out in Note 11 of this announcement. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

The directors of the Company have performed an assessment of the Group’s future liquidity and cash flows, taking into account the following matters:

- (i) the Group is seeking to accelerate the construction progress and thereby the preselling of the service apartments of the Phase Two Development (as defined below). The Phase Two Development project included two loft apartment towers, commercial corridor and underground parking lots. Construction works of the first loft apartment tower and the commercial corridor are scheduled to be completed next year. The proceeds arising therefrom will be used for settling the construction fees, repayment of existing loan facilities and general working capital;

- (ii) the Company has actively negotiated with banks and financial institutions to secure the renewals of the Group's bonds and borrowings to meet its liabilities when they fall due;
 - (a) the Group has requested extending the repayment of the defaulted principals and interests of the bank and other borrowings of approximately HK\$56,648,000 and HK\$57,236,000 respectively. The directors of the Company are confident in further extending the repayment of the principals of the bank and other borrowings taking into consideration the long-term relationship with the lenders. However, the extensions were subject to final approval by the lenders as of the date of these unaudited condensed consolidated financial statements.
 - (b) as of 30 September 2025, the Group has outstanding 6.5% coupon bonds with a carrying amount of approximately HK\$114,965,000, the Group has defaulted in repayment of the principals and interests of approximately HK\$91,800,000 and HK\$23,165,000. The Group has been actively engaged in discussions with the bondholders regarding the restructuring plan for these coupon bonds. The directors of the Company are confident that a mutually beneficial agreement will be reached. Negotiations are ongoing, and significant progress has been made towards finalising the terms of the restructuring.
- (iii) the Group has received written confirmation dated 28 November 2025 from Mr. Li, the ultimate controlling shareholder, that he will provide continuing financial support to the Group to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future, and agreed not to demand repayment of any of the amounts due to him by the Group in the next twelve months from the date of approval for issue of these unaudited condensed consolidated financial statements;
- (iv) the Group has taken measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flows from its operations;
- (v) the Group may consider to dispose non-core business and/or financial assets if required; and
- (vi) the Group is currently soliciting different sources of funds, including additional banking facilities to further support the Group's funding needs should the aforesaid operating cash inflows turned out to be less than forecasted.

The directors of the Company have considered the above measures and refinancing plans and believe that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future. On this basis, the unaudited condensed consolidated financial statements have been prepared on a going concern basis. However, should the above refinancing plans not be able to be implemented successfully, or the existing facilities provided by Mr. Li are no longer available to the Group, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively and to provide for any further liabilities which might arise.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2025.

Application of amendment to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendment to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 April 2025 for the preparation of the Company's unaudited condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendment to HKFRS Accounting Standards 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 unaudited condensed consolidated financial statements.

3A. REVENUE

Disaggregation of revenue from contract with customers

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Types of services:		
Revenue from property management services	25,461	30,947
Revenue from financial guarantee services and other financing services	<u>—</u>	<u>415</u>
Total revenue from contracts with customers	<u>25,461</u>	<u>31,362</u>
Add:		
Rental income under HKFRS 16	9,391	11,320
Interest income under HKFRS 9	<u>880</u>	<u>1,743</u>
Total revenue	<u>35,732</u>	<u>44,425</u>
Geographical markets:		
PRC	<u>25,461</u>	<u>31,362</u>
Total	<u>25,461</u>	<u>31,362</u>
Timing of revenue recognition:		
Over time	<u>25,461</u>	<u>31,362</u>
Total	<u>25,461</u>	<u>31,362</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information for the six months ended 30 September 2025 and 2024.

For the six months ended 30 September 2025				
Segment	Revenue disclosed in segment information HK\$'000 (unaudited)	Adjustment of rental income HK\$'000 (unaudited)	Adjustment of interest income HK\$'000 (unaudited)	Revenue from contracts with customers HK\$'000 (unaudited)
Property investment	34,852	(9,391)	–	25,461
Financial guarantee services and other financing services	880	–	(880)	–
Revenue for reportable segment	<u>35,732</u>	<u>(9,391)</u>	<u>(880)</u>	<u>25,461</u>
For the six months ended 30 September 2024				
Segment	Revenue disclosed in segment information HK\$'000 (unaudited)	Adjustment of rental income HK\$'000 (unaudited)	Adjustment of interest income HK\$'000 (unaudited)	Revenue from contracts with customers HK\$'000 (unaudited)
Property investment	42,267	(11,320)	–	30,947
Financial guarantee services and other financing services	2,158	–	(1,743)	415
Revenue for reportable segment	<u>44,425</u>	<u>(11,320)</u>	<u>(1,743)</u>	<u>31,362</u>

3B. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focus on the types of goods supplied and services provided by the Group.

The Group's operating and reportable segments under HKFRS 8 "Operating segments" are as follows:

- (i) Property investment – leasing of property and provision of property management services
- (ii) Financial guarantee services and other financing services – provision of corporate financial guarantee services, related consultancy services and other financing services

The revenue streams and results from these segments are the basis of the internal reports about components of the Group that are regularly reviewed by the CODM in order to allocate resources to segments and to assess their performance.

Money lending and factoring businesses are not separately reviewed by the CODM and therefore they are not separately presented.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

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

	Six months ended 30 September 2025		Six months ended 30 September 2024	
	Segment revenue <i>HK\$'000</i> (unaudited)	Segment profit/(loss) for the period <i>HK\$'000</i> (unaudited)	Segment revenue <i>HK\$'000</i> (unaudited)	Segment loss for the period <i>HK\$'000</i> (unaudited)
Property investment	34,852	(43,672)	42,267	(127,976)
Financial guarantee services and other financing services	<u>880</u>	<u>234</u>	<u>2,158</u>	<u>(11,843)</u>
Revenue and result for reportable segment	<u>35,732</u>	<u>(43,438)</u>	<u>44,425</u>	<u>(139,819)</u>

	Six months ended 30 September 2025	Six months ended 30 September 2024
	Segment profit/(loss)	Segment loss
	Segment revenue	Segment revenue
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Unallocated income, gains and losses	(16,889)	(22,609)
Unallocated allowance under expected credit loss model, net of reversal	–	(1)
Unallocated corporate expenses	(10,274)	(10,932)
Finance costs	<u>(58,329)</u>	<u>(81,484)</u>
Loss before tax	<u><u>(128,930)</u></u>	<u><u>(254,845)</u></u>

Segment profit/(loss) represents the profit earned by/ loss from each segment without allocation of unallocated income, gains and losses, unallocated allowance under expected credit loss model, net of reversal, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

4. FINANCE COSTS

	Six months ended 30 September 2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank and other borrowings	48,328	54,690
Interest expense on loan from staff	39	138
Interest expense on amount due to a director	1,661	1,661
Effective interest expense on 6.5% coupon bonds	4,168	4,820
Effective interest expense on 13.0% coupon bonds	–	10,236
Imputed interest expense from amount due to a director	208	815
Imputed interest expense from amounts due to related companies	3,522	8,207
Interest on lease liabilities	<u>403</u>	<u>917</u>
Total finance costs	<u><u>58,329</u></u>	<u><u>81,484</u></u>

There was no finance cost capitalised arisen on the general borrowing pool during the six months ended 30 September 2025 and 2024.

5. LOSS FOR THE PERIOD

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	4,570	4,665
Depreciation of right-of-use assets	2,678	2,703
Interest income included in other income, gains and losses	(79)	(141)
Net exchange loss included in other income, gains and losses	<u>20,998</u>	<u>31,765</u>

6. INCOME TAX CREDIT

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax expense:		
Hong Kong	—	—
PRC	<u>(825)</u>	<u>(1,242)</u>
	(825)	(1,242)
Deferred tax	<u>9,113</u>	<u>25,509</u>
	<u>8,288</u>	<u>24,267</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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 Group’s PRC subsidiaries is 25% except that the concessionary tax rate of 15% is applied to certain subsidiaries recognised as “Go-west” region development programme corporate which is entitled to apply the rate of 15%. The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every year.

7. 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 data:

Loss

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(120,185)</u>	<u>(228,946)</u>

Number of shares

	Six months ended 30 September	
	2025	2024
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>1,169,288</u>	<u>1,169,288</u>

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended 30 September 2025 and 2024 is determined by reference to the number of shares in issue during the periods.

During the six months ended 30 September 2025 and 2024, the computation of diluted loss per share does not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price of shares for both periods.

8. DIVIDEND

No dividend was paid, declared or proposed during the current and prior interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

9. TRADE RECEIVABLES, TRADE RECEIVABLES FROM RELATED COMPANIES, LOAN RECEIVABLES AND FACTORING RECEIVABLES

Trade receivables

The following is an aging analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date at the end of the reporting period:

	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
0 – 30 days	323	260
> 90 days	38	37
	<u>361</u>	<u>297</u>

Customers related to financial guarantee services are required to settle either on monthly instalments in arrear or upon signing of the financial guarantee services contracts or relevant consultancy services contracts.

Trade receivables from related companies

As at 30 September 2025, trade receivables from related companies of approximately HK\$1,188,000 (net the allowance for expected credit losses of approximately HK\$6,000) (31 March 2025: approximately HK\$1,165,000 (net the allowance for expected credit losses of approximately HK\$6,000)) were aged within 30 days based on the invoice date at the end of the reporting period.

Loan receivables

As at 30 September 2025, the gross amount of loan receivables of approximately HK\$46,498,000 (allowance for expected credit losses of approximately HK\$46,498,000) (31 March 2025: approximately HK\$52,007,000 (allowance for expected credit losses of approximately HK\$52,007,000)) represent the outstanding loan principals and accrued interest from independent third parties which are secured by collateral and carry interest at fixed rate 7.0% per annum (31 March 2025: 7.0% to 12.5% per annum).

The weighted average effective interest rate of the loan receivables is 7.0% per annum (31 March 2025: 7.0% per annum). All the loan receivables at both 30 September 2025 and 31 March 2025 are repayable within twelve months from the loan advance dates.

The Group's loan receivables balances are past due at 30 September 2025. There is allowance for expected credit losses of approximately HK\$46,498,000 included in the carrying amount of loan receivables as at 30 September 2025 (31 March 2025: HK\$52,007,000).

Factoring receivables

As at 30 September 2025, factoring receivables of approximately HK\$51,077,000 (net the allowance for expected credit losses of approximately HK\$51,077,000) (31 March 2025: approximately HK\$60,181,000 (net the allowance for expected credit losses of approximately HK\$44,976,000)) represent the outstanding loan principals and accrued interest from independent third parties which are secured by trade receivables of the counterparties and carry interest at fixed rates ranged from 2.0% to 6.0% per annum (31 March 2025: 2.0% to 6.0% per annum). The weighted average effective interest rate of the factoring receivables is 3.5% per annum (31 March 2025: 3.5% per annum).

The Group's factoring receivables as at 30 September 2025 are repayable within 12 months from the loan advance dates and past due. There is allowance for expected credit losses of approximately HK\$51,077,000 included in the carrying amount of factoring receivables as at 30 September 2025 (31 March 2025: HK\$44,976,000).

10. TRADE PAYABLES

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

	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
> 90 days	<u>673</u>	<u>661</u>

11. BANK AND OTHER BORROWINGS

	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
Bank borrowings, secured	1,198,302	1,151,730
Bank borrowings, unsecured	7,896	7,491
Other borrowings, secured	184,272	177,790
Other borrowings, unsecured	<u>322,135</u>	<u>304,348</u>
	<u>1,712,605</u>	<u>1,641,359</u>
Carrying amount of the above borrowings are repayable*		
– Within one year	317,876	295,381
– More than one year, but not exceeding two years	166,090	153,504
– More than two years, but not exceeding than five years	43,668	32,106
– More than five years	<u>935,399</u>	<u>925,835</u>
Sub-total	<u>1,463,033</u>	<u>1,406,826</u>
Carrying amount of the bank and other borrowings that contains a repayable on demand clause (shown under current liabilities) but repayable*		
– Within one year	93,737	111,994
– More than one year, but not exceeding two years	<u>155,835</u>	<u>122,539</u>
Sub-total	<u>249,572</u>	<u>234,533</u>
	1,712,605	1,641,359
Less: Amounts shown under non-current liabilities	<u>(140,981)</u>	<u>(1,111,445)</u>
Amount shown under current liabilities	1,571,624	529,914
Carrying amounts of bank loans that are repayable on demand that have loan defaults or breach of loan covenants (shown under current liabilities)	<u>(1,269,031)</u>	<u>(234,533)</u>
Amounts shown under current liabilities for the borrowings without loan defaults or breach of loan covenants	<u>302,593</u>	<u>295,381</u>

* The amounts due are based on scheduled repayable dates set out in loan agreements.

The ranges of effective interest rates per annum (which are also equal to contracted interest rates) on the Group's bank and other borrowings are as follows:

	30.9.2025 (unaudited)	31.3.2025 (audited)
Effective interest rate:		
Fixed-rate borrowings	4.00%-24.00%	4.00%-24.00%
Variable-rate borrowings	<u>6.30%</u>	<u>6.30%</u>

As at 30 September 2025, the variable-rate bank borrowing of approximately HK\$144,243,000 (31 March 2025: approximately HK\$136,426,000) is secured by the Group's property, plant and equipment with carrying value of approximately HK\$19,520,000 (31 March 2025: approximately HK\$19,658,000) and investment properties with fair value of approximately HK\$623,690,000 (31 March 2025: approximately HK\$621,147,000). The borrowing carries at variable-rate of 6.30% per annum (31 March 2025: 6.30% per annum) which is based on a rate fixed by People's Bank of China ("PBOC Rate") plus a premium per annum (31 March 2025: PBOC Rate plus a premium per annum).

As at 30 September 2025, the fixed-rate bank borrowings of approximately HK\$1,054,059,000 (31 March 2025: approximately HK\$1,015,304,000) are secured by equity interest of certain Group's wholly owned subsidiaries and the Group's certain investment properties with fair value of approximately HK\$1,671,397,000 (31 March 2025: approximately HK\$1,680,865,000). The borrowings carries at fixed-rates ranged from 5.00% to 5.08% per annum (31 March 2025: 5.00% to 5.80% per annum).

As at 30 September 2025, the remaining fixed-rate bank borrowings of approximately HK\$7,896,000 (31 March 2025: approximately HK\$7,491,000) are unsecured, carry interest at a fixed- rate of 5.50% per annum (31 March 2025: 5.50% per annum).

As at 30 September 2025, the other borrowings amounted to approximately HK\$184,272,000 (31 March 2025: approximately HK\$177,790,000) secured by equity interest of certain Group's wholly owned subsidiaries. The borrowings carry at fixed-rates which ranged from 6.50% to 10.61% per annum (31 March 2025: 6.50% to 10.61% per annum).

As at 30 September 2025, the remaining other borrowings of approximately HK\$322,135,000 (31 March 2025: approximately HK\$304,348,000) are unsecured, carry interest at fixed-rates ranged from 4.00% to 24.00% per annum (31 March 2025: 4.00% to 24.00% per annum).

The Group has bank borrowings and other borrowings of approximately HK\$144,243,000 and HK\$105,329,000 respectively that contains a repayable on demand clause (31 March 2025: approximately HK\$136,426,000 and HK\$98,107,000 respectively) which were included in the current liabilities.

The Group has defaulted in repayment of principals and interests of bank borrowing and other borrowings amounting to approximately HK\$56,648,000 and HK\$57,236,000 respectively during the period ended 30 September 2025, as a result the carrying amounts of the defaulted bank and other borrowings of approximately HK\$1,163,702,000 and HK\$66,994,000 respectively as at 30 September 2025 were repayable on demand. The default of these borrowings and bonds triggered cross default of another borrowings of approximately HK\$38,335,000 as at 30 September 2025, which was originally due for repayment in January 2027 and August 2027. As at 30 September 2025, The bank and financial institutions are contractually entitled to request immediate repayment of the outstanding bank and other borrowings of approximately HK\$1,163,702,000 and HK\$105,329,000 respectively as at 30 September 2025.

12. SHARE CAPITAL

	Number of shares	Nominal value HK\$'000 (unaudited)
Ordinary shares:		
Authorised ordinary shares		
At 1 April 2024, 31 March 2025 and 30 September 2025 of HK\$0.01 each	<u>62,500,000,000</u>	<u>625,000</u>
Issued and fully paid ordinary shares		
At 1 April 2024, 31 March 2025 and 30 September 2025 of HK\$0.01 each	<u>1,169,287,752</u>	<u>11,693</u>

13. CONTINGENT LIABILITIES

Outstanding litigation cases

On 29 October 2024, the Company received two sets of writ of summons together with statements of claim filed with the Court of First Instance of High Court of Hong Kong on 28 October 2024 by two bondholders of the 6.5% coupon bonds issued by the Company on 7 August 2019 as amended by three deeds of amendment dated 6 August 2020, 23 August 2021 and 12 August 2022 (the “**Plaintiffs**”) against the Company, among others, as the defendant.

In the statements of claim, it was alleged that as of 28 October 2024 the Company was indebted to the Plaintiffs, collectively, the total outstanding principal amounted to HK\$18,500,000.00 together with interest on such principal amount to be calculated from 6 August 2023 to the date of repayment.

The Plaintiffs are seeking from the Court to claim against the Company, among others: (i) the respective principal amounts as aforesaid; (ii) interests on such respective principal amounts from 6 August 2023 to the date of repayment; (iii) further and other reliefs; and (iv) the costs of litigation. The Company has duly sought legal advice with defence filed into court.

At 30 September 2025, the Group had contingent liabilities approximately HK\$22,100,000 in respect of the disputed claims against the Group for outstanding coupon bonds and service fees. The details of the claims as follows:

	30.9.2025 HK\$'000 (unaudited)
Outstanding 6.5% coupon bonds	21,500
Provision of service fees	<u>600</u>
	<u><u>22,100</u></u>

Details of the Group's contingent liabilities in respect of the disputed claims are set out in the Company's announcement dated 8 November 2024.

14. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had future minimum lease receivables under non-cancellable operating leases which fall due as follows:

As lessor

	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
Within one year	<u>4,296</u>	<u>4,013</u>

Operating lease income represents rental receivable by the Group for its leasing of retail shop, offices and car park.

15. CAPITAL COMMITMENTS

	30.9.2025 HK\$'000 (unaudited)	31.3.2025 HK\$'000 (audited)
Capital expenditure contracted for but not provided in connection with the investment properties under construction	<u>25,248</u>	<u>24,751</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Period under review, the Group recorded total revenue of HK\$35.7 million, representing a drop of 19.6% compared with the Previous Period. The net loss for the Period was HK\$120.6 million, a decrease of 47.7% compared to the Previous Period. The Group's revenue primarily came from property investment and financial services; however, both sectors experienced a decline during the Period. The decrease in revenue from property investments was mainly due to a drop in the average occupancy rate, coupled with the provision of extended rent-free periods and reduced rental rates as incentives to retain existing tenants and attract new ones.

The performance of the Daminggong Construction Materials and Furniture Shopping Centre (Dongsanhuan Branch)* (the “**Commercial Complex**”), a mega retail shopping mall specialising in selling interior decoration materials, home furnishings and furniture, and household appliances, continued to face notable challenges during the Period. The occupancy rate declined, while rental charges recorded a decrease as well. These trends mirror broader economic conditions in the People's Republic of China (the “**PRC**” or “**China**”) and the shift in consumer behaviour that have impacted the retail landscape.

The general economic environment in China during the Period was characterised by cautious consumer spending amidst a persistently depressed property market and rising unemployment. Although retail sales in China showed a year-on-year growth rate of 8.5% in the second quarter of 2025, the home furnishings sector struggled, with sales growth stagnating at around 2% during the same period. This indicates that while consumers increased spending, they did not spend much on home furnishings and renovation products. Since our clientele are wholesale and retail operators in these fields, they are all exposed to this unfavourable market trend. Hence, we have seen a wave of tenant turnover, which further contributes to the declining occupancy rate and lower rental rates in our shopping mall.

The pre-sale of the phase two development of the Commercial Complex (the “**Phase Two**”) was also dragged down by the market condition. The Phase Two included two loft apartment towers linked by a corridor of commercial space and underground parking lots. The construction works of the tower one and the adjacent commercial area originally expected to be completed by the first quarter of 2026 will likely be delayed to the third quarter of 2026.

In conclusion, while the general economic indicators for China suggest a mild rebound, our property investment business has yet to recover.

Additionally, considering the unfavourable credit market conditions both in China and Hong Kong, the Group has adopted a cautious approach to re-activating the financial services business in both markets.

* *For identification purposes only*

SEGMENTAL PERFORMANCE

Property Investment Business

The property investment business generated HK\$34.9 million in revenue in the Period, down HK\$7.4 million or 17.5% from the Previous Period of HK\$42.3 million. Rental and management services incomes for the Period from the Commercial Complex amounted to RMB32.0 million (equivalent to HK\$34.9 million) compared with RMB38.9 million (equivalent to HK\$42.3 million) in the Previous Period, a decline of 17.7%. The decrease in revenue was mainly due to a decline in the average occupancy rate and the provision of extended rent-free periods and reduced rental rates as incentives to retain existing tenants and attract new tenants.

Financial Guarantee Services and Other Financial Services Businesses

During the Period, the Group continued to provide financial guarantee and factoring services in China and money lending business in China and Hong Kong. Due to the unfavourable credit markets in China and Hong Kong, the Group's income from financial services in terms of fees and interest substantially shrank by 59.1% from HK\$2.2 million for the Previous Period to HK\$0.9 million because of the reduced portfolio size.

FINANCIAL REVIEW

Profitability Analysis

For the Period, the Group's unaudited consolidated revenue was HK\$35.7 million, reflecting a decrease of 19.6% from HK\$44.4 million in the Previous Period. Revenue contribution by segment comprised: property investment of HK\$34.9 million (Previous Period: HK\$42.3 million) and financial guarantee services and other financial services of HK\$0.9 million (Previous Period: HK\$2.2 million).

Gross profit for the Period decreased to HK\$23.5 million, down 20.3% from HK\$29.5 million in the Previous Period. Gross profit margin decreased slightly to 65.7% from 66.4% in the Previous Period.

The decrease in revenue and gross profit was mainly attributable to the drop in revenue from (i) financial guarantee and other financial services due to the reduced portfolio size and (ii) property investment business due to a decline in the average occupancy rate and the provision of extended rent-free periods and reduced rental rates as incentives to retain existing tenants and attract new tenants.

Other income, gains and losses recorded a loss of HK\$16.9 million (Previous Period: a loss of HK\$22.6 million) for the Period, mainly attributable to the exchange loss arising from the depreciation of HK\$ against RMB during the Period but partially offset by the adjustment to the carrying amounts of amounts due to related companies. Similarly, during the Previous Period, the loss was mainly attributable to the exchange loss arising from the depreciation of HK\$ against RMB but partially offset by the adjustment to the carrying amounts of amounts due to related companies.

The Group recorded a loss on fair value change of investment properties amounting to HK\$53.0 million (Previous Period: HK\$141.0 million) for the Period. It was mainly attributable to a fair value loss of the Commercial Complex and the logistics park project located in Hantai District, Hanzhong City, Shaanxi Province, the PRC (the “**Chinlink · Worldport**”) due to the sustained slump in the property market.

The Group recognized the reversal of allowance for expected credit loss, net of HK\$0.7 million (Previous Period: allowance of HK\$11.4 million) for the Period, which was attributable to the recovery of long-overdue loans and factoring receivables during the Period. In prior years, allowances for expected credit loss were made on long-overdue loans and factoring receivables as these customers of our financial services business encountered short-term cash flow difficulties. The Group has implemented certain measures to protect the interests of the Group, such as issuing reminders and warning letters to the customers, obtaining further collateral from the customers, closely monitoring the cash inflows from their receivables etc.

Administrative expenses which mainly comprised staff costs, travelling expenses, depreciation, legal and professional fee etc. amounted to HK\$22.9 million for the Period, representing a decrease of HK\$1.6 million compared with HK\$24.5 million of the Previous Period.

Finance costs amounted to HK\$58.3 million for the Period, representing a decrease of HK\$23.2 million compared with HK\$81.5 million in the Previous Period. The decrease was mainly due to the refinancing and restructuring of certain high-interest bank and other borrowings in early 2025.

For the Period, the Group recorded a loss of HK\$120.6 million (Previous Period: HK\$230.6 million) mainly due to (i) a drop in revenue from financial guarantee and other financial services and property investment businesses; and (ii) a substantial loss on the fair value change of investment properties due to the unfavourable conditions in the Chinese property and consumer market downturn and was partially compensated by the reversal of allowance under the expected credit loss model. The decrease in loss for the Period compared with the Previous Period was mainly due to the decrease in loss on the fair value change of investment properties and the decrease in finance costs.

Liquidity and Financial Resources

As at 30 September 2025, the bank balances and cash and pledged bank deposits amounted to HK\$26.6 million in total (31 March 2025: HK\$26.8 million), representing a slight decrease of HK\$0.2 million from that of 31 March 2025. The decrease was mainly due to daily operating expenses of the Group during the Period.

As at 30 September 2025, the bank and other borrowings of the Group which were mainly denominated in HK\$ and RMB amounted to HK\$1,712.6 million (31 March 2025: HK\$1,641.4 million), representing an increase of HK\$71.2 million from that of 31 March 2025, of which HK\$1,571.6 million and HK\$141.0 million would be repayable within one year and two to five years respectively.

Details of the major financing activities completed during the Period (some of which imposed specific performance obligations on the controlling shareholder of the Company which were subject to announcement disclosure under Rule 13.18 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and requirements of disclosure in this interim report under Rule 13.21 of the Listing Rules) were as follows:

6.5% Coupon Bonds

6.5% coupon bonds (the “**6.5% Coupon Bonds**”) with aggregate principal amount of HK\$200.0 million were issued in four tranches on 7 August 2019, 8 August 2019, 19 August 2019 and 6 September 2019. The 6.5% Coupon Bonds are secured by the equity interests in certain subsidiaries, repayable on the day falling on the first anniversary of the issue dates, interest bearing at 6.5% per annum and guaranteed by Mr. Li Weibin (“**Mr. Li**”) (the ultimate controlling shareholder and an executive director of the Company). During 2020, the 6.5% Coupon Bonds matured, of which HK\$41.5 million were redeemed by the Company and the remaining principal of HK\$158.5 million was extended for one year pursuant to the deed of amendment dated 6 August 2020.

On 23 August 2021, the Company and Mr. Li (as the guarantor), with the approval of the bondholders of the 6.5% Coupon Bonds, executed the second deed of amendment to amend certain terms and conditions of the bond instrument of the 6.5% Coupon Bonds, pursuant to which the maturity dates of the 6.5% Coupon Bonds were extended for 1 year and the Company can re-issue the 6.5% Coupon Bonds of up to HK\$140.0 million in aggregate. The maturity date of the new issue shall be the day falling on the first anniversary of the new issue dates. During the year ended 31 March 2022, the 6.5% Coupon Bonds with the principal amount of HK\$67.0 million were extended for 1 year and HK\$59.3 million were newly placed and issued. The proceeds from the new placing were used to refinance the existing borrowings. For details, please refer to the announcements of the Company dated 23 August 2021 and 30 September 2021.

The 6.5% Coupon Bonds matured in August 2022, of which HK\$28.5 million was redeemed by the Company and HK\$97.8 million was extended for two years pursuant to the third deed of amendment dated 12 August 2022. According to the third deed of amendment, the bondholders were granted an early redemption right to request early redemption of bonds on the first anniversary of the extension date. If the bondholders do not exercise such early redemption right, they shall receive a one-off additional fixed interest of 2% of the outstanding principal amount on the maturity date.

During the year ended 31 March 2024, the bondholders of the 6.5% Coupon Bonds with the principal amount of HK\$6.0 million exercised the early redemption right to request early redemption of bonds on the first anniversary of the extension date pursuant to the third deed of amendment dated 12 August 2022.

The 6.5% Coupon Bonds matured in August 2024 but were not settled. On 29 October 2024, the Company received two sets of writ of summons (the “**Writ**”) together with statements of claim (the “**SOC**”) filed with the Court of First Instance of High Court of Hong Kong on 28 October 2024 by two bondholders of the 6.5% Coupon Bonds (“**Plaintiff A**” and “**Plaintiff B**” respectively and the “**Plaintiffs**” collectively) against the Company, among others, as the defendant.

According to the SOC, Plaintiff A alleged that as at 28 October 2024 the Company was indebted to Plaintiff A and the total outstanding principal amounted to HK\$8,500,000.00 together with interest on such principal amount accruing from 6 August 2023 to the date of repayment.

According to the SOC, Plaintiff B alleged that as at 28 October 2024 the Company was indebted to Plaintiff B and the total outstanding principal amounted to HK\$10,000,000.00 together with interest on such principal amount accruing from 6 August 2023 to the date of repayment.

The Plaintiffs claim against the Company, among others:- (i) the respective principal amounts as aforesaid; (ii) interest on such respective principal amounts from 6 August 2023 to the date of repayment; (iii) further and other reliefs; and (iv) the costs of litigation. The Company has duly sought legal advice with defence filed into court.

As at 30 September 2025, the Group had net current liabilities of HK\$1,622.8 million (31 March 2025: HK\$573.2 million) and the current ratio of the Group which was calculated as the Group’s current assets over its current liabilities was 0.29 (31 March 2025: 0.54). The fallback in the current ratio was mainly due to the significant increase in current liabilities as a result of reclassification of certain liabilities which were non-current liabilities as at 31 March 2025 as current as they will be due within twelve months after 30 September 2025.

Share Capital

As at 30 September 2025, the authorised share capital and issued share capital of the Company were HK\$625.0 million and HK\$11.7 million respectively (31 March 2025: HK\$625.0 million and HK\$11.7 million respectively). There were no changes in the authorised share capital and issued share capital of the Company during the Period.

Gearing Ratio

The Group’s gearing ratio as at 30 September 2025 was 0.89 (31 March 2025: 0.86) which was calculated based on the Group’s total liabilities of HK\$2,762.8 million (31 March 2025: HK\$2,686.0 million) and total assets of HK\$3,108.6 million (31 March 2025: HK\$3,124.6 million).

Material Lending Transactions

As part of the normal course of business of the Group, the Group provided certain financial services to its customers, which included (i) the provision of various types of lending, for instance, factoring loans, entrusted loans, and other loans, etc.; and (ii) the provision of financial guarantee service. Details of the Group's lending business as at 30 September 2025 are as follows:

(i) Business model of the Group's lending business

As part of the normal course of businesses of the Group, the Group provided certain financial services to its customers through its subsidiaries which possessed relevant licences (including the money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the financing guarantee enterprise operation license in the PRC (中華人民共和國融資性擔保機構經營許可證)), which included (i) provision of various types of lending, for instance, factoring loans, entrusted loans, and other loans, etc.; and (ii) provision of financial guarantee service of which the Group agreed to guarantee the settlement by its customers of the obligation under the loan agreements entered into by its customers (as the borrowers) and the lenders.

Such financing services are generally provided to individual and corporate borrowers that have short-term funding needs. Except for the financial guarantee granted to customers who are applying for property mortgage loan which involved low-level of risk and insignificant amount, collateral and/or counter guarantee is/are generally requested. The Group's clientele is primarily acquired through business referrals from business partners or customers, introduction from the banks and the Group's management. Customers are enterprises engaged in various industries (including software development and information technology consultancy services, smart fire alarm system project, advertising design, management of apartments, property development, research and development and agency sales of energy-saving products, food and beverage and entertainment business, trading of construction materials and provision of landscaping engineering services, etc.) in the PRC, or individual who needs a short-term guarantee for application of property mortgage loan. The source of funds for the lending business and financial guarantee business was funded by the internal resources and net proceeds from the issuance of bonds of the Group in previous years. The Group has internal business unit and risk assessment unit to assess the risk level of each transaction.

(ii) Major terms of loans

The interest rates of the loans were ranging from 2.0% to 7.0% per annum and all of the loans as at 30 September 2025 had matured. All of the loan receivables as at 30 September 2025 were guaranteed by the legal representatives, shareholders of the customers and/or independent third party corporations, of which 81.9% were also secured by (i) operating income; (ii) the deforestation right owned by the customers; (iii) trade receivables and (iv) share pledge of the customers and its subsidiaries. As at 30 September 2025, HK\$97.6 million of the loan receivables were overdue. Expected credit loss of HK\$14.5 million was provided for the Period which net off with the reversal of expected credit loss of HK\$15.9 million. To reduce the risk of bad debt, the Group has implemented certain measures, such as issuing reminders and warning letters to the customers, obtaining further collateral (like share pledge of the customer or its subsidiaries) from the customers, closely monitoring the cash inflow from their receivables.

(iii) The size and diversity of customers

As at 30 September 2025, the Group had total loan receivables amounting to HK\$97.6 million and a summary of the customer diversity classified by the size of principal is as follows:

Principal range	Lending
	Number of customers/ (Total lending principal (HK\$))
Below HK\$10 million	9/(HK\$27.7 million)
HK\$10 million – HK\$20 million	4/(HK\$69.9 million)

The amounts of lending to the five largest customers (in aggregate) amounted to approximately HK\$79.1 million. They accounted for approximately 81.0% of the total loan receivables of the Group as at 30 September 2025.

In response to the challenging credit environment in China, the Group has temporarily ceased to acquire new financial guarantee businesses. Therefore, there were no guarantee sums provided by the Group to lenders as at 30 September 2025.

Impairment loss

For the Period, the Group recognized the reversal of loss allowance on loan receivables of approximately HK\$6.5 million and the loss allowance on factoring receivables of approximately HK\$5.2 million respectively under the expected credit loss (“ECL”) model.

Events and circumstances that lead to the Group’s recognition of impairment of its loans typically include (a) delays or defaults in settlement of loan interest or loan principal amounts by the borrower on due dates; and (b) existing or forecasted adverse changes in business, financial or economic conditions that are expected to significantly weaken the borrower’s ability to meet his/her debt obligations.

(i) Additional information on the impairment loss on loan receivables

Details of the reversal of loss allowance on loan receivables recognized for the six months ended 30 September 2025 are as follows:

No.	Name of Borrower	Reversal of loss allowance for the six months ended 30 September 2025 HK\$'000	Last maturity date	Gross carrying amount of loan receivables as 30 September 2025 HK\$'000	Gross carrying amount of loan receivables as 31 March 2025 HK\$'000	Net carrying amount of loan receivables as 30 September 2025 HK\$'000	Net carrying amount of loan receivables as 31 March 2025 HK\$'000
1	Shaanxi Gun Shi Xin Tian Di Cultural Investment Company Limited	(3,511)	2022-09-07	19,490	22,561	–	–
2	Shaanxi Long Yuan Landscaping Engineering Company Limited	(2,419)	2022-09-28	4,923	7,207	–	–
	Sub-total	(5,930)		24,413	29,768	–	–
	Other borrowers	(598)		22,085	22,239	–	–
	Total	<u>(6,528)</u>		<u>46,498</u>	<u>52,007</u>	<u>–</u>	<u>–</u>

(ii) Additional information on the impairment loss on factoring receivables

Details of the loss allowance/reversal of loss allowance on factoring receivables recognized for the six months ended 30 September 2025 are as follows:

No.	Name of Borrower	Loss allowance (reversal of loss allowance) for the six months ended 30 September 2025 HK\$'000	Last maturity date	Gross carrying amount of factoring receivables as 30 September 2025 HK\$'000	Gross carrying amount of factoring receivables as 31 March 2025 HK\$'000	Net carrying amount of factoring receivables as 30 September 2025 HK\$'000	Net carrying amount of factoring receivables as 31 March 2025 HK\$'000
1	Xi'an Dewantong Commercial Operation and Management Company Limited	(9,330)	2022-10-29	11,710	20,661	–	–
2	Xi'an Chuang De Technology Company Limited	44	2023-06-24	16,569	16,200	–	–
3	Company A	478	2024-03-06	627	614	–	470
4	Company B	365	2024-03-06	479	472	–	359
5	Company C	6,914	2024-06-15	9,198	9,401	–	7,188
6	Company D	6,706	2024-06-14	8,989	9,401	–	7,188
7	Company E	–	2022-10-29	1,069	1,048	–	–
	Sub-total	5,177		48,641	57,797	–	15,205
	Other borrowers	–		2,436	2,384	–	–
	Total	<u>5,177</u>		<u>51,077</u>	<u>60,181</u>	<u>–</u>	<u>15,205</u>

At the end of each month, overdue loan and factoring receivables are reviewed, prompting internal discussions on a case-by-case basis to determine appropriate recovery actions. This approach enables the Company to maximize recovery in a timely and effective manner.

The Group will continue to pursue recovery actions to facilitate timely collection of outstanding loans and factoring receivables. Recovery actions may include, but are not limited to issuing reminders and warning letters, securing additional collateral, closely monitoring cash inflows from receivables, and if necessary, the Company will initiate legal proceedings against borrowers to recover loan and factoring receivables.

Foreign Currency Exposure

The Group's revenue, expenses, major assets and liabilities are mainly denominated in HK\$, RMB and US\$. During the Period, the exchange rate of HK\$ to RMB depreciated slightly. As HK\$ is pegged to US\$, the directors of the Company (the **"Directors"**) assessed that the foreign currency risk of the Group was relatively low.

Contingent Liabilities and Charge on Assets

Save as disclosed in Note 13 of this announcement, the Group did not have any significant contingent liabilities.

As at 30 September 2025, the Group has pledged (i) bank deposits of HK\$21.8 million to certain banks as security in return for the banks' provision of loans to the Group's financial guarantee services customers; (ii) leasehold land and buildings with carrying value of HK\$19.5 million to secure obligations under finance leases and banking facilities; and (iii) certain investment properties with a fair value of HK\$2,295.1 million and equity interest in certain subsidiaries to secure obligations under certain bank and other borrowings, and the 6.5% Coupon Bonds.

Capital Commitments

As at 30 September 2025, the Group had capital commitments that were contracted but not yet provided for amounting to HK\$25.2 million in respect of the development of Chinlink • Worldport. Details of the commitments are set out in Note 15 of this announcement. The Group will fund the capital commitments through cash generated from operations, bank and other borrowings and borrowings from the controlling shareholder of the Company.

Events after the Reporting Period

There is no significant subsequent event after the Period.

INTERIM DIVIDEND

The board of Directors (the **"Board"**) did not declare the payment of interim dividend for the Period (Previous Period: Nil).

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

As at 30 September 2025, the Group had 9 employees in Hong Kong and 142 employees in China (31 March 2025: 11 employees in Hong Kong and 159 employees in China).

Employees are remunerated based on their performance and relevant work experience, taking into account the prevailing market conditions. Discretionary performance bonuses may be awarded to employees with reference to the financial performance of the Group. Other employee benefits include contributions to mandatory provident funds, medical insurance and professional development and training.

The Group is dedicated to fostering close working relationships with its customers and suppliers. Maintaining good relationships with its customers and suppliers is fundamental to the Group's operational performance and ongoing financial success.

PROSPECTS

China has just released its 15th five-year plan (the “**15th Five-year Plan**”) up to 2030, it aims to build a technologically advanced, self-reliant, and resilient nation that is powered by its own innovation and a robust domestic market. Its core focus is transition: from quantity to quality, from imitation to innovation, and from export-led growth to domestic-driven stability. Its success will determine whether China can escape the “middle-income trap”, overcome its severe demographic and economic headwinds, and compete with the West technologically amid the most challenging geopolitical and domestic environment it has faced in over 40 years.

It is widely held that China has already achieved global leadership in the areas of renewable energy, high-speed rail, electric vehicles and batteries, artificial intelligence, tele-communications and digital infrastructure, e-commerce and digital payments and logistics. etc. Besides, China is still rapidly catching up in semiconductors and quantum computing, biotechnology and space technology, in spite of immense pressure from the Western world to contain China's progress. The key drivers behind are the massive government support backed by long-term strategic planning and implementation strategies, such as “Made in China 2025” and the 15th Five-year Plan, strong tech-ecosystem and the enormous domestic market, making it possible to deploy technology at a massive scale. It is supported by a comprehensive manufacturing infrastructure and highly integrated supply chain.

However, one of the key factors for China to achieve the 15th Five-year Plan goals is its ability to mitigate the deep-rooted economic structural problems. First and foremost the property sector which once accounted for 25% of GDP, is still in a deep slump. How to resolve the massive debt of developers and local governments without triggering a financial crisis is the most challenging task. The property crisis is heavily linked to the weak consumer confidence. As the general Chinese public faces high household debt and job uncertainty, the property crash has made consumers cautious, hindering the shift to a “consumption-driven” economy, contrary to the 15th Five-year Plan objective.

The return of consumer confidence and a recovery of the property market in China are crucial to the Group's future business. As previously explained, the Group's investment property rental incomes and the pre-sale of Phase II were not satisfactory during the past few years, both of them are directly linked to the poor property market. In spite of the PRC central government's efforts to tackle the liquidity crisis of developers, reducing housing inventory and stimulating demand through various fiscal and monetary measures and administrative policies, the effects on the local levels are still not obvious. Property demand in the market where the Group operates is still low and prices are flat. The home buyers' confidence still has not returned, leading to further uncertain market demand for home furnishings and furniture which our Commercial Complex retail mall offers. Likewise, we would not expect a sudden upswing in the pre-sale of the Phase Two loft units because of the poor market condition.

We have achieved significant results in collection of the financing guarantee receivables during the Period. Such efforts will continue to safeguard the Group's asset base. The Group will remain not engaging in any new financing guarantee business in China or money lending business in Hong Kong until any substantial improvement in the credit markets.

The Group is still working hard on the transformation of the Chinlink • Worldport in Hanzhong to a traditional Chinese Medicine (TCM) and agriculture products integrated distribution hub. Details of the plan will be separately reported once finalised.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company applied the principles of, and complied with all code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules except for the following deviation.

Code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li is both the Chairman and the Managing Director of the Company (the Company regards the role of its Managing Director to be the same as that of chief executive under the CG Code). The Board considered that the non-segregation would not result in excessive concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the relevant employees. Having made specific enquiry of the Directors, all the Directors confirmed that they complied with the required standards as set out in the Model Code during the Period.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules.

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Ms. Lai Ka Fung, May, Dr. Ho Chung Tai, Raymond and Ms. Chan Sim Ling, Irene and one non-executive Director, namely Mr. Kwok Chi Lap. Ms. Lai Ka Fung, May is the chairman of the Audit Committee. The majority of the members of the Audit Committee are independent non-executive Directors. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the risk management and internal control systems and financial reporting matters and made recommendations to the Board. The Audit Committee has also reviewed the unaudited condensed consolidated financial statements of the Group for the Period.

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 Period.

APPRECIATION

The Board would like to express its sincere appreciation to all the Group’s investors, customers, partners and shareholders for their continuing support and would like to thank the staff of the Group for their invaluable contribution to the Group.

PUBLICATION OF INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chinlinkint.com>).

The interim report of the Company for the Period containing all information required by the Listing Rules will be dispatched to the shareholders of the Company as well as being made available on the aforesaid websites in due course.

By Order of the Board
Chinlink International Holdings Limited
Li Weibin
Chairman

Hong Kong, 28 November 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Weibin and Mr. Siu Wai Yip; a non-executive Director, namely Mr. Kwok Chi Lap; and three independent non-executive Directors, namely Dr. Ho Chung Tai, Raymond, Ms. Lai Ka Fung, May and Ms. Chan Sim Ling, Irene.