



CHERISH SUNSHINE INTERNATIONAL LIMITED

承輝國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)



2025

INTERIM REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Yang Hua (*Joint Chairman and Chief Executive*) DBE

Mr. Zhou Xiangtao (*Joint Chairman*) MBA
(*resigned on 17 November 2025*)

Mr. Sze Kam Shing, Alan CFA, CPA, MFin

Non-executive Director

Mr. Ng Siu Hong EMBA
(*appointed on 17 November 2025*)

Independent Non-executive Directors

Ms. Deng Hua, LL.M, LL.B

Mr. Zhao Zhijiao (*Joint Chairman*), BSc
(*appointed as joint chairman on 17 November 2025*)

Mr. He Zhi, CPA (PRC)

BOARD COMMITTEES

Audit Committee

Mr. He Zhi (*Chairman*)
Ms. Deng Hua
Mr. Zhao Zhijiao

Remuneration Committee

Ms. Deng Hua (*Chairman*)
Mr. Zhao Zhijiao
Mr. He Zhi

Nomination Committee

Ms. Deng Hua (*Chairman*)
Mr. Zhao Zhijiao
Mr. He Zhi

AUTHORISED REPRESENTATIVES

Mr. Sze Kam Shing, Alan (*as to Listing Rules*)
Mr. Lau Man Kit
(*as to Companies Ordinance*)

COMPANY SECRETARY

Mr. Sze Kam Shing, Alan

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services
(Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Yuhang Street, Yuhang District
Hangzhou, Zhejiang Province
PRC

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 28 Connaught Road West
Sheung Wan, Hong Kong

AUDITOR

Crowe (HK) CPA Limited
*(Certified Public Accountants and
Registered Public Interest Entity Auditor)*

LEGAL ADVISERS

As to Hong Kong law
Chiu & Partners

As to Bermuda law
Conyers Dill & Pearman

PRINCIPAL BANKERS

Hang Seng Bank Limited
Wuhan Rural Commercial Bank

STOCK CODE

1094

WEBSITE

www.sunshine1094.com

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

For the six months ended 30 September 2025 (the “**Period**”), Cherish Sunshine International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) recorded a total revenue of approximately HK\$33.6 million, representing a decrease of approximately 59.4% as compared with the revenue of approximately HK\$82.8 million recorded for the six-month period ended 30 September 2024 (the “**Corresponding Prior Period**”). The decrease is mainly due to economic slowdown and more stringent budget in procurement of our customers during the Period.

Procurement business has been one of the Group’s major businesses for over 10 years. With continuing and established customer relationship with government authorities and large corporations, the Group’s procurement and information technology (“**IT**”) business contributed approximately 73.1% of the Group’s gross profit for the Period. Another significant business segment of the Group is rental business, which contributed approximately 22.2% of the Group’s gross profit for the Period.

During the Period, the Group continues to pursue the goals of promoting sustainability and environmental protection. In response to the People’s Republic of China (the “**PRC**”) Central Government’s promotion of carbon peak by 2030 and carbon neutrality by 2060, the Group promoted sustainability and environmental protection by providing energy management contracting services to customers. The management considers this as a high growth potential business in the next few years.

Provision of procurement services and other IT services

During the Period, the Group recorded a revenue of approximately HK\$10.2 million for provision of procurement services and other IT services, representing a decrease of approximately 79.9% as compared to the Corresponding Prior Period. The revenue from the Group’s provision of procurement services contributed approximately HK\$3.8 million to the total revenue of this segment, representing a decrease of approximately 90.8% as compared to Correspondence Prior Period. The decrease is mainly due to the completion of two significant Engineering, Procurement and Construction (“**EPC**”) projects which recognised revenue in the Corresponding Prior Period. Market competition keeps on keen. The number of projects that can generate income to the Group has decreased significantly. Only small projects have been completed and contributed revenue to this sub-segment. The Group expects to invest more resources to seize more market share under the keen market competition. The IT services

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contributed approximately HK\$6.4 million to the total revenue of this segment, representing a decrease of approximately 34.5% as compared to Correspondence Prior Period, mainly due to the decrease in revenue from platform license, IT maintenance and consultancy services. The Group believes the IT business segment will improve when domestic software products are launched in the mid of 2025 to replace foreign technology based IT softwares of the existing customers.

Trading business

The trading revenue increased by approximately HK\$593,000 during the Period, representing a slight increase of approximately 3.1% as compared to the Corresponding Prior Period. The profit margins of the trading business have been thin in the previous years, and the Group also recorded a slight loss during the Period due to impairment loss of trade receivables. The management believes that this segment should be scaled down in favor of focusing on other more profitable businesses.

Rental income

During the Period, the rental income of the Group decreased by approximately 67.6% to HK\$2.9 million as compared with HK\$9.1 million for the Corresponding Prior Period. The reason for the decrease is that, in early 2025, the Group entered into an operation agreement with a lease contractor which has exclusive rights to operate lease business of the investment property of the Group for 5 years.

Under such operation agreement, in each lease period, the Group would receive a fixed fee. While such fixed fee is generally lower than annual rental income which may be generated by the Group should the Group operate the leasing of its investment property on its own, the Group believes that the arrangements under the operation agreement would enable the Group to save more operating cost in its lease business and provide a steady cash inflow to the Group.

Provision of energy management contracting services

The provision of the energy management contracting services recorded a revenue of approximately HK\$753,000 during the Period, representing a decrease of approximately 81.3% as compared to the Corresponding Prior Period. The decrease is mainly due to the completion of certain contracting services in the Corresponding Prior Period. In order to maintain the business size, the management has strived to fight for new service contracts and has been receiving positive feedbacks so far.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL REVIEW

Operational Performance

1. *Revenue*

Revenue for the Period was HK\$33,592,000, representing a decrease of HK\$49,184,000 or 59.4% as compared to HK\$82,776,000 for the Corresponding Prior Period.

The revenue for the Period included (i) provision of procurement services and other IT services of HK\$10,158,000, accounting for 30.2% of the total revenue (six months ended 30 September 2024: HK\$50,526,000, 61.0%); (ii) revenue from trading business of HK\$19,734,000, accounting for 58.8% of the total revenue (six months ended 30 September 2024: HK\$19,141,000, 23.1%); (iii) rental income of HK\$2,947,000, accounting for 8.8% of the total revenue (six months ended 30 September 2024: HK\$9,091,000, 11.0%); and (iv) revenue from energy management contracting business of HK\$753,000, accounting for 2.2% of the total revenue (six months ended 30 September 2024: HK\$4,018,000, 4.9%).

2. *Cost of sales and services rendered*

Cost of sales and services rendered for the Period was HK\$23,282,000 (six months ended 30 September 2024: HK\$61,062,000). Decrease in revenue leads to a reduction of the cost of sales and services rendered. The costs mainly included material costs for trading sector, operating costs for lease business and the consumption of technical and human resources for contracts in segments of provision of procurement services and other IT services and energy management contracting business.

3. *Gross profit*

Gross profit for the Period was HK\$10,310,000 (six months ended 30 September 2024: HK\$21,714,000), whereas the gross profit margin for the Period was 30.7%, representing an increase of 4.5 percentage points as compared to the gross profit margin of 26.2% for the Corresponding Prior Period.

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The increase in gross profit margin was mainly attributable to the decreased proportion of revenue generated from the provision of procurement services associated with the new energy EPC projects, which, in line with industry norms, typically have a lower profit margins. The decreased proportion of this sector therefore caused the increase in overall profit margin in spite of the decrease in profits in absolute value.

4. *Other income and gains/(losses)*

The other income and gains/(losses) mainly comprised government grants and exchange gain. For the Period, the account balance was a gain of HK\$1,518,000, as compared to a gain of HK\$659,000 for the Corresponding Prior Period. Such change is mainly due to the increase in reversal of provision for a litigation of approximately HK\$748,000. Detail of which is further set out in the section headed "Litigations and contingent liabilities".

5. *Administrative expenses*

The administrative expenses for the Period was HK\$19,178,000 (six months ended 30 September 2024: HK\$18,921,000). The administrative expenses mainly comprised staff cost, legal and other professional fees, depreciation for property, plant and equipment and right-of-use assets and general office expenses. Due to implementation of costs control, the administrative expenses had been maintained at a lower level similar to that of the Corresponding Prior Period. The management would continue to execute of more stringent costs controlling measures on certain operational expenses and re-organisation of human resources.

6. *Impairment loss for trade and other receivable and contract assets*

During the Period, the Group undertook extensive efforts to recover outstanding debts, demonstrating a commitment to engage in sustained good-faith negotiations with debtors.

Despite these efforts, the financial difficulties encountered by these debtors, particularly those within the photovoltaic power sector, have substantially hindered recovery initiatives. During the Period, 46 customers are conducting business in photovoltaic power industry.

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The photovoltaic industry in the PRC is facing unprecedented challenges, exacerbated by significant economic downturns and ongoing market-oriented pricing reforms. These factors have led to a substantial decline in profitability for many enterprises, straining their financial stability and impeding their ability to maintain healthy cash flow. Consequently, this environment has not only affected the debtors' operational capabilities but has also disrupted the overall cash flow chain within the industry. During the Period, management of the Group became aware of the following:

- i) There was a significant oversupply issue resulting in intense price competition and increased inventory levels. Leading companies in the photovoltaic industry, such as LONGi Green Energy Technology Company Limited, experienced significant performance deterioration in 2024, revenue declining from approximately RMB129.5 billion in 2023 to approximately RMB82.6 billion, and profit before tax shifting from approximately RMB12.0 billion to loss before tax of approximately RMB10.2 billion, partly due to insufficient market demand to absorb excess capacity, leading to inventory accumulation and financial pressure. For the first three quarter of 2025, its revenue only reached to approximately RMB50 billion and loss after tax is approximately RMB0.8 billion. Similarly, another leading company, Trina Solar Co., Ltd. decreased from approximately RMB113.4 billion in 2023 to approximately RMB80.3 billion in 2024, with profit before tax turning from approximately RMB6.5 billion to loss before tax of approximately RMB3.7 billion. For the first three quarters of 2025, it recorded revenue of RMB50 billion and net profits of RMB4.1 billion. These trends indicate structural issues in the industry, as insufficient demand fails to resolve the oversupply issue in 2025, and intense price competition is expected to persist.
- ii) New regulatory policies – 《分佈式光伏發電開發建設管理辦法》 (“Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation”) and 《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》 (“Notice on Deepening Market-Oriented Reform of Renewable Energy Feed-in Tariffs to Promote the High-Quality Development of Renewable Energy”) (collectively the “**New Regulations**”) were released on 7 January 2025 and 27 January 2025 respectively. After the New Regulations took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Regulations, the electricity price for surplus electricity will be linked to the spot market, potentially reducing the profitability of the photovoltaic industry.

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As a result, the anticipated recovery timelines have extended beyond initial expectations. Recognising these circumstances, the Group has remained proactive in its approach, allocating resources to understand and adapt to the evolving landscape. The Group's commitment to finding viable solutions reflects its dedication to preserving its financial interests while navigating the complexities of the current market environment. Legal action will only be considered as a last resort, and solely in cases where the anticipated recoverable amount justifies the associated legal costs, ensuring that the interests of the Group and its shareholders are safeguarded. The Group maintains active dialogue with the debtors to explore all viable avenues for recovery.

To reflect a fair impairment assessment, the Group evaluate the outstanding balances in trade and other receivables, The expected loss calculation has been made using provision matrix approach, by reference to the expected loss rates which are based on actual loss experience over the past 2 years. The calculation reflects the probability-weighted outcome of expected credit losses and is adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and also forward-looking information including the Group's view of economic conditions over the expected lives of the receivables. The Group has recognised net impairment losses of approximately HK\$1,488,000 for trade receivables, and HK\$5,694,000 for other receivable and reversal of impairment loss of approximately HK\$501,000 for contract assets.

Moving forward, the Group is unwavering in its resolve to explore every reasonable commercial avenue for debt recovery. While it will prioritize negotiated settlements wherever feasible, legal action will only be considered as a last resort, strictly in cases where the anticipated recoverable amount justifies the associated legal costs. The Group continues to maintain open lines of communication with debtors, reflecting a collaborative approach aimed at exploring all possible avenues for recovery while safeguarding the interests of the Group and its shareholders.

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7. Fair value (loss)/gain on investment properties

Based on the valuation report prepared by Valplus Consulting Limited, an independent professional valuer, the Group assessed the fair value of its investment properties in the PRC using income capitalisation approach at the end of the reporting period which is the approach consistent with last period. Considering internal sublease contract, the local market condition and data research, its fair value at the end of the reporting period is dropped to approximately HK\$157,389,000. The Group recognised a fair value loss on investment properties of approximately HK\$21,328,000. This loss exerted significant pressure on the Group's financial performance for the Period.

8. Finance costs

Finance costs for the Period was HK\$4,413,000 as compared to HK\$3,289,000 for the Corresponding Prior Period. Such increase was mainly due to the increase in interest payment to bank and other borrowings for the Period.

9. Income tax credit

Income tax credit for the Period amounted to HK\$5,168,000 (six months ended 30 September 2024: HK\$77,000). Tax credit made for the Period mainly represented a reversal of deferred taxation on land appreciation tax of the Group's investment properties located in Wuhan, Hubei Province, the PRC, such tax credit made was due to a significant drop in fair value of the investment properties.

10. (Loss)/profit for the Period

Loss for the Period amounted to HK\$32,895,000 as compared to the profit of HK\$2,323,000 for the Corresponding Prior Period. The loss generated for the Period was mainly due to the reduction of gross profits generated from businesses, increase in impairment losses for trade and other receivables and fair value loss on investment properties. Comparing with the Corresponding Prior Period, profit dropped as the fair value of investment properties significantly declined in the Period and impairment on the Group's trade and other receivables were made for the Period.

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Financial Position

1. *Liquidity and capital structure*

As at 30 September 2025, the Group had restricted bank deposits of approximately HK\$2,350,000 (31 March 2025: HK\$2,062,000) and cash and cash equivalents of approximately HK\$13,896,000 (31 March 2025: HK\$19,367,000). As at 30 September 2025, cash, bank deposits and restricted bank deposits of the Group mentioned above totally approximately HK\$16,246,000 (31 March 2025: HK\$21,429,000) of which HK\$3,094,000 (31 March 2025: HK\$5,665,000) were denominated in RMB. The total assets of the Group amounted to approximately HK\$508,061,000 (31 March 2025: HK\$538,006,000), the total equity amounted to approximately HK\$166,216,000 (31 March 2025: HK\$193,036,000), the total liabilities amounted to approximately HK\$341,845,000 (31 March 2025: HK\$344,970,000). The assets-liabilities ratio (total assets over total liabilities) was 1.49:1 (31 March 2025: 1.56:1), the current ratio (current assets over current liabilities) was 0.76:1 (31 March 2025: 0.79:1) and the gearing ratio (total bank and other borrowings and convertible bonds over total equity) was 1.04:1 (31 March 2025: 0.89:1).

2. *Funding and treasury policies*

The Group's funding and treasury policies aim to ensure that it has adequate financial resources to support its businesses and investment activities, while managing its financial risks in a prudent and efficient manner. The Group maintains a diversified funding base and manages its financial risks, including interest rate risk and foreign exchange risk, through the use of financial instruments and risk management strategies. The Group also seeks to maintain a healthy balance sheet and strong liquidity position to enhance its financial flexibility and resilience.

MANAGEMENT DISCUSSION AND ANALYSIS

3. *Structure of bank and other borrowings*

As at 30 September 2025, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$134,203,000 (31 March 2025: HK\$131,714,000) and the Group's interest-free other borrowings amounted to approximately HK\$14,696,000 (31 March 2025: HK\$15,579,000). As at 30 September 2025, all of the abovementioned bank and other borrowings were denominated in RMB (31 March 2025: all denominated in RMB). As at 30 September 2025, bank and other borrowings of approximately HK\$147,950,000 were wholly repayable within one year or on demand (31 March 2025: HK\$146,363,000).

As at 30 September 2025, interest-bearing bank borrowings with principal amounts of HK\$68,823,000 were arranged at effective interest rates of 4.73% per annum which are at 1-Year Loan Prime Rate ("**LPR**") quoted by National Interbank Funding Centre plus 1.5% per annum. Except for the portion of bank borrowings of approximately HK\$19,664,000 with a fixed 1-Year LPR adopted throughout the loan period, the 1-Year LPR of the remaining portion of bank borrowings of approximately HK\$49,159,000 shall be adjusted at the anniversary of the respective loan drawdown dates. In addition, all the interest-bearing bank borrowings were secured by a charge over the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network Technology Limited ("**Gongcai Network**"), a wholly-owned subsidiary of the Company. Furthermore, such facilities were also guaranteed without fee by Ms. Liu Luoxiu ("**Ms. Liu**") and Mr. Zou Yuwen ("**Mr. Zou**", the spouse of Ms. Liu), whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% of the Company's issued ordinary shares as at 30 September 2025. Given that the Group's investment properties are currently seized by a court in the PRC under a litigation which a subsidiary of the Company is a defendant, the relevant bank, as a lender, could exercise its right to demand the Group to repay bank borrowing immediately. Hence, the whole principal amount of approximately HK\$68,823,000 is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 30 September 2025. Furthermore, an interest-bearing bank borrowing with principal

MANAGEMENT DISCUSSION AND ANALYSIS

amount of approximately HK\$46,919,000 was arranged at effective interest rate ranging from 4.6% to 6.5% per annum, repayable within one year and secured by certain properties in the PRC and guaranteed without fee by a son of Ms. Liu and Mr. Zou without any security. Since the Group has defaulted a repayment of partial principal loan amounts during the Period, the relevant bank, as a lender, could exercise its right to demand the Group to repay the bank borrowing immediately. Hence, the whole principal amount of approximately HK\$46,919,000 is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 30 September 2025.

In respect of other borrowings, an amount of HK\$1,916,000 was recognised at amortised cost using effective interest rate of 9.18% per annum. It represents payable to a lease contractor which is offering a right to a subsidiary of the Group to occupy certain office space of the property of which the lease contractor has operation right to run lease operation. For other borrowings in total of approximately HK\$14,696,000, they are unsecured, interest-free and repayable within one year. For an other borrowing of approximately HK\$10,050,000, it carried interest at 2 times of 1-Year LPR and is secured by the Group's investment properties. The Group failed to repay this amount to the lender on time and the lender filed a statement of claim against the Group. During the Period, the lender and the Group reached a settlement agreement that the loan would be paid by installments. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till to loan clearance date. For the remaining other borrowings of approximately HK\$6,495,000, they are arranged at effective interest rate ranging from 3 to 6% per annum, unsecured and repayable within one year.

Details of these claims are set out in the section "Litigations and contingent liabilities" to this report.

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4. *Prepayment for goods and services*

As at 30 September 2025, the Group had prepayments for goods and services amounting to approximately HK\$163,836,000 (31 March 2025: HK\$150,459,000) in relation to trading of general goods, the provision of EPC services, and the provision of procurement services in respect of goods with regards to new solar power related EPC projects. Such projects include different solar projects at various locations of the PRC, such as projects at Zhanjiang City of Guangdong Province, Heshan County of Guangxi Province, Binzhou City of Shaanxi Province, Lianyungang City of Jiangsu Province, and so on. Since those projects would be over 1 gigawatt in aggregate in terms of power capacity upon completion, the total value of investment injected into those new solar power construction projects would be in billions of RMB. The need for procurement services and the total purchase value of materials for those projects will therefore be significant. Being one of the procurement service providers to those large projects, in order to secure the customers and suppliers, the Group has to carry out its job along the supply chain of the EPC projects, under which various prepayments for the procurement of materials required for different projects were made.

During the Period, prepayments in aggregate of approximately HK\$65,428,000 were made for other new projects. As at 30 September 2025, approximately HK\$22,248,000 had been utilised and settled upon completion of some projects. For some other projects where the projects construction had come across various problems, such as the need to obtain additional or new governmental approvals leading to prolonged delays in the projects, the management of the Group had decided to pull out and negotiated with the relevant parties, such as suppliers, for a refund of the prepayment made. During the Period, the relevant suppliers did a refund of approximately HK\$32,917,000. The management of the Group are closely monitoring the projects' progress and will take actions timely when necessary such as requesting the refunds of the prepayments. Alternatively, the Group may request the delivery of the goods equaling to the value of the prepayments so that the Group may resell them in return for cash or utilise them in other projects or potential projects of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) OTHER ISSUES

1. Significant investment and material acquisition and disposal of subsidiaries and future material investment or capital and assets acquisition plan

The Group did not have any significant investment and material acquisition or disposal of subsidiaries, associates and joint ventures during the Period save as disclosed under note 26 to the unaudited condensed consolidated financial statements.

The Group did not have any specific future plans for material investments or capital assets as at 30 September 2025. The Group will continue to explore and evaluate projects and investment opportunities with potentials to create value for its shareholders in the long run.

2. Pledge of assets

As at 30 September 2025, the Group had a bank borrowing of RMB63,000,000 (equivalent to approximately HK\$68,823,000) from a bank in the PRC which was secured by the pledging of the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network. The borrowing is also guaranteed by Ms. Liu and Mr. Zou without fee, whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% of the Company's issued ordinary shares as at 30 September 2025, while Mr. Zou is the spouse of Ms. Liu.

In addition, the Group had other borrowing of RMB9,200,000 (equivalent to approximately HK\$10,050,000) which was secured by the pledging of the Group's investment properties.

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3. Litigations and contingent liabilities

- (i) On 8 January 2024, the People's Court of Wuhan Donghu New Technology Development Zone ("**People's Court of Wuhan Donghu**") sent a summons and related filing materials (the "**Materials**") to Gongcai Network. According to the Materials, Nanchang Nanfei Fire Protection Equipment Manufacturing Co., Ltd. ("**Plaintiff 1**") requested Gongcai Network, and China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., the main project developer of an EPC project, to repay approximately RMB9,144,000 together with a penalty for late payment in respect of a purchase order for fixing stands. The fixing stands were materials used in a 100 megawatt photovoltaic power station project in Daishan County, Zhejiang Province, the PRC and were procured by Gongcai Network from Plaintiff 1. Gongcai Network had instructed its business department to negotiate with Plaintiff 1. On 25 March 2025, Gongcai Network has entered into mediation agreement with Plaintiff 1 agreeing that Gongcai Network would pay a total amount of RMB7,340,000 to settle this case. As at 30 September 2025, the Group had made partial payments and recognised a payable to Plaintiff 1 of approximately RMB6,840,000 in its unaudited condensed consolidated financial statements.
- (ii) On 27 September 2024, Suzhou Industrial Park People's Court sent a summons and related filing materials (the "**Related Materials**") to Gongcai Network. According to the Related Materials, Zhu Yanfang ("**Plaintiff 2**") filed a statement of claim against Gongcai Network for a breach of loan agreement alledging Gongcai Network failure in the on-time repayment of loan in amount of RMB14,000,000 and requested Gongcai Network to repay the loan principal together with a penalty and professional fees for late payment. The first hearing of the legal proceeding was conducted on 5 November 2024 and as a result a substantial portion of the Group's investment properties had been seized by the relevant court in the PRC temporarily. Two mutual agreements between Plaintiff 2 and Gongcai Network were made subsequently. Gongcai Network will repay to Plaintiff 2 the sum of approximately RMB14,781,000 by installments. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till to loan clearance date. During the Period, Plaintiff 2 filed another application

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to Suzhou Industrial Park People's Court as a result of which the (i) remaining portion of the Group's investment properties with an aggregate fair value of approximately HK\$103,734,000 (2024: N/A); (ii) property, plant and equipment, representing a building portion, of approximately HK\$1,332,000 (2024: N/A); and (iii) the relevant leasehold lands of approximately HK\$7,457,000 (2024: N/A), had been seized by the court. As at 30 September 2025, the Group had made partial payments of RMB3,500,000 and recognised other borrowing and overdue interest and professional fees of approximately RMB10,904,000 in its unaudited condensed consolidated financial statements in view of the above.

- (iii) In January 2025, Hangzhou Chenghui Engineering Technology Co., Ltd. ("**Hangzhou Chenghui**"), a wholly owned subsidiary of the Company received a summon from Hefei High-tech Industrial Development Zone People's Court, Anhui Province in regard of its failure to pay a procurement contract amount on time. According to the summon materials, Sungrow Power Supply Co., Ltd ("**Plaintiff 3**") requested Hangzhou Chenghui to honor a payment for balance of RMB4,147,000 and a late charge of approximately RMB608,000 for a procurement contract with contract sum of RMB9,830,000. After the first hearing on 10 February 2025, Plaintiff 3 and Hangzhou Chenghui had entered into a mediation agreement on 20 May 2025. Both parties agreed that Plaintiff 3 shall accept a payment of approximately RMB2,633,000 from China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., a customer of Hangzhou Chenghui and Defendant 2 (as defined below), as payment from Hangzhou Chenghui, and the remaining amount of approximately RMB1,514,000 together with legal expenses of approximately RMB112,000 will be paid by Hangzhou Chenghui by installments. At 30 September 2025, the Group had recognised a trade payable of RMB1,514,000 in its unaudited condensed consolidated financial statements in view of the above.
- (iv) On 21 March 2025 and 7 March 2025, Hangzhou Chenghui received a lawsuit from Hangzhou Chengjing Industrial Co., Ltd. ("**Plaintiff 4**") in respect of (a) material sales contract 1 with contract sum of approximately RMB30,334,000 and (b) material sales contract 2 with contract sum of approximately RMB32,154,000 respectively. According to the two contracts which were effected on 23 March 2024 and 25 March 2024 respectively, Hangzhou Chenghui paid 20% of the respective

MANAGEMENT DISCUSSION AND ANALYSIS

contract sums as deposit and issued two bill payables to Plaintiff 4 for the remaining amount of approximately RMB25,724,000 and RMB24,267,000. Later on, dispute arose over goods receipt for both contracts between Plaintiff 4 and Hangzhou Chenghui and the bills were not honored accordingly. In this connection, Plaintiff 4 claimed a repayment of approximately RMB26,582,000 against Hangzhou Chenghui for the material sales contract 1 and filed the claim with Hangzhou Intermediate People's Court, which has accepted the case. The first hearing has been conducted and the case is under trial by the court. For the material sales contract 2, Plaintiff 4 has filed a lawsuit with Hangzhou Xihu District People's Court and claimed a repayment of approximately RMB28,186,000 against Hangzhou Chenghui. The case has been accepted by the court and the first hearing is to be conducted in early December 2025. As at 30 September 2025, the Group has recognised the bill payables in amount of approximately RMB49,991,000 and provision for claim in amount of approximately RMB6,757,000 in its unaudited condensed consolidated financial statements.

- (v) On 10 March 2025, a former employee of the Group took legal proceedings against Guocai (Beijing) Technology Limited ("**Guocai (Beijing)**") and Guocai (Hubei) Technology Limited ("**Guocai (Hubei)**") and filed a claim with Chaoyang District People's Court of Beijing for payments of employee compensation. Guocai (Beijing) is a non-wholly owned subsidiary of the Company, and Guocai (Hubei) is a wholly-owned subsidiary of the Company. The first hearing was conducted on 2 July 2025 and an appeal has been filed by Guocai Beijing and Guocai Hubei with Beijing Third Intermediate People's Court. It accepted the appeal and the hearing is scheduled to be held on 10 December 2025. In respect of the above case, the Group has recognised a provision in total of approximately RMB3,100,000 in its unaudited condensed consolidated financial statements for the period ended 30 September 2025. On 21 April 2025, another former employee of the Group made an arbitration application with Hangzhou Yuhang District Labor and Personnel Dispute Arbitration Committee against Zhejiang Chenghui Industrial Holding Group Limited ("**Zhejiang Chenghui**"), a wholly-owned subsidiary of the Company, demanding a payment of staff salaries. The first hearing was conducted on 16 June 2025. The committee ruled against the plaintiff. No provision for claim had to be recognised by Zhejiang Chenghui.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Company filed the following lawsuits against certain of its customers:

- (a) On 8 March 2024, Gongcai Network filed a civil lawsuit at People's Court of Wuhan Donghu against (i) Yancheng Zhuozhouyong Trading Co., Ltd., (ii) Cai Kouzhang, (iii) Chen Xuerong, and (iv) Cai Kouzhong (collectively "**Defendants Group 1**") in regard of a contractual dispute with contract sum of approximately RMB23,870,000. Gongcai Network had completed all shipments of fixing stands to Defendants Group 1 and requested Defendants Group 1 to honor the contract and repay the remaining contract sum of approximately RMB8,880,000 and interest for the overdue payment. On 25 March 2025, Gongcai Network entered into a civil mediation agreement with Defendants Group 1 that Defendants Group 1 would pay a total amount of RMB7,567,000 by 30 September 2025 to settle this case. As at 30 September 2025, the Group had received partial payments settled through debt assignments. The remaining amounts shall be settled by Defendants Group 1 through further arrangement of debt assignments.
- (b) On 7 February 2025, Hangzhou Chenghui filed a civil lawsuit at Yuhang District Court against China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd. ("**Defendant 2**") in regard of a procurement contract with contract sum of approximately RMB26,333,000. While all shipments and goods inspection were completed, Defendant 2 had only paid a total of approximately RMB23,700,000 to Hangzhou Chenghui and the outstanding balance of approximately RMB2,633,000 remains unsettled despite repeated payment requests. Therefore, Hangzhou Chenghui requested Defendant 2 to honor the payment and is liable for a penalty of approximately RMB404,000. As at 31 March 2025, the Group had recognised a gross amount of trade receivable from Defendant 2 of approximately RMB2,633,000. On 20 May 2025, the case was settled through a mutual agreement made between both parties and Plaintiff 3 (as defined in point (iii) above). Arrangements were made where Defendant 2 shall pay a total of approximately RMB2,633,000 to Plaintiff 3 at a specified time on Hangzhou Chenghui's behalf to settle the case. Finally, Defendant 2 paid that amount to Plaintiff 3 in early June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has properly performed impairment assessment on the relevant trade receivables under the ECL model, and substantially recorded the relevant trade payables against all the above plaintiffs.

4. Disclosure pursuant to Rules 13.19 and 13.21 of the Listing Rules

Breach of loan agreements

- (I) Given that the Group's investment properties are currently seized by a court in the PRC under a litigation which a subsidiary of the Company is a defendant, under two loan agreements respectively dated 29 December 2023 and 24 June 2025 for an aggregate loan principal amount of approximately HK\$68,823,000 between Gongcai Network and a creditor bank in the PRC, as lender, the lender could exercise its right to demand the Group to repay such bank borrowings immediately. As at the date of this report, the lender has not granted a waiver in respect of such breach. Further as a result of the Group's failure in repaying a portion of the loan principal as scheduled under one of the loan agreements, the bank has called for the repayment of such portion of the loan. The bank has not called for repayment on the loan outstanding under the other loan agreement which has not yet fallen due. The whole principal amount of approximately HK\$68,823,000 is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 30 September 2025.
- (II) Hangzhou Chenghui has entered into a loan agreement dated 14 April 2025 with another creditor bank in the PRC, as lender, for loan with a principal amount of approximately HK\$46,919,000. During the Period, the Group has defaulted a partial repayment of the loan, and the lender has the right to demand the Group for full repayment of such loan. As at the date of this report, the lender has not granted a waiver in respect of such breach and has called for partial repayment of such loan. The whole principal amount of approximately HK\$46,919,000 is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 30 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Foreign exchange exposure

During the Period, the Group mainly earned revenue in RMB and incurred costs mainly in Hong Kong dollars and RMB. The Group does not foresee any real significant risk caused by exchange rate fluctuation to its financial health in the near future. However, any permanent or significant changes in RMB against Hong Kong dollars may still have an impact on the Group's presentation of financial results in the future. The management will monitor the foreign exchange risk and may adopt appropriate hedging policy when necessary.

6. Staff and remuneration policy

The Group determines staff remuneration in accordance with market terms, individual qualifications and performances. Remuneration of the board (the "Board") of directors (the "Directors") of the Company are determined and from time to time reviewed by the Board based on the recommendations from the remuneration committee of the Company with reference to the Group's operating results, individual performance and comparable market statistics. Staff recruitment and promotion is based on individuals' merit and their development potential for the positions offered. As at 30 September 2025, the Group employed approximately 100 employees (31 March 2025: 96), and the total remuneration of employees (including the Directors) was approximately HK\$11,788,000 for the Period (six months ended 30 September 2024: HK\$12,633,000). During the Period, according to the Company's share option scheme and share award plan, no share options and awarded shares previously granted were vested to Directors and eligible employees due to unfulfillment of the relevant vesting conditions of the share option scheme and the share award plan. To enhance the expertise of our employees, the Group also provides them on-the-job training and sponsors them to attend external training courses and seminars.

7. Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

8. Rights Issue

On 18 October 2022, in order to satisfy the funding needs of the Group for the Group's business expansion, the Company proposed to conduct rights issue of not more than 201,366,286 rights shares (the **"Rights Share(s)"**) at the subscription price of HK\$0.63 per Rights Share on the basis of five (5) Rights Shares for every eight (8) existing shares of the Company in issue (the **"Rights Issue"**). An underwriting agreement was entered into between the Company and Eastmount Global Limited, a current controlling shareholder of the Company, as the underwriter to the Rights Issue on 18 October 2022 (the **"Underwriting Agreement"**). Pursuant to the Underwriting Agreement, the Rights Issue had been conducted on a fully underwritten basis. A placing agreement (**"Placing Agreement 1"**) had also been entered into between the Company and Eddid Securities and Futures Limited as the placing agent (**"Placing Agent 1"**) on the same day, pursuant to which Placing Agent 1 has agreed to procure placee(s), on a best effort basis, to subscribe for unsubscribed Rights Shares. An aggregate of 189,907,953 new shares were allotted and issued by the Company on 8 February 2023 as a result of the Rights Issue. Among all 189,907,953 new shares issued, Eastmount Global Limited, as the underwriter, had performed its underwriting obligation under the Underwriting Agreement and took up 123,596,678 Rights Shares that were unsubscribed and were not placed by Placing Agent 1.

The Rights Shares had been offered for subscription at the subscription price of HK\$0.63 per Rights Share. The gross proceeds from the Rights Issue were approximately HK\$119.6 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK\$117.1 million. The net price per Rights Share is therefore HK\$0.62. The Rights Shares (when allotted, fully paid or credited as fully paid and issued) rank *pari passu* in all respect among themselves and with the shares of the Company in issue as at the date of allotment and issuance. The closing price of the shares as quoted on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on 18 October 2022, being the date of publication of the announcement in relation to the Rights Issue, was HK\$0.73 per share. On 15 January 2024, taking into consideration of the adverse and ongoing uncertain market condition of the Hong Kong property sector, the management of the Company was of the view that it was not the best timing for the Company to make property investment in Hong Kong as it might lead to potential losses to the Group and its shareholders. As such, the Board resolved to change and reallocate the use of the unutilised net proceeds originally intended for property investment of approximately

MANAGEMENT DISCUSSION AND ANALYSIS

HK\$23.4 million, such that (i) approximately HK\$20.0 million were to be used for the pursuance of strategic acquisitions of businesses engaging in energy management contracting (“**EMC**”) services; and (ii) the remaining HK\$3.4 million were reallocated as the general working capital of the Group.

The utilisation of the net proceeds from the Rights Issue as at 30 September 2025 has been summarised as follows:

Use of net proceeds	Original	Revised	Amount	Unutilised	Expected
	allocation of	allocation of	utilised up to	net proceeds	
	net proceeds	net proceeds	30 September	as at	timeline for
	HK\$'000	HK\$'000	2025	30 September	utilisation
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
1) Research and development of the procurement service software	5,855	5,855	5,855	–	Fully utilised
2) Procurement services business	58,550	58,550	58,550	–	Fully utilised
3) Trading business	11,710	11,710	11,710	–	Fully utilised
4) Investment in office properties in Hong Kong	23,420	N/A <i>(Note)</i>	N/A <i>(Note)</i>	N/A <i>(Note)</i>	N/A <i>(Note)</i>
5) General working capital	17,565	20,985	20,985	–	Fully utilised
6) Acquisition of EMC business	N/A	20,000	–	20,000	By the end of March 2026
Total	117,100	117,100	97,100	20,000	

Note: No proceeds remained to be allocated for the investment in office properties in Hong Kong subsequent to the re-allocation of the use of proceeds.

As at 30 September 2025, the net proceeds of approximately HK\$70.2 million were used for paying orders for procurement services business and trading business; approximately HK\$5.9 million were used for research and development of the procurement service software; and approximately HK\$21.0 million were used as general working capital for payment to suppliers and operating expenses as intended.

Further details of the Rights Issue and change in use of proceeds had been set out in the announcements of the Company dated 18 October 2022, 20 December 2022, 7 February 2023 and 15 January 2024, circular of the Company dated 30 November 2022, and the prospectus of the Company dated 6 January 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

9. Placing

To enhance the Group's financial capability to expand new energy business while also support the development of its procurement services and working capital, on 19 August 2024, the Company, as issuer, and Elstone Securities Limited, as placing agent ("**Placing Agent 2**"), entered into a placing agreement ("**Placing Agreement 2**"), the completion on which took place on 26 September 2024. Upon the completion, Placing Agent 2 had successfully placed, and the Company had allotted and issued 98,752,000 ordinary shares (the "**Placing Shares**") under general mandate (being approximately 20% of the existing issued share capital of the Company as at the date of Placing Agreement 2, and approximately 16.67% of the then issued share capital of the Company as enlarged only by the allotment and issue of the Placing Shares) at the placing price of HK\$0.433 per share to eight placees. The aggregate nominal value of the placing shares is HK\$9,875,000. The closing price of the shares of the Company as quoted under the Stock Exchange on 16 August 2024, being the last trading day of the shares of the Company prior to the date of the Placing Agreement was HK\$0.550. To the best knowledge of the Directors, the placees (and where relevant, their ultimate beneficial owners) are third parties independent of the Company and its connected persons. None of the placees has become a controlling shareholder or a substantial shareholder of Company immediately upon completion of the placing. The net proceeds from the placing were approximately HK\$42.4 million. The net price per the new shares was therefore HK\$0.429. While the Company announced on 26 September 2024 that the net proceeds were expected to be utilised as follows: approximately HK\$16.9 million for investment into new energy related projects; approximately HK\$16.9 million for the expansion and development of the procurement services provided by the Group and approximately HK\$8.6 million for the replenishment of the general working capital of the Group, on 16 May 2025, as further announced by the Company, since the Board considered artificial intelligence to be the future of technology, and that the market of intelligent services will continue to grow in next decade, the Board resolved to change the use of the approximately HK\$16.9 million originally allocated for expansion and development of the procurement services provided by the Group to investment into intelligent service related projects.

MANAGEMENT DISCUSSION AND ANALYSIS

The utilisation of the net proceeds from the placing as at 30 September 2025 has been summarised as follows:

Use of net proceeds	Original allocation of net proceeds	Revised allocation of net proceeds	Amount utilised up to 30 September 2025	Unutilised net proceeds as at 30 September 2025	Expected timeline for utilisation
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
1) Investment into new energy related projects	16,900	16,900	–	16,900	By the end of 2025
2) For expansion and development of the procurement services	16,900	N/A (Note)	N/A (Note)	N/A (Note)	N/A (Note)
3) General working capital	8,600	8,600	8,600	–	Fully utilised
4) Investment into intelligent service related projects	N/A	16,900	–	16,900	By the end of 2025
Total	42,400	42,400	8,600	33,800	

Note: No proceeds remained to be allocated for the expansion and development of procurement services subsequent to the re-allocation of the use of proceeds.

10. Going concern assessment

The Group reported a net loss of approximately HK\$32,895,000 during the Period and as of 30 September 2025, the Group had net current liabilities of approximately HK\$80,973,000. As at 30 September 2025, the Group held cash and cash equivalents of approximately HK\$13,896,000 against bank and other borrowings of approximately HK\$125,792,000, which were repayable on demand. Furthermore, as at the date of approval for issue of these unaudited condensed consolidated financial statements, the Group's investment properties had been seized by the relevant court in the PRC pursuant to a creditor's claim, of such further details are set out in the paragraph headed "Litigations and contingent liabilities" to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

In view of these circumstances, the Directors have given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and the available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow forecast prepared by the management, which covers a period of eighteen months from 30 September 2025, and take into consideration of the following plans and measures: (a) The Group will take more stringent cost controls; (b) An undrawn credit facility of RMB150,000,000 was available as at the date of approval for issue of these unaudited condensed consolidated financial statements as per a credit facility agreement (the "**Facility**") entered into on 5 August 2025 with a limited partnership which is related to the Group (the "**Financier**") with a valid period of three years from the date of the Facility. The Directors satisfied their due diligence responsibilities by reviewing the proof of funding and financial statements provided by the Financier, and are also satisfied as to the legality and enforceability of the Facility. The Facility constitutes an unconditional and irrevocable standby credit facility, with terms including that it is unsecured, bears interest at 5% per annum, and is repayable within twenty-four months from the drawdown date or a date mutually agreed between the Group and the Financier. As of the date approval for issue of these unaudited condensed consolidated financial statements, the Group had not drawn down any amounts under the Facility; and (c) The Group will continue to adopt the equity financing approach to strengthen the financial position of the Group and to raise additional funds for the Group to replenish its working capital.

The Directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming eighteen months from 30 September 2025.

Accordingly, the Directors consider it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

11. Event after the Period

Save as disclosed elsewhere in this interim report, there are no other material events subsequent to the end of the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) BUSINESS PROSPECTS

Although the Group faced tough business operational environment during the Period, the Group strived to look for new business opportunities to support its future growth. Leveraging on the Group's deep understanding of and long term presence in the new energy industry, the Group is exploring the photovoltaic inverter business in the PRC. The Group is also exploring the business opportunity of energy storage solutions. Apart from the above mentioned businesses, the Group is exploring other business opportunities and hopes to open new income avenues to support the long term growth for its shareholders.

However, the Group remains cautious in starting new businesses. Due to uncertain economic and geopolitical situations, the financial credits of business partners of the Group in its upper and lower business chain worsened. The Group will strengthen its risk management and control system to better safeguard its economic benefits when venturing into new businesses. More internal control measures shall be implemented within the Group as needed to better monitor and control both financial and non-financial risks. The Group shall strive to take these actions to counter balance and mitigate the risks from the future potential problems that might arise from its operational partners who might be facing increasing liquidity risks under the current macroeconomic situation just like many other businesses.

Save as disclosed in this report, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the Period since the publication of the Company's last annual report for the year ended 31 March 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	6	33,592	82,776
Cost of sales and services rendered		(23,282)	(61,062)
Gross profit		10,310	21,714
Other income and gains/(losses), net	7	1,518	659
Administrative expenses		(19,178)	(18,921)
Change in fair value of derivatives embedded in convertible bonds	22(b)	325	670
Fair value (loss)/gain on investment properties		(21,328)	3,687
Fair value gain on financial asset at fair value through profit or loss ("FVTPL")		82	–
Reversal of impairment loss for loan receivables	17	2	–
Impairment loss for trade and other receivables and contract assets, net		(6,681)	(2,274)
Gain on disposal of subsidiaries	26(c)	1,541	–
Share of result of associates		(241)	–
(Loss)/profit from operations		(33,650)	5,535
Finance costs	8	(4,413)	(3,289)
(Loss)/profit before tax		(38,063)	2,246
Income tax credit	9	5,168	77
(Loss)/profit for the period	10	(32,895)	2,323
(Loss)/profit attributable to:			
Owners of the Company		(32,936)	2,343
Non-controlling interests		41	(20)
		(32,895)	2,323
(Loss)/earning per ordinary share (HK cents per share)	11		
Basic		(5.65)	0.48
Diluted		(5.65)	0.48

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
	Note	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
(Loss)/profit for the period		(32,895)	2,323
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Net fair value change on financial assets at fair value through other comprehensive income ("FVTOCI")		–	130
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		4,767	11,293
Reclassification of cumulative foreign currency translation reserve upon disposal of subsidiaries	26(c)	1,026	–
		5,793	11,293
Other comprehensive income for the period, net of tax		5,793	11,423
Total comprehensive (expense)/income for the period		(27,102)	13,746
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(27,046)	13,940
Non-controlling interests		(56)	(194)
		(27,102)	13,746

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

		As at 30 September 2025	As at 31 March 2025
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	2,106	5,402
Investment properties		157,389	175,232
Right-of-use assets	14	7,588	7,680
Intangible assets		20,961	20,555
Interests in associates		–	237
Derivative component of convertible bonds	22(b)	3,349	2,545
Financial assets at FVTOCI	15(a)	65,592	64,280
Deferred tax assets		461	451
Total non-current assets		257,446	276,382
Current assets			
Inventories – raw materials		32	36
Trade and other receivables	16	222,712	222,025
Contract assets		3,564	6,396
Loan receivables	17	–	474
Financial asset at FVTPL	15(b)	5,442	11,160
Amount due from an associate	18(a)	50	104
Amount due from a related company	18(b)	2,569	–
Restricted bank deposits		2,350	2,062
Bank and cash balances		13,896	19,367
Total current assets		250,615	261,624
TOTAL ASSETS		508,061	538,006

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

		As at 30 September 2025	As at 31 March 2025
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
EQUITY			
Share capital	19	58,397	58,397
Reserves		119,041	146,321
Equity attributable to owners of the Company		177,438	204,718
Non-controlling interests		(11,222)	(11,682)
TOTAL EQUITY		166,216	193,036
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	20	949	930
Deferred income		2,281	2,503
Other payables	21	6,456	4,288
Deferred tax liabilities		571	5,680
Total non-current liabilities		10,257	13,401
Current liabilities			
Bank and other borrowings	20	147,950	146,363
Lease liabilities		758	753
Trade and other payables	21	137,620	137,495
Convertible bonds	22(a)	24,228	23,923
Derivative component of convertible bonds	22(b)	3,601	3,122
Contract liabilities		1,326	2,578
Current tax liabilities		16,105	17,335
Total current liabilities		331,588	331,569
TOTAL EQUITY AND LIABILITIES		508,061	538,006
Net current liabilities		(80,973)	(69,945)
Total assets less current liabilities		176,473	206,437

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Contribution surplus	Other reserves	Shares held for share award scheme	Share-based payment reserve	Statutory reserve	FVTOCI reserve	Foreign currency translation reserve	Revaluation reserve	Accumulated losses	Sub-total		
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 April 2025 (audited)	58,397	159,672	(114,233)	9,014	(1,013)	-	16,598	(19,261)	117,526	8,278	(29,460)	204,718	(11,682)	193,036
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	-	(32,936)	(32,936)	41	(32,895)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	4,864	-	-	4,864	(97)	4,767
Reclassification of cumulative foreign currency translation reserve upon disposal of subsidiaries (Note 26(c))	-	-	-	-	-	-	-	-	1,026	-	-	1,026	-	1,026
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	-	-	5,890	-	(32,936)	(27,046)	(56)	(27,102)
Disposal of subsidiaries (Note 26(c))	-	-	-	-	-	-	(234)	-	-	-	-	(234)	516	282
Changes in equity for the period	-	-	-	-	-	-	(234)	-	5,890	-	(32,936)	(27,280)	460	(26,820)
At 30 September 2025 (unaudited)	58,397	159,672	(114,233)	9,014	(1,013)	-	16,364	(19,261)	123,416	8,278	(62,396)	177,438	(11,222)	166,216

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Contribution surplus	Other reserves	Shares held for share award scheme	Share-based payment reserve	Statutory reserve	FVTOCI reserve	Foreign currency translation reserve	Revaluation reserve	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024 (audited)	48,522	127,186	(114,233)	9,014	(1,813)	1,634	16,395	-	119,028	8,278	92,994	307,005	(11,685)	295,310
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	2,343	2,343	(20)	2,323
Net fair value change on financial assets at FVTOCI	-	-	-	-	-	-	-	130	-	-	-	130	-	130
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	11,467	-	-	11,467	(174)	11,293
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	-	130	11,467	-	2,343	13,940	(194)	13,746
Transfer to statutory reserve	-	-	-	-	-	-	203	-	-	-	(203)	-	-	-
Issuance of shares, net of transaction costs (Note 19)	9,875	32,281	-	-	-	-	-	-	-	-	-	42,156	-	42,156
Forfeiture of share options and awarded shares	-	-	-	-	-	(1,634)	-	-	-	-	1,634	-	-	-
Changes in equity for the period	9,875	32,281	-	-	-	(1,634)	203	130	11,467	-	3,774	56,096	(194)	55,902
At 30 September 2024 (unaudited)	58,397	159,467	(114,233)	9,014	(1,813)	-	16,598	130	130,495	8,278	96,768	363,101	(11,889)	351,212

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(38,063)	2,246
Adjustments for:		
Amortisation of intangible assets	13	45
Depreciation of property, plant and equipment	291	425
Depreciation of right-of-use assets	242	549
Fair value loss/(gain) on investment properties	21,328	(3,687)
Fair value gain on financial asset at FVTPL	(82)	–
Loss on disposal of property, plant and equipment	2	41
Impairment loss for trade and other receivables and contract assets, net	6,681	2,274
Reversal of impairment loss for loan receivables	(2)	–
Change in fair value of derivatives embedded in convertible bonds	(325)	(670)
Gain on disposal of subsidiaries	(1,541)	–
(Increase)/decrease in restricted bank deposits	(245)	50,845
Other operating activities	1,980	7,978
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(9,721)	60,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of financial assets at FVTOCI	–	(84,615)
Proceed from partial disposal of financial asset at FVTPL	5,800	–
Other investing activities	17	(61)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	5,817	(84,676)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank and other borrowings	(50,470)	(29,327)
Proceeds from issue of shares	–	42,156
New bank and other borrowings raised	53,460	52,192
Principal elements of lease payments	–	(241)
Interest paid	(4,597)	(3,580)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(1,607)	61,200
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,511)	36,570
Effect of foreign exchange rate changes	40	881
CASH AND CASH EQUIVALENTS AT 1 APRIL	19,367	6,309
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER REPRESENTED BY BANK AND CASH BALANCES	13,896	43,760

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its head office and principal place of business in the PRC is Unit 807, Block 9, No. 1818-2 Wenyi West Road, Yuhang Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC. The principal place of business in Hong Kong was changed to Unit 12, 21/F, Wayson Commercial Building, No. 28 Connaught Road West, Sheung Wan, Hong Kong with effect from 31 October 2025. The Company's shares are listed on the Main Board of the Stock Exchange.

The Company is an investment holding company. The principal activities of its subsidiaries are provision of procurement services and other IT services, trading of general goods, provision of energy management contracting services in the PRC and leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Listing Rules.

Going concern basis

The Group incurred a net loss of approximately HK\$32,895,000 during the Period, and as at 30 September 2025, the Group had net current liabilities of approximately HK\$80,973,000. At the same date, the Group's bank and cash balances of approximately HK\$13,896,000, against bank and other borrowings of approximately HK\$125,792,000, which were repayable on demand. Furthermore, as at the date of approval for issue of these unaudited condensed consolidated financial statements, the Group's investment properties had been seized by the relevant court in the PRC pursuant to a creditor's claim. Details of the claim were set out in the section headed "Litigations and contingent liabilities" in the "Management Discussion and Analysis" section to this report.

In view of these circumstances, the Directors have given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and the available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow forecast prepared by the management, which covers a period of eighteen months from 30 September 2025, and take into consideration of the following plans and measures:

- a) The Group will take more stringent cost controls;

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

2. BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

- b) An undrawn credit facility of RMB150,000,000 was available as at the date of approval for issue of these unaudited condensed consolidated financial statements as per the Facility entered into on 5 August 2025 with the Financier with a valid period of three years from the date of the Facility. The Directors satisfied with their due diligence by reviewing the proof of funding and financial statements of the Financier, and also satisfied as to the legality and enforceability of the Facility. The Facility constitutes an unconditional and irrevocable standby credit facility, with terms including that it is unsecured, bears interest at 5% per annum, and is repayable within twenty-four months from the drawdown date or a date mutually agreed between the Group and the Financier. As of the date of approval for issue of these unaudited condensed consolidated financial statements, the Group had not drawn down any amounts under the Facility; and
- c) The Group will continue to adopt the equity financing approach to strengthen the financial position of the Group and to raise additional funds for the Group to replenish its working capital.

These conditions, along with the plans and measures adopted by the Directors above, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming eighteen months from 30 September 2025. Accordingly, the Directors consider it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their estimated recoverable amounts, to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, financial asset at FVTPL, financial assets at FVTOCI and derivative financial instruments, which are measured at fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2025, except for the accounting policy changes that are expected to be reflected in the annual consolidated financial statements for the year ending 31 March 2026 due to the application of amendments to Hong Kong Financial Reporting Standard (“**HKFRS**”) Accounting Standards issued by the HKICPA which came into effect during the Period. Details of any changes in the amendments to the HKFRS Accounting Standards which came into effect during the Period are set out below.

The preparation of unaudited condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements contain unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The unaudited condensed consolidated financial statements and notes thereon do not include all of the information and disclosures required for a full set of consolidated financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2025.

The unaudited condensed consolidated financial statements for the Period have not been reviewed or audited by the Company’s auditor but have been reviewed by the Company’s audit committee.

Application of amendments to HKFRS Accounting Standards

In the Period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2025 for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The Group has not applied any new or amendments to HKFRS Accounting Standards that are not yet effective for this Period.

The application of the amendments to HKFRS Accounting Standards in the 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's investment properties, financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

During the Period, there are no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 September 2024: Nil). The Group's policy is to recognise transfers into and transfers out of any of the three levels as to the date of the event or change in circumstances that caused the transfer.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS (Continued)

The following table shows the carrying amounts and fair value of investment properties, financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets/financial liabilities not measured at fair value, as the carrying amount is a reasonable approximation of fair value.

(a) Disclosures of level in fair value hierarchy:

Description	As at 30 September 2025 (unaudited)			
	Fair value measurements categorised into			Total
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements:				
<i>Non-financial assets</i>				
Investment properties – Commercial units situated in the PRC	–	–	157,389	157,389
<i>Financial assets</i>				
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	65,592	65,592
Financial asset at FVTPL				
– Unlisted investment fund	–	5,442	–	5,442
Call options embedded in convertible bonds	–	–	3,349	3,349
<i>Financial liabilities</i>				
Conversion options embedded in convertible bonds	–	–	(3,601)	(3,601)
Total	–	5,442	222,729	228,171

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy: (Continued)

Description	As at 31 March 2025 (audited)			
	Fair value measurements categorised into			Total
	Level 1	Level 2	Level 3	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements:				
<i>Non-financial assets</i>				
Investment properties – Commercial units situated in the PRC	–	–	175,232	175,232
<i>Financial assets</i>				
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	64,280	64,280
Financial asset at FVTPL				
– Unlisted investment fund	–	11,160	–	11,160
Call options embedded in convertible bonds	–	–	2,545	2,545
<i>Financial liabilities</i>				
Conversion options embedded in convertible bonds	–	–	(3,122)	(3,122)
Total	–	11,160	238,935	250,095

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS (Continued)

(b) **Reconciliation of assets/liabilities measured at fair value based on Level 3 fair value measurement:**

	Investment properties	
	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At the beginning of the period	175,232	232,673
Change in fair value	(21,328)	3,687
Exchange differences	3,485	7,833
At the end of the period	157,389	244,193
Total (loss)/profit recognised in profit or loss for assets held at end of the reporting period	(21,328)	3,687

	Financial assets at FVTOCI	
	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At the beginning of the period	64,280	–
Addition	–	84,615
Change in fair value	–	130
Exchange differences	1,312	2,122
At the end of the period	65,592	86,867
Total gain recognised in other comprehensive income for assets held at the end of the reporting period	–	130

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS (Continued)

(b) **Reconciliation of assets/liabilities measured at fair value based on Level 3 fair value measurement:** (Continued)

	Call options embedded in convertible bonds	
	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At the beginning of the period	2,545	2,964
Change in fair value	804	2,603
At the end of the period	3,349	5,567
Total profit recognised in profit or loss for assets held at the end of the reporting period	804	2,603

	Conversion options embedded in convertible bonds	
	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
At the beginning of the period	3,122	6,038
Change in fair value	479	1,933
At the end of the period	3,601	7,971
Total loss recognised in profit or loss for liabilities held at the end of the reporting period	479	1,933

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

For Level 3 fair value measurements, the Group will normally engage independent professional qualified valuers (the “**Valuers**”) with the recognised professional qualifications and recent experience to perform the valuations. Discussion of valuation processes and results are held between the management of the Company and the Valuers at each interim and annual reporting date.

Level 3 fair value measurements

Description	Valuation technique	Significant unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Assets						
Investment properties						
– Commercial units located in the PRC	Income capitalisation	Terminal yield	4.8-6.3% (31 March 2025: 4.5-5.0%)	Decrease	157,389	175,232
		Reversionary yield	5.8-7.3% (31 March 2025: 5.5-6.0%)	Decrease		
		Monthly rental (RMB/square metre)	35.6-60.0% (31 March 2025: 40.0-80.0)	Increase		
Financial assets at FVTOCI						
– unlisted equity investments	Cost approach: adjusted net assets	Discount for lack of marketability (“ DLOM ”)	0% (31 March 2025: 0%)	Decrease	65,592	64,280
Call options embedded in convertible bonds	Binomial Option Pricing Model	Expected volatility	96.52% (31 March 2025: 106.86%)	Increase	3,349	2,545
Liabilities						
Conversion options embedded in convertible bonds	Binomial Option Pricing Model	Expected volatility	96.52% (31 March 2025: 106.86%)	Increase	(3,601)	(3,122)

There were no changes in the valuation techniques used during the Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

4. FAIR VALUE MEASUREMENTS (Continued)

- (c) **Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:** (Continued)

Financial assets at FVTOCI

The fair value of financial assets at FVTOCI is determined using the cost approach by reference to the adjusted net assets of the investees. The fair value measurement is negatively correlated to the DLOM. As at 30 September 2025, it is estimated that with all other variables held constant, an increase in the DLOM by 5% would have decreased the Group's other comprehensive income for the Period by approximately HK\$3,280,000 (unaudited) (31 March 2025: HK\$3,214,000 (audited)).

Call options and conversion options embedded in convertible bonds

The fair value of call options embedded in convertible bonds is determined using the Binomial Option Pricing Model. The fair value measurement is positively correlated to the expected volatility of the share price of the Company. As at 30 September 2025, it is estimated that, with all other variables held constant, a decrease/increase in expected volatility of the share price of the Company by 5% would have decreased/increased the Group's loss by approximately HK\$12,000/HK\$12,000 (unaudited) (31 March 2025: increased/decreased the Group's loss by approximately HK\$195,000/HK\$145,000 (audited)).

The fair value of conversion options embedded in convertible bonds is also determined using the Binomial Option Pricing Model. The fair value measurement is positively correlated to the expected volatility of the share price of the Company. As at 30 September 2025, it is estimated that, with all other variables held constant, a decrease/increase in expected volatility of the share price of the Company by 5% would have decreased/increased the Group's loss by approximately HK\$279,000/HK\$272,000 (unaudited) (31 March 2025: HK\$225,000/HK\$173,000 (audited)).

5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors that makes strategic and operating decisions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

5. SEGMENT INFORMATION (Continued)

As at 30 September 2025 and 31 March 2025, the Group has four identified reportable operating segments and the operations in each of the Group's identified reportable operating segments are described below:

Provision of procurement services and other IT services	–	Provisions of procurement services to governmental institutions and private enterprises, development of software and provision of maintenance services to customers, procurement of goods for EPC services and provision of EPC services
Trading business	–	Trading of general goods
Rental income	–	Leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC
Energy management contracting business	–	Provision of energy management contracting services in the PRC

The Group's reportable operating segments are strategic business units that offer different products and services. They are managed separately because each business segment requires different technology and marketing strategies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

5. SEGMENT INFORMATION (Continued)

	Provision of procurement services and other IT services	Trading business	Rental income	Energy management contracting business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 September 2025 (unaudited):					
Revenue from external customers	10,158	19,734	2,947	753	33,592
Segment profit/(loss)	8,214	(112)	2,279	(1,303)	9,078
<i>Amounts included in the measure of segment profit or loss:</i>					
Reversal of impairment loss/(impairment loss) for trade and other receivables and contract assets, net	673	(124)	(7)	(1,774)	(1,232)
As at 30 September 2025 (unaudited):					
Segment assets	179,769	33,194	157,625	3,437	374,025
Segment liabilities	89,969	273	14,002	689	104,933
Six months ended 30 September 2024 (unaudited):					
Revenue from external customers	50,526	19,141	9,091	4,018	82,776
Segment profit/(loss)	12,079	(22)	4,830	3,223	20,110
<i>Amounts included in the measure of segment profit or loss:</i>					
(Impairment loss)/reversal of impairment loss for trade and other receivables and contract assets, net	(1,691)	(44)	(21)	152	(1,604)
As at 30 September 2024 (unaudited):					
Segment assets	270,750	8,392	246,682	10,171	535,995
Segment liabilities	135,969	10,027	5,139	1,235	152,370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

5. SEGMENT INFORMATION (Continued)

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Reconciliations of reportable segment profit or loss:		
Total profit of reportable segments	9,078	20,110
Administrative expenses	(19,178)	(18,921)
Other income and gains/(losses), net	1,518	659
Finance costs	(4,413)	(3,289)
Unallocated impairment loss for trade and other receivables and contract assets, net	(5,449)	(670)
Unallocated reversal of impairment loss for loan receivables	2	–
Change in fair value of derivatives embedded in convertible bonds	325	670
Fair value gain on financial asset at FVTPL	82	–
Fair value (loss)/gain on investment properties	(21,328)	3,687
Share of result of associates	(241)	–
Gain on disposal of subsidiaries	1,541	–
Consolidated (loss)/profit before tax	(38,063)	2,246

6. REVENUE

An analysis of the Group's revenue for the periods is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Provision of procurement services	1,969	4,751
Provision of EPC services	1,793	8,269
Procurement of goods for EPC services	–	27,742
Trading of general goods	19,734	19,141
Provision of other IT services	6,396	9,764
Rental income	2,947	9,091
Provision of energy management contracting services	753	4,018
	33,592	82,776

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

6. REVENUE (Continued)

Disaggregation of revenue from contracts with customers by major products or services lines and the timing of revenue recognition for the periods are as follow:

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at point in time:		
– Trading of general goods ¹	19,734	19,141
– Procurement of goods for EPC services ²	–	27,742
– Provision of procurement services ²	1,969	4,751
– Sales of online procurement software ²	26	555
Recognised over time:		
– Licensing online procurement platform income ²	2,775	4,563
– Provision of maintenance services ²	3,595	4,646
– Provision of energy management contracting services ³	753	4,018
– Provision of EPC services ²	1,793	8,269
	30,645	73,685
Revenue from other sources		
– Rental income ⁴	2,947	9,091
	33,592	82,776

¹ Classified under “Trading business” segment.

² Classified under “Provision of procurement services and other IT services” segment.

³ Classified under “Energy management contracting business” segment.

⁴ Classified under “Rental income” segment.

All of the above revenue were arisen in the PRC.

Contracts with customers with unsatisfied performance obligations on the aforementioned revenue, have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

7. OTHER INCOME AND GAINS/(LOSSES), NET

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Amortisation of deferred day-1 gain of the convertible bonds (<i>Note 22(a)</i>)	49	49
Bank interest income	1	169
Exchange gain, net	13	33
Loss on disposals of property, plant and equipment	(2)	(41)
Loss on lease modification	–	(6)
Government grants – amortisation of deferred income	272	272
Government grants (<i>note</i>)	356	112
Reversal of provision for litigation liabilities	748	–
Sundry income	81	71
	1,518	659

Note: The government grants represented financial subsidies for compensating expenses already incurred or giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies in relation to the grants and the grants were determined at the sole discretion of relevant government authorities.

8. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Interest on bank and other borrowings	3,298	2,205
Interest on lease liabilities	5	11
Effective interest on convertible bonds (<i>Note 22(a)</i>)	1,110	1,073
	4,413	3,289

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

9. INCOME TAX CREDIT

An analysis of the Group's income tax expense/(credit) for the periods is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – the PRC		
Provision for the period	34	99
Deferred tax	(5,202)	(176)
	(5,168)	(77)

No provision for Hong Kong Profits Tax is required since the Group has no assessable profits in Hong Kong for both periods.

Pursuant to relevant laws and regulations in the PRC, the PRC Enterprise Income Tax rate of subsidiaries registered in the PRC is 25% for both periods.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and BVI for both periods.

10. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the periods is stated after charging the following:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs		
– Directors' emoluments	360	752
– Salaries, bonuses and allowances	10,530	10,527
– Retirement benefits scheme contributions	898	1,354
Total staff costs	11,788	12,633
Amortisation of intangible assets (included in administrative expenses)	13	45
Depreciation of property, plant and equipment (included in cost of sales and services rendered and administrative expenses)	291	425
Depreciation of right-of-use assets (included in administrative expenses)	242	549

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

11. (LOSS)/EARNING PER ORDINARY SHARE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/earning:		
(Loss)/earning for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earning per ordinary share (<i>note i</i>)	(32,936)	2,343

	Six months ended 30 September	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earning per ordinary share (<i>notes i, ii, iii, iv</i>)	582,520	486,466

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

11. (LOSS)/EARNING PER ORDINARY SHARE (Continued)

Notes:

- (i) The calculation of diluted (loss)/earning per ordinary share for the six months ended 30 September 2025 and 2024 did not assume the conversion of convertible bonds since the conversion would result in an anti-dilutive effect on the basic (loss)/earning per ordinary share.
- (ii) For the six months ended 30 September 2025 and 2024, the number of ordinary shares adopted in the calculation of the basic (loss)/earning per ordinary share has been arrived at after eliminating the ordinary shares of the Company held by a trustee under the Company's share award plan.
- (iii) For the six months ended 30 September 2025 and 2024, the computation of diluted (loss)/earning per ordinary share did not assume the exercise of share options because their exercise price was higher than the average share price.
- (iv) For the Period, the computation of diluted loss per ordinary share (six months ended 30 September 2024: earning per ordinary share) did not assume the vesting of 4th tranche of awarded shares (six months ended 30 September 2024: 3rd and 4th tranches of awarded shares) because the management of the Company expected the relevant performance targets could not be fulfilled.

12. DIVIDEND

The Directors do not recommend the payment of any dividend for the Period (six months ended 30 September 2024: Nil).

13. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has additions to property, plant and equipment of approximately HK\$33,000 (unaudited) (six months ended 30 September 2024: HK\$138,000 (unaudited)). Certain property, plant and equipment with a carrying amount of approximately HK\$3,152,000 (unaudited) (six months ended 30 September 2024: Nil (unaudited)) was disposed of resulting from disposal of a subsidiary (Note 26(c)). In addition, certain property, plant and equipment with a carrying amount of approximately HK\$2,000 (unaudited) was disposed of during the Period (six months ended 30 September 2024: HK\$57,000 (unaudited)), resulting in a loss on disposal of approximately HK\$2,000 (unaudited) (six months ended 30 September 2024: HK\$41,000 (unaudited)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

14. RIGHT-OF-USE ASSETS

During the Period, the Group did not recognise any addition of right-of-use asset (unaudited) (six months ended 30 September 2024: HK\$880,000 (unaudited)). As at 30 September 2025, the carrying amount of right-of-use assets was approximately HK\$7,588,000 (unaudited) (31 March 2025: HK\$7,680,000 (audited)).

15. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL

(a) Financial assets at FVTOCI

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Unlisted equity investments	65,592	64,280

At the end of the reporting periods, the Group held the following unlisted equity investments:

Name of investee	Notes	Place of establishment and business	Group's effective interest	Principal activities	Fair value as at 30 September 2025	31 March 2025
					HK\$'000 (Unaudited)	HK\$'000 (Audited)
Qujing Huiheng Investment Company Limited ("Qujing Huiheng")	(i)	The PRC	19%	Provision of super power computing service; generation and provision of electricity	20,795	20,380
Ruoqiang Huiheng Industrial Group Company Limited ("Ruoqiang Huiheng")	(ii)	The PRC	19%	Provision of super power computing service; generation and provision of electricity	44,797	43,900
					65,592	64,280

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

15. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL (Continued)

(a) Financial assets at FVTOCI (Continued)

Notes:

- (i) On 21 August 2024, the Group invested in a 19% equity interest in Qujing Huiheng for an initial investment of approximately RMB24,700,000 (or equivalent to approximately HK\$26,641,000) which was paid by the Group in September 2024. Qujing Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with an initial plan to construct a photovoltaic power plant in the PRC. Since the investment was made, the Group's management has strictly monitored on Qujing Huiheng's operations and market conditions. During the year ended 31 March 2025, management of the Group became aware of the New Regulations which were released on 7 January 2025 and 27 January 2025 respectively. After the New Regulations took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Regulations, the electricity price for surplus electricity will be linked to the spot market, potentially reducing Qujing Huiheng's projected profitability. In response, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implication of New Regulations over Qujing Huiheng's business. According to the industry report, it is reasonable that a strategic slowdown in Qujing Huiheng's expansion was commercially justified to mitigate potential losses. In addition, the Group further appointed an independent professional valuer, namely Valplus Consulting Limited to determine the fair value of the Group's investment in Qujing Huiheng. Based on the valuation, the fair value at 30 September 2025 is approximately HK\$20,795,000 (unaudited) (31 March 2025: HK\$20,380,000 (audited)). The increase in the fair value of approximately HK\$415,000 (unaudited) represented the exchange difference recognised during the Period (year ended 31 March 2025: decrease of approximately HK\$153,000 (audited)). The Group did not recognise any gain or loss in the unaudited condensed consolidated statement of profit or loss and other comprehensive income during the Period (unaudited) (year ended 31 March 2025: loss of approximately HK\$6,108,000 (audited)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

15. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL (Continued)

(a) Financial assets at FVTOCI (Continued)

Notes: (Continued)

- (ii) On 21 August 2024, the Group invested in a 19% equity interest in Ruqiang Huiheng for an initial investment of approximately RMB53,200,000 (or equivalent to approximately HK\$57,382,000) which was paid by the Group in September 2024. Ruqiang Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with an initial plan to construct a computing power center in the PRC. Since the investment was made, the Group's management has strictly monitored on Ruqiang Huiheng's operations and market conditions. During the year ended 31 March 2025, management of the Group identified certain news in the market that the escalation of export control policies on chips to the PRC by the government of the United States of America (the "US") would be enacted and has become effective on 9 April 2025 (the "**Escalated Export Control Policies**"). Under the Escalated Export Control Policies, it required a leading chip provider, namely NVIDIA Corporation to obtain an export license for export chip to China which was deemed to be unattainable due to the ongoing US initiated tariff war and political environment. This resulted in uncertainty in chip supply, significantly disrupting Ruqiang Huiheng's supercomputing plant development plans. In light of these developments, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implications of the Escalated Export Control Policies over Ruqiang Huiheng's business. According to the industry report, it is confirmed that certain news on the Escalated Export Control Policies were existed in the market in early 2025, and it is reasonable that a slowdown in expansion was a commercially prudent strategy to minimise further financial exposure. Till to the third quarter of 2025, the situation remains unchanged. In addition, the Group further appointed an independent professional valuer, namely Valplus Consulting Limited, to determine the fair value of the Group's investment in Ruqiang Huiheng. Based on the valuation, the fair value at 30 September 2025 is approximately HK\$44,797,000 (unaudited) (31 March 2025: HK\$43,900,000 (audited)). The increase in the fair value of approximately HK\$897,000 (unaudited) represented the exchange difference recognised during the Period (year ended 31 March 2025: decrease of approximately HK\$329,000 (audited)). The Group did not recognised any gain or loss in the unaudited condensed consolidated statement of profit or loss and other comprehensive income during the Period (unaudited) (year ended 31 March 2025: loss of approximately HK\$13,153,000 (audited)).

* For identification purpose only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

15. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL (Continued)

(b) Financial asset at FVTPL

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Unlisted investment fund	5,442	11,160

Included in the profit or loss is an amount of gain of approximately HK\$82,000 (unaudited) (year ended 31 March 2025: HK\$160,000 (audited)) relating to unlisted investment fund classified as financial asset at FVTPL held at 30 September 2025 and is reported as fair value gain on financial asset at FVTPL in the profit or loss. During the Period, the Group disposed part of the unlisted investment fund at a consideration of HK\$5,800,000 (unaudited) (year ended 31 March 2025: Nil (audited)). The abovementioned unlisted investment fund is held for trading purpose. The above financial asset is classified as current asset as the Directors expect to realise this financial asset within twelve months after the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

16. TRADE AND OTHER RECEIVABLES

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Trade receivables from contracts with customers	51,762	42,389
Less: allowance for credit loss	(28,878)	(27,358)
	22,884	15,031
Lease receivables	512	506
Less: allowance for credit loss	(512)	(506)
	—	—
Total trade and lease receivables	22,884	15,031
Other receivables	23,808	51,474
Value-added tax ("VAT") recoverable	4,473	3,607
Prepayment for goods and services	163,836	150,459
Other prepayment	1,001	1,109
Deposits	6,710	345
	222,712	222,025

Prepayments for goods and services represent the prepayments made by the Group to several independent suppliers for trading of general goods, provision of goods for EPC services and provision of EPC services.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

16. TRADE AND OTHER RECEIVABLES (Continued)

Movements of prepayment for goods and services during the Period/year is as follows:

	Six months ended 30 September 2025	Year ended 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
At the beginning of the period/year	150,459	300,867
Additions	65,428	1,270
Transferred to other receivables (<i>note</i>)	(32,917)	(85,454)
Utilised	(22,248)	(32,285)
Offset with contract liabilities	–	(33,106)
Exchange differences	3,114	(833)
At the end of the period/year	163,836	150,459

Note: During the Period, certain suppliers entered into agreements with the Group and agreed to refund prepayment for goods and services in an aggregate amount of approximately HK\$32,917,000 (unaudited) (year ended 31 March 2025: HK\$85,454,000 (audited)) to the Group as a result of cancellation of supplying goods to the Group. The abovementioned amount was transferred to "Other receivables" and were settled by the relevant suppliers.

Movement in the loss allowance for trade and other receivables during the Period/year is as follows:

	Six months ended 30 September 2025	Year ended 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
At the beginning of the period/year	129,829	84,558
Net impairment loss recognised for the period/year	7,182	45,576
Exchange differences	950	(305)
At the end of the period/year	137,961	129,829

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

16. TRADE AND OTHER RECEIVABLES (Continued)

For trading business, the Group generally grants a credit period of 30 days (31 March 2025: 30 days) to its customers. Rental income is paid in accordance with the terms of respective agreements. For provision of procurement services and other IT services, the Group mainly requires customers to pay certain of the contract sum in advance and settle the remaining balances within 30 days (31 March 2025: 30 days) from the date of acceptance. For energy management contracting business, the customers paid a certain portion of the contract sum in advance in accordance with the terms of respective agreements. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year or within the Group's normal operating cycle.

Included in trade and other receivables are trade and lease receivables, net of allowance for impairment, of approximately HK\$22,884,000 (unaudited) (31 March 2025: HK\$15,031,000 (audited)) and an ageing analysis based on the invoice date at the end of the reporting period, is as follows:

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
0 to 90 days	20,180	11,415
91 to 180 days	–	552
181 to 365 days	459	3,064
Over 365 days	2,245	–
	22,884	15,031

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

17. LOAN RECEIVABLES

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Unsecured fixed rate loan receivables	10,815	11,075
Less: allowance for credit loss	(10,815)	(10,601)
	—	474

Movement in the loss allowance for loan receivables during the Period/year is as follows:

	Six months ended 30 September 2025	Year ended 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
At the beginning of the period/year	10,601	10,668
(Reversal of impairment loss)/impairment loss recognised for the period/year	(2)	2
Exchange differences	216	(69)
At the end of the period/year	10,815	10,601

Loan receivables represented advances to independent third parties.

As at 30 September 2025, the loan receivables at principal amount of approximately HK\$10,815,000 (unaudited) (31 March 2025: HK\$11,075,000 (audited)) were unsecured, interest-bearing at a range of 0.3% to 0.5% (unaudited) (31 March 2025: 0.3% to 0.5% (audited)) per month and repayable on respective maturity dates.

As at 30 September 2025, included in the Group's loan receivables balance were debts with aggregate carrying amounts of approximately HK\$10,815,000 (unaudited) (31 March 2025: HK\$10,599,000 (audited)) which were past due 90 days or more as at the reporting date, of which approximately HK\$10,815,000 (unaudited) (31 March 2025: HK\$10,599,000 (audited)) had been provided for allowance of credit loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

17. LOAN RECEIVABLES (Continued)

The Group would consider to take all possible ways, including but not limited to, legal proceedings, to recover the respective loans and interest receivables whenever it can.

18. AMOUNTS DUE FROM AN ASSOCIATE/A RELATED COMPANY

(a) Amount due from an associate

The amount is unsecured, interest-free and repayable on demand.

(b) Amount due from a related company

The amount represents a receivable from a related company which is a subsidiary of an associate of the Group.

The amount is unsecured, interest-free and repayable on demand.

19. SHARE CAPITAL

	Ordinary shares of HK\$0.1 each		Preference shares of HK\$0.1 each		Total	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	'000	HK\$'000	'000	HK\$'000	'000	HK\$'000
Authorised share capital						
At 1 April 2024 (audited), 31 March 2025 (audited), 1 April 2025 (audited) and 30 September 2025 (unaudited)	4,900,000	490,000	100,000	10,000	5,000,000	500,000
Issued and fully paid						
At 1 April 2024 (audited)	493,761	48,522	–	–	493,761	48,522
Issue of ordinary shares (<i>note</i>)	98,752	9,875	–	–	98,752	9,875
At 31 March 2025 (audited), 1 April 2025 (audited) and 30 September 2025 (unaudited)	592,513	58,397	–	–	592,513	58,397

Note: On 26 September 2024, 98,752,000 ordinary shares of the Company of HK\$0.1 each were issued to independent third parties at HK\$0.433 per share, being a gross total consideration of approximately HK\$42,760,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

20. BANK AND OTHER BORROWINGS

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Secured bank borrowings	115,742	116,314
Secured other borrowings	10,050	13,596
Unsecured other borrowings	23,107	17,383
	148,899	147,293
Analysed as:		
– Fixed rate (<i>note i</i>)	85,044	83,538
– Floating rate (<i>note ii</i>)	49,159	48,176
– Interest-free (<i>note iii</i>)	14,696	15,579
	148,899	147,293
The bank and other borrowings are repayable as follows:		
	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Within one year or on demand	147,950	146,363
More than one year, but not exceeding two years	–	–
More than two years, but not exceeding five years	949	930
	148,899	147,293
Less: Amount due for settlement within 12 months (shown under current liabilities) (<i>note iv</i>)	(22,158)	(37,861)
Less: Amount due for settlement on demand (shown under current liabilities) (<i>note v</i>)	(125,792)	(108,502)
Amount due for settlement after 12 months	949	930

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

20. BANK AND OTHER BORROWINGS (Continued)

Notes:

- i) As at 30 September 2025, bank borrowings of approximately HK\$66,583,000 (unaudited) (31 March 2025: HK\$68,138,000 (audited)) carried interests ranging at 1-Year LPR quoted by National Interbank Funding Centre plus 1.5% per annum to 1-Year LPR plus 3.4% per annum (unaudited) (31 March 2025: ranging from 1-Year LPR plus 1.15% per annum to 1-Year LPR plus 3.15% per annum (audited)) as specified in the relevant loan agreements. The same 1-Year LPR shall be adopted throughout the loan period, which exposed the Group to fair value interest rate risk.

As at 30 September 2025, other borrowings of approximately HK\$10,050,000 (unaudited) (31 March 2025: HK\$13,596,000 (audited)) carried interest at 2 times of 1-Year LPR (unaudited) (31 March 2025: 2 times of 1-Year LPR (audited)) as specified in the relevant agreement. The same 1-Year LPR shall be adopted throughout the loan period. Furthermore, other borrowings of approximately HK\$6,495,000 (31 March 2025: Nil (audited)) carried interests ranging from 3 to 6% per annum, unsecured and repayable within one year. In addition, other borrowing of approximately HK\$1,916,000 (unaudited) (31 March 2025: HK\$1,804,000 (audited)) carried effective interest at rate of 9.18% per annum (unaudited) (31 March 2025: 9.18% per annum (audited)). These other borrowings were advanced from independent party/company and exposed the Group to fair value interest rate risk.
- ii) As at 30 September 2025, bank borrowing of approximately HK\$49,159,000 (unaudited) (31 March 2025: HK\$48,176,000 (audited)) carried interest at 1-Year LPR plus 1.5% per annum (unaudited) (31 March 2025: 1-Year LPR plus 1.5% per annum (audited)), which the 1-Year LPR shall be adjusted at the anniversary of the respective loan drawdown dates, and exposed the Group to cash flow interest rate risk.
- iii) As at 30 September 2025, other borrowings of approximately HK\$14,696,000 (unaudited) (31 March 2025: HK\$15,579,000 (audited)) were unsecured, interest-free and repayable within one year from the reporting end date. These other borrowings were advanced from independent parties/companies except for the amount of approximately HK\$109,000 (unaudited) (31 March 2025: Nil (audited)) which was advanced from a Director.
- iv) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- v) During the Period, the Group defaulted the partial repayment of bank borrowing of approximately HK\$46,919,000 (unaudited) (31 March 2025: HK\$27,460,000 (audited)). The relevant bank, as a lender, could exercise its right to demand the Group to repay the bank borrowing immediately. Hence, the whole principal amount of approximately HK\$46,919,000 (unaudited) (31 March 2025: HK\$27,460,000 (audited)) is reclassified as current liabilities on the unaudited condensed consolidated statement of financial position as at 30 September 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

20. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

v) *(Continued)*

During the Period, the Group also defaulted the repayment of other borrowing of approximately HK\$10,050,000 (unaudited) (31 March 2025: HK\$13,596,000 (audited)). The lender is independent to the Group and filed a statement of claim to a court in the PRC. Consequently, the Group's investment properties had been seized by the relevant court in the PRC temporarily. Details of the litigation were set out in the section headed "Litigations and contingent liabilities" in the "Management Discussion and Analysis" section to this report.

As at 30 September 2025, investment properties, certain property, plant and equipment and right-of-use assets had been seized by the relevant court in the PRC. Given that the Group's investment properties, which represented a whole block of commercial building located in Wuhan, Hubei Province, the PRC, were pledged to secured the Group's bank borrowings as at 30 September 2025, the relevant bank, as a lender, could exercise its right to demand the Group to repay bank borrowings of approximately HK\$68,823,000 (unaudited) (31 March 2025: HK\$67,446,000 (audited)) immediately.

The aggregate balance of these bank and other borrowings of approximately HK\$125,792,000 (unaudited) (31 March 2025: HK\$108,502,000 (audited)) was repayable on demand as at 30 September 2025 and reclassified as current liabilities on the unaudited condensed consolidated statement of financial position.

The carrying amount of the Group's bank and other borrowings is denominated in RMB.

All of the bank and other borrowings are measured at amortised cost.

The effective interest rate of bank and other borrowings was as follows:

	As at 30 September 2025	As at 31 March 2025
	(Unaudited)	(Audited)
Bank borrowings	5.19%	4.24%
Other borrowings	4.49%	7.22%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

20. BANK AND OTHER BORROWINGS (Continued)

In addition to the pledged assets disclosed in Note 23 to the unaudited condensed consolidated financial statements, bank borrowings of approximately HK\$46,919,000 (unaudited) (31 March 2025: HK\$48,867,000 (audited)) were also secured by certain properties in the PRC and guaranteed by an independent third party as at 30 September 2025. Such properties were owned by a company which was independent to the Group.

Furthermore, the bank borrowings as at 30 September 2025 of approximately HK\$68,823,000 (unaudited) (31 March 2025: HK\$67,446,000 (audited)) were (i) secured by the entire equity interest of Gongcai Network; and (ii) were guaranteed by Ms. Liu and Mr. Zou without fee. Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% (unaudited) (31 March 2025: 38.7% (audited)) of the Company's issued ordinary shares of the Company as at 30 September 2025, while Mr. Zou is the spouse of Ms. Liu.

21. TRADE AND OTHER PAYABLES

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Current liabilities		
Trade payables	27,917	32,254
Bill payables (<i>note (ii)</i>)	54,606	53,519
Total trade and bill payables	82,523	85,773
Provision for litigation liabilities (<i>note (iii)</i>)	10,768	11,289
Other payables:		
– Accruals	15,553	12,580
– Receipts in advance	6,746	6,920
– VAT payables	6,101	6,040
– Other payables	13,377	12,392
– Amounts due to an ex-substantial shareholder and its subsidiaries (<i>note (iii)</i>)	2,552	2,501
	137,620	137,495
Non-current liabilities		
Rental deposit received	3,254	3,137
Receipt in advance – rental income	3,202	1,151
	6,456	4,288

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

21. TRADE AND OTHER PAYABLES (Continued)

Notes:

- (i) The bills payables were guaranteed by the Company.
- (ii) Details of these litigations were set out in the section headed “Litigations and contingent liabilities” in the “Management Discussion and Analysis” section to this report.
- (iii) The amounts were unsecured, interest-free and repayable on demand.

Included in trade and other payables are trade creditors and bill payables of approximately HK\$82,523,000 (unaudited) (31 March 2025: HK\$85,773,000 (audited)) and an ageing analysis based on the invoice date at the end of the reporting period, is as follows:

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
0 to 90 days	1,856	2,240
91 to 180 days	764	1,050
181 to 365 days	935	12,598
Over 365 days (<i>note</i>)	78,968	69,885
	82,523	85,773

Note: Included in trade and bill payables aged “Over 365 days” were payables of approximately HK\$7,472,000 (unaudited) (31 March 2025: HK\$7,858,000 (audited)) which were related to litigation against Gongcai Network, and approximately HK\$54,611,000 (unaudited) (31 March 2025: HK\$57,959,000 (audited)) were related to litigations against Hangzhou Chenghui Engineering Technology Co., Ltd., a wholly-owned subsidiary of the Company. Details of these litigations were set out in the section headed “Litigations and contingent liabilities” in the “Management Discussion and Analysis” section to this report.

The carrying amounts of the Group’s trade and bill payables are denominated in RMB. All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

22. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

(a) Convertible bonds – CB 2029

On 19 April 2022, the Company had successfully placed convertible bonds to Sea Best Group Limited and Mr. Wu Feng (collectively the “**Bondholders**”), in an aggregate principal amount of HK\$27,500,000 with a term of 7 years (together referred to as “**CB 2029**”). The Bondholders are independent to the Group. CB 2029 carry coupon interest at a rate of 5% per annum which is payable on the last business day before each of the anniversary of the issue date and thereafter and on the maturity date (the “**Maturity Date**”) (i.e. the date falling on the expiry of seven years from the date of issue of the CB 2029, provided that if such date is not a business day, the business day immediately after such date). Backgrounds of the Bondholders and dilutive impact on then number of issued shares of the Company and substantial shareholders of the Company are further set out in the announcement of the Company dated 19 April 2022.

CB 2029 are denominated in Hong Kong dollars which entitle the Bondholders to convert them into ordinary shares of the Company at any time commencing on the issue date of convertible bonds and up to 4:00 p.m. on the five business days immediately before the Maturity Date, at a conversion price of HK\$1.50 per conversion share (subject to anti-dilutive adjustments).

Based on the initial conversion price of HK\$1.5 per conversion share and assuming there is no other change in the issued share capital of the Company between the date of this report and the full conversion of the convertible bond, 18,333,333 ordinary shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the convertible bond, representing: (a) approximately 3.09% of the existing issued share capital of the Company; and (b) approximately 3.00% of the issued share capital of the Company as enlarged by the issue of the 18,333,333 ordinary shares.

The Bondholders have the right to convert the whole or any part (in the minimum amount of or in multiple of HK\$1,000,000) of the outstanding principal amount of convertible bonds into such number of ordinary shares of the Company as will be determined by dividing the principal amount of convertible bonds to be converted by the conversion price in effect on the date of conversion. In addition, the Company has the right to redeem the whole outstanding principal amount of CB 2029 by giving not less than 30 nor more than 60 days’ notice (the “**Early Redemption Notice**”) to the Bondholders, on the date specified in the Early Redemption Notice at 100% of the outstanding principal amount held by the Bondholders together with interest accrued but unpaid to such date (if any).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

22. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Convertible bonds – CB 2029 (Continued)

The fair value of CB 2029 upon issuance is determined using valuation model which involved unobservable inputs. The day-1 gain of approximately HK\$685,000, which represented the difference between the nominal value and the fair value of CB 2029 at the issue date, is not recognised in the unaudited condensed consolidated statement of profit or loss and other comprehensive income immediately but is deferred.

Upon issuance of CB 2029, amounts of approximately HK\$22,419,000, HK\$16,267,000 and HK\$11,871,000 were recognised as liability component, derivative component embedded in CB 2029 (liability) and derivative component embedded in CB 2029 (asset), respectively. The day-1 gain of approximately HK\$685,000 is included in the liability component of convertible bonds and will be amortised over the term of CB 2029.

During the Period, no convertible bonds were converted by the Bondholders, and the Company did not redeem any part of CB 2029 (unaudited) (six months ended 30 September 2024: Nil (unaudited)).

As at 30 September 2025, the outstanding principal of CB 2029 were HK\$27,500,000 (unaudited) (31 March 2025: HK\$27,500,000 (audited)).

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the derivative components of CB 2029 as follows:

	CB 2029	
	As at 30 September 2025 (Unaudited)	As at 31 March 2025 (Audited)
Share price	HK\$0.47	HK\$0.36
Dividend yield	0%	0%
Expected volatility	96.52%	106.86%
Risk-free rate	2.52%	2.89%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

22. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Convertible bonds – CB 2029 (Continued)

The movements of the liability components of convertible bonds are set out below:

	Liability component	Deferred day-1 gain	Total
	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2024 (audited)	22,757	489	23,246
Interest paid	(1,375)	–	(1,375)
Effective interest on convertible bonds	2,150	–	2,150
Amortisation of deferred day-1 gain	–	(98)	(98)
Coupon interest accrued and included in other payables at 31 March 2024	1,306	–	1,306
Coupon interest accrued and included in other payables at 31 March 2025	(1,306)	–	(1,306)
As at 31 March 2025 and 1 April 2025 (audited)	23,532	391	23,923
Interest paid	(1,375)	–	(1,375)
Effective interest on convertible bonds (<i>Note 8</i>)	1,110	–	1,110
Amortisation of deferred day-1 gain (<i>Note 7</i>)	–	(49)	(49)
Coupon interest accrued and included in other payables at 31 March 2025	1,306	–	1,306
Coupon interest accrued and included in other payables at 30 September 2025	(687)	–	(687)
As at 30 September 2025 (unaudited)	23,886	342	24,228

The effective interest rate of the liability components of CB 2029 is 9.5%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

22. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(b) Derivative components of convertible bonds

The movements of the derivative components of convertible bonds are set out below:

	Assets – CB 2029	Liabilities – CB 2029	Total
	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2024 (audited)	(2,964)	6,038	3,074
Fair value change	419	(2,916)	(2,497)
As at 31 March 2025 and 1 April 2025 (audited)	(2,545)	3,122	577
Fair value change	(804)	479	(325)
As at 30 September 2025 (unaudited)	(3,349)	3,601	252

The gain on change in fair value of derivative embedded in of the convertible bonds for the Period of approximately HK\$325,000 (unaudited) (six months ended 30 September 2024: HK\$670,000 (unaudited)) and amortisation of day-1 gain of approximately HK\$49,000 (unaudited) (six months ended 30 September 2024: HK\$49,000 (unaudited)) were recognised in the unaudited condensed consolidated statement of profit or loss, of which fair value gain of approximately HK\$325,000 (unaudited) (six months ended 30 September 2024: HK\$670,000 (unaudited)) was related to derivative components of convertible bonds at 30 September 2025. The related interest expense of the liability component of the convertible bonds for the Period amounted to approximately HK\$1,110,000 (unaudited) (six months ended 30 September 2024: HK\$1,073,000 (unaudited)), which was calculated using the effective interest method.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

23. PLEDGE OF ASSETS

The following assets of the Group and their respective carrying values as at the end of the reporting period are pledged to secure the Group's bank and other borrowings:

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Investment properties	157,389	175,232
Property, plant and equipment – building	1,332	1,381
Right-of-use assets	7,457	7,417
	166,178	184,030

As at 30 September 2025 (unaudited) and 31 March 2025 (audited), the entire equity interest of Gongcai Network is also pledged to secure the Group's bank borrowings.

24. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	As at 30 September 2025	As at 31 March 2025
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Acquisition of intangible assets	7,302	7,156

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following related party transactions during the six months ended 30 September 2025 and 2024:

Relationship	Nature of transaction	Six months ended 30 September	
		2025	2024
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Companies which are controlled by close family members of Ms. Liu ¹	Payment of principal element of lease liabilities	–	45
	Payment of interest element of lease liabilities	–	11
	Provision of energy management contracting services	8	47
	Allowance of credit losses on:		
	– trade receivables	229	–
Companies which are associates of Ms. Liu ¹	Provision of procurement services	–	17,023
	Provision of energy management contracting services	91	696
	Provision of other IT services	–	171
	Cost of provision of procurement services	–	346
	Allowance of credit losses on:		
	– trade receivables	1,450	–
	– contract assets	17	–

¹ Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% (unaudited) of the Company's issued ordinary shares as at 30 September 2025 (31 March 2025: 38.7% (audited)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

25. RELATED PARTY DISCLOSURES (Continued)

(b) Related party balances

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group have following outstanding balances with related parties as at 30 September 2025 and 31 March 2025:

Relationship	Nature of balance	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Companies which are controlled by close family members of Ms. Liu ¹ (Note 25(a))	Trade receivables		
	– gross amount	229	–
	– allowance for credit loss	(229)	–
	Contract assets		
	– gross amount	–	1,060
	– allowance for credit loss	–	(210)
	Lease liabilities	414	414
Companies which are associates of Ms. Liu ¹ (Note 25(a))	Trade receivables		
	– gross amount	20,801	18,954
	– allowance for credit loss	(20,801)	(18,954)
	Other receivable		
	– gross amount	20,388	19,980
	– allowance for credit loss	(20,388)	(19,980)
	Contract assets		
	– gross amount	1,373	2,006
	– allowance for credit loss	(1,373)	(438)
	Other payables	210	460
	Contract liabilities	–	129

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

25. RELATED PARTY DISCLOSURES (Continued)

(c) Compensation of key management personnel

Directors of the Company are key management personnel of the Group whose remuneration is disclosed in Note 10 to the condensed consolidated financial statements.

26. DISPOSAL OF SUBSIDIARIES

- a) On 6 August 2025, the Group disposed of its entire equity interest in Brilliant Station Limited, a wholly-owned subsidiary of the Company, to an independent party at a consideration of HK\$1. Brilliant Station Limited and its subsidiaries ("**Brilliant Station Group**") were inactive prior to the disposal.
- b) On 6 May 2025, the Group disposed its entire interest in 明水縣展晶光伏科技有限責任公司 (Mingshui Zhanjing Photovoltaic Technology Limited*, "**Mingshui Zhanjing**"), a wholly-owned subsidiary of the Company, to an associated company at a consideration of approximately RMB46,000 (equivalent to approximately HK\$50,000). This subsidiary engaged in the provision of energy management contracting services in the PRC.

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

26. DISPOSAL OF SUBSIDIARIES (Continued)

- (c) The assets and liabilities of the Brilliant Station Group and Mingshui Zhanjing on the respective dates of disposal were as follows:

	Brilliant Station Group	Mingshui Zhanjing	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Net liabilities disposed of:			
Property, plant and equipment	–	3,152	3,152
Trade and other receivables	1	1,582	1,583
Bank balances	6	1	7
Other payables	(285)	(5,876)	(6,161)
Current tax liabilities	(1,380)	–	(1,380)
	(1,658)	(1,141)	(2,799)
Gain on disposal of subsidiaries:			
Consideration received	– [#]	–	– [#]
Consideration receivable	–	50	50
Net liabilities disposed of	1,658	1,141	2,799
Reclassification of statutory reserve	234	–	234
Reclassification of cumulative foreign currency translation reserve upon disposal	(1,028)	2	(1,026)
Non-controlling interests	(516)	–	(516)
	348	1,193	1,541
Net cash outflows arising on disposal:			
Cash consideration received	– [#]	–	– [#]
Less: Bank balances disposed of	(6)	(1)	(7)
	(6)	(1)	(7)

[#] Less than HK\$1,000

27. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board on 28 November 2025.

GENERAL INFORMATION

2022 SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**2022 Share Option Scheme**”) at the annual general meeting held on 3 August 2022 by way of an ordinary resolution passed by the shareholders of the Company, allowing the Company to grant share options to (i) recognise and reward the contribution of certain eligible participants to the growth and development of the Group; (ii) give incentives to such eligible participants to encourage and retain them for continual operation and development of the Group; and (iii) to attract suitable personnel for the future development of the Group. Participants under the 2022 Share Option Scheme include, among others, Directors and employees of the Group. The Company is aware that under the new rule 17.03A of the Listing Rules which came into effect on 1 January 2023, participants of share schemes shall only comprise employee participants, related entity participants and service providers (as defined in the Listing Rules). The Company will only grant share options to eligible participants in compliance with the new rule 17.03A and pursuant to the transitional arrangements for share schemes existing as at 1 January 2023 as specified by the Stock Exchange. Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain in force for a period of 10 years commencing from 3 August 2022.

Details of the share options granted to the grantees under the 2022 Share Option Scheme and the movement of such share options during the Period are set out below:

Eligible person	Date of grant	Exercisable period	Vesting date	Fair value per share option	Adjusted exercise price	Number of share options		
						Outstanding at 1 April 2025	Lapsed during the Period	Outstanding at 30 September 2025
			(note (ii))	HK\$	HK\$ (note (ii))			
Employee/consultant	2 September 2022 (note (iii))	2 September 2026 – 1 September 2027	2 September 2026	0.8264	1,1644153	583,094	–	583,094
Exercisable at the end of the period						–		–
Weighted average exercise price (HK\$)						1,1644153	–	1,1644153

GENERAL INFORMATION

Notes:

- (i) The vesting of the share options is subject to the fulfilment of certain performance targets and vesting conditions as specified by the Directors in the letters of grant issued to each of the grantees, which is set out as follows: (a) all optionholders have to remain to be a director or an employee of the Group; (b) optionholders have not materially breached any law or internal regulation of the Group on the date of vesting; (c) the Group should have achieved by the respective dates of vesting for the four tranches, respective revenue growth of not less than 60%, 400%, 600% and 1,000% as compare to the audited consolidated revenue of the Group for the fifteen months ended 31 March 2022; and (d) the respective optionholders will have to pass the annual corporate culture and value assessment and achieve a minimum individual appraisal score on their personal performance in carrying out their job duties and responsibilities.
- (ii) Upon the allotment and issuance of 189,907,953 new shares of the Company on 8 February 2023 as a result of the rights issue of the Company, the number of share options was adjusted from 13,321,000 to 13,796,421 and the corresponding exercise price was adjusted from HK\$1.206 to HK\$1.1644153 per share option.
- (iii) The closing price per share of the Company as quoted on the Stock Exchange on 1 September 2022, being the date immediately before the date on which the share options were granted, was HK\$1.08.

During the Period, no share options were vested to the Directors and the employees of the Company. No share options were granted, exercised, lapsed or cancelled during the Period. As no share options granted under the 2022 Share Option Scheme has been exercised since the date of grant, the number of shares available for issue under the 2022 Share Option Scheme both as at 1 April 2025, 30 September 2025 and as at the date of this interim report is 29,308,372, representing approximately 4.95% of the total issued shares of the Company as at each of 1 April 2025, 30 September 2025 and the date of this report. The number of share options available for grant under the 2022 Share Option Scheme as at each of 31 March 2025 and 30 September 2025 is 28,725,278, representing approximately 4.85% of the total issued shares of the Company as at the date of this report.

The weighted average remaining contractual life of the 2022 Share Option Scheme is 6.93 years (31 March 2025: 7.43 years).

GENERAL INFORMATION

During the Period, the Group did not recognise share-based payment expenses (six months ended 30 September 2024: Nil) for the 2022 Share Option Scheme in the condensed consolidated statement of profit or loss.

2022 SHARE AWARD PLAN

The Company adopted a share award plan (the “**2022 Share Award Plan**”) pursuant to a Directors’ resolution on 29 April 2022 in order to (i) recognise the contributions made to the Group by the selected participants; (ii) retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) encourage and motivate the selected participants to achieve individual performance goals as well as the corporate objectives. The 2022 Share Award Plan will remain in force for a period of 10 years commencing on the date of its adoption (i.e. 29 April 2022).

The following table sets out the movements of the Company’s awarded shares granted under the 2022 Share Award Plan during the Period:

Eligible person	Date of grant	Vesting date	Number of awarded shares		
			Unvested at 1 April 2025	Lapsed during the Period	Unvested at 30 September 2025
		(note)			
Consultant	2 September 2022	2 September 2026	314,500	–	314,500

Note: The vesting of the awarded shares is subject to the fulfilment of certain performance targets and vesting conditions as specified by the Directors in the letters of grant issued to each of the grantees, which is set out as follows: (a) all awarded share holders have to remain to be a Director or an employee of the Group; (b) awarded share holders have not materially breached any law or internal regulation of the Group on the date of vesting; (c) the Group should have achieved by the respective dates of vesting for the four tranches, respective revenue growth of not less than 60%, 400%, 600% and 1,000% as compare to the audited consolidated revenue of the Group for the fifteen months ended 31 March 2022; and (d) the respective awarded share holders will have to pass the annual corporate culture and value assessment and achieve a minimum individual appraisal score on their personal performance in carrying out their job duties and responsibilities.

GENERAL INFORMATION

During the Period, no awarded shares were vested and allotted to the holder of the awarded shares and no awarded shares lapsed upon resignation or voluntary abandonment of the relevant employees in accordance with the terms and conditions of the 2022 Share Award Plan.

During the Period, no award shares were granted by the Company. As at 31 March 2025, 1 April 2025 and 30 September 2025, the total number of award shares available for issue under the 2022 Share Award Plan is 12,437,686, representing approximately 2.10% of the total issued shares of the Company as at 31 March 2025 and the date of this report. As at 1 April 2025 and as at 30 September 2025, the total number of award shares available for grant under the 2022 Share Award Plan is 12,123,186, representing approximately 2.05% of the total issued shares of the Company as at the date of this report.

During the Period, the Group did not recognise share-based payment expense (six months ended 30 September 2024: Nil) for the 2022 Share Award Plan in the condensed consolidated statement of profit or loss.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2025, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the shares of the Company (the **"Shares"**), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (**"SFO"**)) that was required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) contained in the Listing Rules.

GENERAL INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY

As at 30 September 2025, according to the register of interests required to be kept by the Company under Section 336 of the SFO, the following persons, other than the Directors or chief executives of the Company, had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in Shares of the Company

Name of Shareholders	Capacity	Number of Shares of the Company interested	Total interests as to percentage of the issued share capital of the Company as at 30 September 2025 (Note 1) (approximately)
Eastmount Global Limited	Beneficial owner	229,291,903 (Note 2)	38.70%
Wu Siyuan	Discretionary beneficiary of a discretionary trust	229,291,903 (Note 2)	38.70%
Trident Trust Company (Singapore) Pte Limited	Trustee of a discretionary trust	229,291,903 (Note 2)	38.70%
Liu Luoxiu	Founder of a discretionary trust	229,291,903 (Note 2)	38.70%
Jiangxi Bank Co., Ltd* (江西銀行股份有限公司)	Person having a security interest in shares of the Company	63,860,200 (Note 3)	10.78%
Zhang Yibin	Beneficial owner	59,200,000	9.99%

* For identification purposes only

GENERAL INFORMATION

Notes:

1. As at 30 September 2025, the issued share capital of the Company was 592,512,678 Shares.
2. These Shares were held by Eastmount Global Limited, which was wholly-owned by Fu Ze Ventures Limited, which was in turn wholly-owned by Eshay Investments Limited. Eshay Investments Limited was wholly-owned by Frandor Limited, which in turn was wholly-owned by Trident Trust Company (Singapore) Pte Limited, the trustee of a discretionary trust of which Ms. Liu Luoxiu is the settlor and certain family members of Ms. Liu Luoxiu, including Ms. Wu Siyuan, are discretionary beneficiaries. Each of aforementioned persons and entities was deemed to be interested in the shares of the Company held by Eastmount Global Limited by virtue of Part XV of the SFO.
3. These Shares were pledged to Jiangxi Bank Co., Ltd* (江西銀行股份有限公司) under a share pledge agreement between Jiangxi Bank Co., Ltd* (江西銀行股份有限公司) and Eastmount Global Limited dated 15 July 2022.

Save as disclosed above, the Company had not been notified of any other person (other than a Director or chief executive of the Company) who had an interest (whether direct or indirect) in 5% or more of the shares comprised in the relevant share capital or a short position which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 30 September 2025.

CHANGES OF INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF LISTING RULES

No information was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Period (six months ended 30 September 2024: Nil).

CORPORATE GOVERNANCE

1. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Stock Exchange issued the corporate governance code (“**CG Code**”) as set out in part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”), which provides code provisions and recommends best practices in relation to corporate governance for listed companies. The Company has complied with the CG Code during the Period except for the deviation as described below.

Under code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

During the Period, there has been no change of board composition, Mr. Yang Hua served as both the chief executive and one of the joint chairman of the Board (“**Joint Chairman**”) while Mr. Zhou Xiangtao is the other Joint Chairman. The roles of the Joint Chairman are clearly defined and segregated as follows: Mr. Yang Hua primarily focuses on the daily operations and management of the Group; whereas Mr. Zhou Xiangtao primarily focuses on the strategic planning and the development of corporate culture of the Group. Subsequent to the Period, Mr. Zhou Xiangtao resigned on 17 November 2025 and Mr. Zhao Zhijiao was appointed as a Joint Chairman on the same day and has taken up the responsibilities of Mr. Zhou Xiangtao as the Joint Chairman. Through the supervision of the Board and the Board committees, balance of power and authority can be ensured. Although such practice deviates from code provision C.2.1 of the CG Code, the Board believes that vesting the roles of both the Joint Chairman and the chief executive officer in the same individual, has the benefit of ensuring consistent leadership to advance long-term strategy and operating efficiency of the Group, while at the same time, with the aid of the other Joint Chairman, ensuring that the balance of power and authority of the Board will not be impaired. Therefore, the Board believes that it is in the best interests of the Company for Mr. Yang Hua to assume the roles of chief executive and as one of the Joint Chairman until such time as the Board considers that such roles should be assumed by different individuals.

The Company considered its prevailing structures and systems to be satisfactory in terms of ensuring its compliance with the CG code and will continuously enhance its corporate governance standards throughout the Group and ensure further measures to be put in place by reference to the recommended best practices whenever suitable and appropriate.

CORPORATE GOVERNANCE

2. AUDIT COMMITTEE

As at the date of this report, the Audit Committee comprises three members, namely, Mr. He Zhi (Chairman), Mr. Zhao Zhijiao and Ms. Deng Hua. All of them are independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management in respect to the financial reporting matters, including review of the unaudited interim results of the Group for the Period. The Audit Committee has no disagreement with the accounting treatment adopted by the Group and is also of the opinion that such statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

3. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors and relevant employees of the Group. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Period.

By order of the Board

CHERISH SUNSHINE INTERNATIONAL LIMITED

Yang Hua

Joint Chairman and Chief Executive

Hong Kong, 28 November 2025