

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



New Sparkle Roll International Group Limited
新耀萊國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 970)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2026

RESULTS

The Board of directors (the “**Board**” or “**Directors**”) of New Sparkle Roll International Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 March 2026, together with the comparative figures for the last corresponding year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	5	2,356,532	2,067,544
Cost of sales		<u>(2,183,954)</u>	<u>(1,926,583)</u>
Gross profit		172,578	140,961
Other income, gains and losses	6	5,555	(78,449)
Impairment of trade receivables		–	(2,300)
Reversal of impairment of loan receivables and loan interest receivables		4,300	–
Impairment of goodwill		(20,134)	(29,318)
Impairment of other intangible assets		(1,580)	(120,126)
Impairment of property, plant and equipment		–	(328,542)
Selling and distribution costs		(156,604)	(177,999)
Administrative expenses		(48,370)	(70,792)
Operating loss	7	(44,255)	(666,565)
Finance costs	8	(39,495)	(65,234)
Loss before income tax		(83,750)	(731,799)
Income tax (expense)/credit	9	(5,737)	14,482
Loss for the year		(89,487)	(717,317)
Other comprehensive income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		39,591	(18,677)
Release of exchange reserve upon deregistration of subsidiaries		–	617
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity investments at fair value through other comprehensive income recognised during the year		(86,809)	66,210

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Other comprehensive income for the year, net of tax		<u>(47,218)</u>	<u>48,150</u>
Total comprehensive income for the year		<u>(136,705)</u>	<u>(669,167)</u>
Loss for the year attributable to:			
Owners of the Company		(91,710)	(718,179)
Non-controlling interests		<u>2,223</u>	<u>862</u>
		<u>(89,487)</u>	<u>(717,317)</u>
Total comprehensive income attributable to:			
Owners of the Company		(139,019)	(670,004)
Non-controlling interests		<u>2,314</u>	<u>837</u>
		<u>(136,705)</u>	<u>(669,167)</u>
Loss per share attributable to owners of the Company			
Basic	<i>10</i>	<u>HK\$(0.14)</u>	<u>HK\$(1.31)</u>
Diluted	<i>10</i>	<u>HK\$(0.14)</u>	<u>HK\$(1.31)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		574,404	526,025
Investment properties		295,918	323,239
Goodwill		36,125	53,883
Other intangible assets		4,186	5,844
Financial assets at fair value through other comprehensive income		177,443	209,168
Deferred tax assets		–	2,045
		1,088,076	1,120,204
Current assets			
Inventories		314,666	556,896
Trade receivables	<i>11</i>	17,649	32,013
Deposits, prepayments and other receivables		94,412	59,740
Amounts due from non-controlling interests		–	23
Investment in films and television program		2,606	2,258
Pledged deposits		23,864	31,204
Cash at banks and in hand		125,533	105,496
		578,730	787,630
Current liabilities			
Trade payables	<i>12</i>	5,080	3,816
Contract liabilities		35,796	25,933
Receipts in advance, accrued charges and other payables		95,081	127,524
Amount due to non-controlling interests		6,288	–
Borrowings		396,240	526,751
Lease liabilities		51,624	38,645
		590,109	722,669
Net current (liabilities)/assets		(11,379)	64,961
Total assets less current liabilities		1,076,697	1,185,165

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		2,856	–
Lease liabilities		160,742	214,890
		163,598	214,890
NET ASSETS		913,099	970,275
EQUITY			
Share capital		21,612	15,008
Reserves		884,915	951,009
Equity attributable to owners to the Company		906,527	966,017
Non-controlling interests		6,572	4,258
TOTAL EQUITY		913,099	970,275

NOTES

1. GENERAL

New Sparkle Roll International Group Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 18/F, Ovest, 77 Wing Lok Street, Sheung Wan, Hong Kong effective from 14 January 2026. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (together the “**Group**”) are distributorships of luxury goods and automobiles, provision of after-sales services, provision of property management services, provision of property rental services, and film related business including development and investment in films. The Group’s operations are mainly based in the People’s Republic of China (“**PRC**”) and Hong Kong.

In the opinion of the directors of the Company (the “**Directors**”), the Company does not have immediate holding company and ultimate holding company. The Directors regard the Company does not have controlling shareholder as at 31 March 2026.

2. BASIS OF PREPARATION AND GOING CONCERN BASIS

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

It should be noted that accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preparation of the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

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

Going Concern Basis

During the year ended 31 March 2026, the Group incurred a loss of HK\$89,487,000 and at the end of the reporting period, it recorded net current liabilities of HK\$11,379,000. At the same time, the Group had borrowings of approximately HK\$396,240,000 that are repayable within twelve months after the reporting date, while its cash and cash equivalents amounted to HK\$149,397,000 only. These events or conditions may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the Group's ability to continue as a going concern and the appropriateness of the use of the going concern basis for the preparation of these consolidated financial statements, the Directors prepared a cash flow projection of the Group covering a period of 15 months from the end of the reporting period to 30 June 2027 after taking into account the following plans and measures:

Included in the total borrowings under current liabilities amounted to HK\$396,240,000 as at 31 March 2026 were bank borrowings of HK\$167,127,000. Out of which were short-term loans from a bank in the PRC of approximately HK\$153,410,000 (equivalent to RMB135,000,000). During the year, the Group has fully drawn down from a 3 years revolving facility, in total RMB135 million, offered by a bank in the PRC by way of several 12 months short-term loans amounted to approximately HK\$153,410,000 (equivalent to RMB135,000,000) as at 31 March 2026. The revolving RMB135 million loan facility is a three-year term effective from 25 September 2025. The Directors plan to utilise the revolving facility entirely by entering into new borrowings upon the maturity of the short-term loans.

The Directors are of the opinion that as a result of the above plans and measures, the Group will have sufficient working capital to meet its cash flows requirements in the next twelve months.

Accordingly, these consolidated financial statements have been prepared on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES

(a) New standards, interpretations and amendments – effective on 1 April 2025

The HKICPA has issued the below amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The Group has adopted the above amendments for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

(b) New standards, interpretations and amendments that have been issued but are not yet effective

The following new or amendments to HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ¹
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (“ 2027 Amendments ”) ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the Group's consolidated financial statements, the application of the new standard is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

Except for the above, these new or amendments to HKFRS Accounting Standards are preliminary assessed not to have any significant impact on the Group's consolidation financial statements.

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to executive Directors who are responsible for allocating resources and assessing performance of the operating segments.

The executive Directors have identified the following reportable operating segments:

- (i) Auto dealership – this segment includes sales of branded automobiles, namely Bentley, Lamborghini and Rolls-Royce and provision of related after-sales services.
- (ii) Non-auto dealership – this segment includes sales of branded watches, jewellery, fine wines, audio equipment, menswear apparels and accessories, cigars and smoker's accessories, silver articles, home articles and health products.
- (iii) Property management and others – this segment includes provision of property management services and, property rental services and investment in films.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar transaction.

	Auto dealership <i>HK\$'000</i>	Non-auto dealership <i>HK\$'000</i>	Property management and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	2,131,791	162,573	62,168	2,356,532
Other income, gains and losses	44,174	12,585	(52,097)	4,662
	<u>2,175,965</u>	<u>175,158</u>	<u>10,071</u>	<u>2,361,194</u>
Reportable segment results	<u>26,044</u>	<u>(18,551)</u>	<u>(27,456)</u>	<u>(19,963)</u>
Other segment information:				
Amortisation of other intangible assets	–	–	(344)	(344)
Depreciation of property, plant and equipment	(22,526)	(7,137)	(50)	(29,713)
Unallocated				(5,286)
				<u>(34,999)</u>
Changes in fair value of investment properties	–	–	(44,180)	(44,180)
Changes in fair value of investment in films	–	–	212	212
Write-down of inventories	(901)	(65,125)	–	(66,026)
Reversal of write-down of inventories	1,874	46,318	–	48,192
Impairment of goodwill	–	–	(20,134)	(20,134)
Impairment of other intangible assets	–	–	(1,580)	(1,580)
Reversal of impairment of loan receivables and loan interest receivables	–	–	4,300	4,300
	<u>845,597</u>	<u>117,387</u>	<u>372,905</u>	<u>1,335,889</u>
Reportable segment assets				<u>1,335,889</u>
Financial assets at FVTOCI				177,443
Deposits, prepayments and other receivables				2,509
Cash at banks and in hand				30,067
Other corporate assets:				
– financial assets				–
– non-financial assets				120,898
Consolidated total assets				<u>1,666,806</u>
Additions to non-current segment assets other than financial instruments during the year	50,174	402	–	50,576
Unallocated				9
				<u>50,585</u>
Reportable segment liabilities	76,095	59,734	215,313	351,142
Borrowings				396,240
Other corporate liabilities:				
– financial liabilities				–
– non-financial liabilities				6,325
Consolidated total liabilities				<u>753,707</u>

	Auto dealership <i>HK\$'000</i>	Non-auto dealership <i>HK\$'000</i>	Property management and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	1,724,766	276,186	66,592	2,067,544
Other income, gains and losses	60,079	3,487	(101,261)	(37,695)
	<u>1,784,845</u>	<u>279,673</u>	<u>(34,669)</u>	<u>2,029,849</u>
Reportable segment results	<u>(281,912)</u>	<u>(65,396)</u>	<u>(210,278)</u>	<u>(557,586)</u>
Other segment information:				
Amortisation of other intangible assets	–	–	(5,698)	(5,698)
Depreciation of property, plant and equipment	(25,456)	(10,416)	(13)	(35,885)
Unallocated				(10,601)
				<u>(46,486)</u>
Changes in fair value of investment properties	–	–	(35,357)	(35,357)
Changes in fair value of investment in films and television program	–	–	(37,516)	(37,516)
Write-down of inventories	(1,874)	(52,333)	–	(54,207)
Reversal of write-down of inventories	6,676	2,373	–	9,049
Impairment of goodwill	–	–	(29,318)	(29,318)
Impairment of trade receivables	–	–	(2,300)	(2,300)
Impairment of other intangible assets	–	–	(120,126)	(120,126)
Impairment of property, plant and equipment	(328,542)	–	–	(328,542)
	<u>825,027</u>	<u>261,398</u>	<u>433,468</u>	<u>1,519,893</u>
Reportable segment assets				<u>1,519,893</u>
Financial assets at FVTOCI				209,168
Deposits, prepayments and other receivables				4,149
Cash at banks and in hand				9,319
Other corporate assets:				
– financial assets				–
– non-financial assets				165,305
Consolidated total assets				<u>1,907,834</u>
Additions to non-current segment assets other than financial instruments during the year	9,576	161	–	9,737
Unallocated				14
				<u>9,751</u>
Reportable segment liabilities	158,430	33,614	210,980	403,024
Borrowings				526,751
Other corporate liabilities:				
– financial liabilities				7,020
– non-financial liabilities				764
Consolidated total liabilities				<u>937,559</u>

A reconciliation between the reportable segment results and the Group's loss before income tax is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Reportable segment results	(19,963)	(557,586)
Bank interest income	132	656
Unallocated corporate other income, gains and losses	761	(41,410)
Unallocated corporate expenses	(25,185)	(68,225)
Finance costs	(39,495)	(65,234)
	<u>(83,750)</u>	<u>(731,799)</u>
Loss before income tax	<u>(83,750)</u>	<u>(731,799)</u>

Major customer

During the reporting period, there is no customer with transactions exceeded 10% of the Group's revenue.

Geographical information

No geographical information is presented as the Group's revenue is solely derived from the PRC and Hong Kong and all of the Group's non-current assets other than financial instruments are located in the PRC and Hong Kong.

Management determines that the Group is domiciled in the PRC and Hong Kong, which is the Group's principal operating location.

5. REVENUE

The Group's principal activities are sale of automobiles and other merchandise and provision of automobile related after-sales services. Other businesses mainly represent income from provision of property management services and property rental services.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue from contracts with customers:		
<i>Recognised at point in time</i>		
Sales of automobiles	2,035,784	1,644,673
Sales of other merchandise	162,573	276,186
<i>Recognised over time</i>		
Provision of after-sales services	96,007	80,093
Provision of property management services	315	39
	<u>2,294,679</u>	<u>2,000,991</u>
Total revenue from contracts with customers	<u>2,294,679</u>	<u>2,000,991</u>
Revenue from other sources:		
Provision of property rental services	61,853	66,553
	<u>61,853</u>	<u>66,553</u>
Total	<u>2,356,532</u>	<u>2,067,544</u>

Disaggregation of revenue from contracts with customers by major product or service lines is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Types of goods or services:		
<i>Auto dealership segment</i>		
Sales of automobiles	2,035,784	1,644,673
Provision of after-sales services	96,007	80,093
	<u>2,131,791</u>	<u>1,724,766</u>
<i>Non-auto dealership segment</i>		
Sales of other merchandise	162,573	276,186
<i>Other segment</i>		
Provision of property management services	315	39
	<u>315</u>	<u>39</u>
Total revenue from contracts with customers	<u><u>2,294,679</u></u>	<u><u>2,000,991</u></u>

All revenue from contracts with customers were generated from the PRC and Hong Kong in both financial periods.

The Group has applied expedient under HKFRS 15 so that the transaction price allocated to unsatisfied (or partially satisfied) performance obligations under contracts is not disclosed as such contracts have an original expected duration of one year or less.

6. OTHER INCOME, GAINS AND LOSSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Bank interest income	132	656
Changes in fair value of investment properties	(44,180)	(35,357)
Changes in fair value of investment in films and television program	212	(37,516)
Gain on disposal of property, plant and equipment	171	1,380
Gain on sales of pre-owned cars	902	677
Gain on lease modification	37,133	–
Government grant (<i>Note a</i>)	2,573	339
Revaluation loss on property, plant and equipment (<i>Note b</i>)	–	(19,125)
Income from advertising, exhibitions and other services	2,467	6,136
Income from insurance brokerage	2,500	1,521
Written off of property, plant and equipment	–	(15)
Others	3,645	2,855
	<u>3,645</u>	<u>2,855</u>
	<u><u>5,555</u></u>	<u><u>(78,449)</u></u>

Notes:

- (a) The amount represents subsidy for boosting the consumption in Beijing during the year. There is no condition attached to this subsidy by the relevant PRC local government.
- (b) During the year ended 31 March 2025, the Group performed revaluation on property, plant and equipment upon the change of use and transferred to investment properties. Based on the assessment, a revaluation loss of HK\$19,125,000 was recognised in profit or loss.

7. OPERATING LOSS

Operating loss is arrived at after charging/(crediting):

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Amortisation of other intangible assets	344	5,698
Auditors' remuneration		
– Audit services	1,970	1,850
Cost of inventories recognised as expenses, including	2,183,954	1,917,608
– Write-down of inventories	66,026	54,207
– Reversal of write-down of inventories	(48,192)	(9,049)
Depreciation of property, plant and equipment	34,999	46,486
Exchange differences, net	9,294	632
Employee benefit expenses	56,156	57,745
Interest on lease liabilities	17,831	19,916
Impairment of trade receivables	–	2,300
Reversal of impairment of loan receivables and loan interest receivables	(4,300)	–
Impairment of goodwill	20,134	29,318
Impairment of other intangible assets	1,580	120,126
Impairment of property, plant and equipment	–	328,542
Lease payments under short term leases	653	365
Lease payments under variable lease payment not included in the measurement of lease liabilities	–	1,260
Gain on disposal of subsidiaries	(16)	–
Written off of property, plant and equipment	–	15
	<u> </u>	<u> </u>

8. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on bank borrowings	7,598	16,852
Interest on other loans	14,066	28,466
Imputed interest on lease liabilities	17,831	19,916
	<u> </u>	<u> </u>
	<u>39,495</u>	<u>65,234</u>

9. INCOME TAX

Hong Kong profits tax is calculated at 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity and can apply two-tiered rates on the estimated assessable profits arising in Hong Kong at 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the years ended 31 March 2025 and 2026.

The Group's subsidiaries in the PRC are subject to income tax at the rate of 25% for the years ended 31 March 2025 and 2026.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax		
– Income tax		
Charge for the year	860	1,067
Under-provision in prior years	26	179
Total current tax	886	1,246
Deferred tax	4,851	(15,728)
Income tax expense/(credit)	<u>5,737</u>	<u>(14,482)</u>

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share based on the loss for the year and weighted average number of ordinary shares during the year as follow:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company	<u>(91,710)</u>	<u>(718,179)</u>
	2026	2025 (Restated)
Weighted average number of ordinary shares for the purposes of calculating diluted loss per share	<u>665,740,784</u>	<u>549,582,789</u>

Basic earnings per share for the year ended 31 March 2025 are restated to reflect the bonus element of the placing of shares during the year ended 31 March 2026.

During the year ended 31 March 2026 and 2025, the Company did not have any potential ordinary shares outstanding.

Therefore, the basic and diluted loss per share in the respective years are equal.

11. TRADE RECEIVABLES

Trade receivables mainly represent rental receivable from tenants, and accounts receivable from sales of goods and provision of services to customers. The Group's trading terms with its retail customers are receipts in advance from customers or cash on delivery, whereas the trading terms with wholesale customers are generally one to three months. With respect to rental receivables, tenants are generally required to pay rentals one to six months in advance. The Group seeks to maintain strict control over its outstanding trade receivables and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by the management.

An ageing analysis of trade receivables at the end of the reporting period, based on the invoice dates, is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0 – 30 days	7,482	25,630
31 – 120 days	2,497	2,676
121 – 365 days	5,129	556
Over 365 days	2,541	3,151
	<u>17,649</u>	<u>32,013</u>

Trade receivables that were neither past due nor credit-impaired related to certain customers from whom there was no recent history of default.

12. TRADE PAYABLES

The following is an ageing analysis of trade payables based on the invoice dates as at the end of the reporting period:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0 – 30 days	4,724	3,515
31 – 60 days	3	–
61 – 90 days	–	–
Over 90 days	353	301
	<u>5,080</u>	<u>3,816</u>

13. DIVIDEND

No dividend was paid, declared or proposed by the Company in respect of the years ended 31 March 2025 and 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Auto Dealerships

During the financial year under review, revenue of the ultra-luxury automobile distributorships of Bentley, Lamborghini and Rolls-Royce recorded an approximately 23.6% increase to approximately HK\$2,131.8 million, as compared with that of approximately HK\$1,724.8 million in the previous financial year. Among these brands, Bentley recorded a sales decline, amounting to approximately HK\$728.3 million and representing approximately 6.4% decrease in sales in this financial year from approximately HK\$778.0 million during the previous financial year. A total of 238 units of Bentley were sold, representing a decrease of approximately 5.2% as compared with 251 units sold in the previous financial year.

Rolls-Royce recorded sales of 136 units during this financial year, representing an increase of approximately 49.5% as compared with 91 units sold in the previous financial year. The brand recorded an increase in sales during this financial year with a total of approximately HK\$944.8 million, representing an increase of approximately 66.1% as compared with that of approximately HK\$568.8 million recorded in the previous financial year.

Lamborghini recorded an increase in sales during this financial year with a total of approximately HK\$362.7 million, representing an increase of approximately 21.8% as compared with that of approximately HK\$297.9 million recorded in the previous financial year. A total of 80 units of Lamborghini were sold, representing a decrease of approximately 1.2% as compared with 81 units sold in the previous financial year.

The overall gross profit of sale of automobiles increased by approximately 110.6% during this financial year due to the increase in average selling price and gross profit margin of Lamborghini and Rolls-Royce during this financial year.

Revenue of after-sales services recorded an increase of approximately 19.9% during this financial year as compared with that of the previous financial year. The gross profit margin decreased from approximately 25.3% in the previous financial year to approximately 23.2% in this financial year.

Non-auto Dealerships

During the financial year under review, the sales of our non-auto dealerships division recorded a decrease in revenue of approximately 41.1% to approximately HK\$162.6 million as compared with that of approximately HK\$276.2 million in the previous financial year.

Gross profit margin of our non-auto dealerships division increased during this financial year from approximately 6.4% in the previous financial year to approximately 7.1% in this financial year.

Among all brands under this division (including watch, jewellery, fine wine, audio equipment, menswear apparel and accessories, cigars and smoker's accessories and home articles), Bang & Olufsen performed the best in terms of revenue and gross profit contributions during this financial year.

Others

During the financial year under review, the revenue from our others division, which was mainly from the provision of property rental and management services, recorded a decrease of approximate 6.6% to approximately HK\$62.2 million, as compared with that of approximately HK\$66.6 million in the previous financial year due to the reduce of rental from certain tenants.

In respect of the films and television program investment business, no revenue was generated during the financial year. The legal actions against the film producer to recover the investment principal and relevant return are still in progress. The releasing schedules of the rest film investments had also been further postponed due to the continuing weak consumption market sentiment and keen competition.

Equity Investment

As a long-term investment for capital appreciation and distribution, the Group held shares in Bang & Olufsen A/S (“**B&O**”), a company incorporated in Denmark whose shares are listed and traded on NASDAQ Copenhagen A/S. Bang & Olufsen is a luxury audio brand founded in 1925 in Struer, Denmark, by Peter Bang and Svend Olufsen whose devotion and vision remain the foundation for the company.

As at 31 March 2026, the Group held 17,000,000 shares (31 March 2025: 13,450,000 shares) of B&O, representing approximately 11.54% of its total issued shares (31 March 2025: approximately 9.13%). The carrying amount of this investment recorded a decrease of approximately 15.2% to approximately HK\$177.4 million, as compared with that of approximately HK\$209.2 million in the previous financial year. The decrease was mainly attributable to the decline in share price.

The share price of B&O dropped to DKK8.67 per share as at 31 March 2026 (31 March 2025: DKK13.76 per share) as quoted on the NASDAQ Copenhagen A/S, representing a decrease of approximately 37.0% during the financial year ended 31 March 2026.

No dividend was generated from this investment to the Group during this financial year.

The Group’s financial assets at fair value through other comprehensive income (“**FVTOCI**”) of approximately HK\$177.4 million as at 31 March 2026 (31 March 2025: approximately HK\$209.2 million) represented the Group’s strategic investment on B&O. The carrying amount of the Group’s financial assets at FVTOCI represent approximately 10.6% of the total assets of the Group as at 31 March 2026 (31 March 2025: approximately 11.0%).

PROSPECT

While the Group’s revenue increased and operating losses narrowed significantly compared with last year, the Group remained in a loss position. The management would maintain a cautious stance on financial management for the coming year. Looking ahead, despite the present challenges, the management of the Group is confident to continue our leading roles in the luxury goods market in the PRC.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the year ended 31 March 2026 (the “FY2026”) was approximately HK\$2,356.5 million, representing an increase of approximately 14.0% as compared with that of approximately HK\$2,067.5 million recorded in the previous year. Such increase was mainly attributable to the significant increase in sales of Rolls-Royce during the financial year under review. Sales of automobiles were approximately HK\$2,036 million in FY2026 while approximately HK\$1,644.7 million were recorded in last financial year (the “FY2025”). The table below sets out the Group’s revenue for the year indicated:

Revenue Source	FY2026		FY2025		Changes	
	HK\$'000	Contribution (%)	HK\$'000	Contribution (%)	HK\$'000	%
Automobile segment						
Sales of automobiles	2,035,784	86.4%	1,644,673	79.5%	391,111	23.8%
Provision of after-sales services	96,007	4.1%	80,093	3.9%	15,914	19.9%
Sub-total	2,131,791	90.5%	1,724,766	83.4%	407,025	23.6%
Non-automobile dealership segment	162,573	6.9%	276,186	13.4%	(113,613)	(41.1)%
Others	62,168	2.6%	66,592	3.2%	(4,424)	(6.6)%
Total	2,356,532	100.0%	2,067,544	100%	288,988	14.0%

Gross Profit and Gross Profit Margin

Gross profit of the Group for the year ended 31 March 2026 increased by approximately 22.4% to approximately HK\$172.6 million (31 March 2025: approximately HK\$141.0 million) while the gross profit margin of the Group for the year ended 31 March 2026 increased from 6.8% to 7.3%.

The increase in gross profit was mainly attributable to increase in gross profit margin of the sales of automobiles, especially Rolls-Royce, which contributes 72.6% of the gross profit of sales of automobiles during this financial year. The gross profit of the sales of automobiles increased by approximately HK\$40.3 million during this financial year.

Other Income, Gains and Losses

Other income, gains and losses was approximately HK\$5.6 million gains for the year ended 31 March 2026 (31 March 2025: approximately HK\$78.4 million losses). Such change was mainly due to the changes in fair value of investment properties, and investment in films and television program, gain on lease modification during this financial year.

Impairment of goodwill and impairment of properties, plant and equipment

The impairment losses on goodwill of approximately HK\$20.1 million, which is for property management services for the year ended 31 March 2026 (31 March 2025: approximately HK\$29.3 million). The impairment losses on properties, plant and equipment was nil for the year ended 31 March 2026 (31 March 2025: HK\$328.5 million).

For the purpose of the goodwill impairment test, the Directors determined the recoverable amounts of the cash generating unit (“CGU”) of property management services from fair value less cost of disposal calculations with reference to the business valuations performed by CHFT Advisory and Appraisal Limited (“CHFT”), an independent firm of professional qualified valuer. Business valuations performed by CHFT using the pre-tax cash flow projections, based on formally approved budgets covering a detailed five-year budget plan; and for period not covered by the budget and up to the end of remaining useful life, the estimated cash flow projections are extrapolated. The cash flow projections applied in determination of the recoverable amounts of each CGUs are best estimate of the range of economic condition that will exist over the remaining useful life of the CGUs.

As at 31 March 2026, based on the result of the assessment, the management determined that the recoverable amount of the CGU of the property management services to be HK\$173.3 million, which is lower than the carrying amount of HK\$194.1 million, resulting from the remaining lease term of the sub-lease project lapses over time resulting in less future cash flow with decreasing remaining lease term under income approach. The impairment amount has been allocated to each category of goodwill, property, plant and equipment, and other intangible assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal of HK\$173.3 million and its value in use of HK\$104.5 million. Impairment losses of approximately HK\$20.1 million have been recognised against that carrying amount of goodwill with an exchange difference of HK\$0.7 million and no class of asset other than goodwill is impaired.

As at 31 March 2025, based on the result of the assessment, management determined that the recoverable amount of the CGU of the property management services to be HK\$258.4 million and is higher than the carrying amount of HK\$213.2 million because of the increase in lease-out areas and improvement on the property rental revenue stream. As the result, there is no further impairment required for the year ended 31 March 2025 and the Group should not reverse an impairment loss recognised in a previous interim period in respect of goodwill.

As at 30 September 2024, based on the result of the assessment, management determined that the recoverable amount of the CGU of automobile business to be HK\$1,019.6 million, being the higher of its fair value less cost of disposal of HK\$810.5 million and its value in use of HK\$1,019.6 million, is lower than the carrying amount of HK\$1,348.1 million. The value-in-use calculation with reference to valuation performed by independent professional qualified valuer was based on the pre-tax cash flow projections by applying a pre-tax discount rate of 15.8%, based on the approved five-year budget, and accounted for a long term growth rate of 2.5%; and for period not covered by the budget and up to the end of remaining useful life, the estimated cash flow projections are extrapolated. As a result, an impairment loss of HK\$328.5 million was recognised to property, plant and equipment of automobile business CGU.

As at 31 March 2025, the Directors determined the recoverable amounts of the automobile dealership CGU from value-in-use calculations with reference to valuation performed by independent professional qualified valuer using pre-tax cash flow projections by applying a pre-tax discount rate of 16.5%, based on formally approved budgets covering a detailed five year budget plan, which accounted for a long term growth rate of 2.5%; and for period not covered by the budget and up to the end of remaining useful life, the estimated cash flow projections are extrapolated. Management determined that the recoverable amount of the CGU to be HK\$724.2 million and is higher than the carrying amount HK\$723.2 million because the challenge faced over car model changeovers for the three brands during the year is expected to subside hence improve market response and demand. Based on the above assessment, no further impairment loss is recognized.

Impairment of other intangible assets

The impairment losses on other intangible assets of approximately HK\$1.6 million, of which HK\$0.1 million for film rights and HK\$1.5 million for customers' list from property management contracts for the year ended 31 March 2026 (31 March 2025: HK\$92.0 million for film rights and HK\$28.1 million for customers' list from property management contracts).

Given the underperformance of rental results from other property management contracts, there is uncertainty regarding the feasibility of executing the relevant property contracts. The impairment loss of approximately HK\$1.5 million has been recognised against the carrying amount of the customer list from property management contracts for the year ended 31 March 2026.

During the year ended 31 March 2025, the property management service business suffered from significant decrease in revenue due to the downturn of property market in the PRC during the year. As at 31 March 2025, the Directors determined the recoverable amounts of the CGU from value in-use calculations with reference to valuation performed by CHFT using pre-tax cash flow projections by applying a pre-tax discount rate of 13.4%, based on formally approved budgets covering a detailed five-year budget plan, which accounted for a revenue growth rate of 3%. As at 31 March 2025, based on the result of the assessment, management determined that the recoverable amount of HK\$1.8 million, being the higher of its fair value less cost of disposal and value in use, is lower than the carrying amount of HK\$29.9 million. As a result, an impairment loss of HK\$28.1 million was recognised against the carrying amount of other intangible asset for the year ended 31 March 2025.

Selling and distribution costs

The selling and distribution costs decreased by approximately 12.0% from approximately HK\$178.0 million to approximately HK\$156.6 million. The decrease was mainly due to the decrease in marketing and promotion expenses.

Administrative expenses

The administrative expenses decreased by approximately 31.7% from approximately HK\$70.8 million to approximately HK\$48.4 million. Such change was mainly due to the decrease in legal and professional fees for litigations in this financial year.

Finance Costs

The finance costs of the Group decreased by approximately 39.5% from approximately HK\$65.2 million in the previous financial year to approximately HK\$39.5 million in this financial year. The decrease was due to the decrease in borrowing to finance the purchase of automobiles inventories and repayment of bank loans during this financial year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total assets as at 31 March 2026 were approximately HK\$1,666.8 million (31 March 2025: approximately HK\$1,907.8 million) which were mainly financed by the total equity and the total liabilities of approximately HK\$913.1 million (31 March 2025: approximately HK\$970.3 million) and approximately HK\$753.7 million (31 March 2025: approximately HK\$937.6 million) respectively.

Cash Flow

The Group's cash at banks and in hand as of 31 March 2026 were approximately HK\$125.5 million (31 March 2025: approximately HK\$105.5 million) which were mainly denominated in Hong Kong dollars (“**HK\$**”), Renminbi (“**RMB**”) and DKK.

The Group's primary uses of cash are to repay the Group's borrowings, to pay for purchases of inventories and to fund the Group's working capital and normal operating costs. The change in value of the Group's cash at banks and in hand was mainly attributable to the cash proceeds from share subscriptions and capital expenditure on fixed assets and acquiring B&O shares.

The Directors consider that the Group will have sufficient working capital for its existing operations and financial resources for financing future business expansion and capital expenditures.

Property, plant and equipment

The Group's property, plant and equipment as at 31 March 2026 were approximately HK\$574.4 million (31 March 2025: approximately HK\$526.0 million). During the year, the Group acquired items of property, plant and equipment at a total cost of approximately HK\$50.6 million (31 March 2025: approximately HK\$9.8 million), a net carrying amount of approximately HK\$3.9 million of property, plant and equipment were disposed of during this financial year (the net carrying amount for the year ended 31 March 2025: approximately HK\$13.6 million).

Investment properties

The Group's investment properties as at 31 March 2026 were approximately HK\$295.9 million (31 March 2025: approximately HK\$323.2 million). The change in value of investment properties was mainly due to the decrease in fair value incurred during the financial year under review.

Goodwill

The Group's goodwill as at 31 March 2026 was approximately HK\$36.1 million (31 March 2025: approximately HK\$53.9 million). The decrease in goodwill was mainly due to the impairment of goodwill on property management services incurred during this financial year.

Borrowings

The Group's borrowings as at 31 March 2026 were approximately HK\$396.2 million, representing a decrease of approximately 24.8% from approximately HK\$526.8 million as at 31 March 2025.

The Group's borrowings were mainly denominated in RMB. The decrease was mainly due to repayment of the borrowings during this financial year.

Gearing Ratio

The Group's gearing ratio computed as total borrowings over total equity decreased to approximately 43.4% as at 31 March 2026 (31 March 2025: approximately 54.3%).

Inventories

As at 31 March 2026, the Group's inventories decreased by approximately 43.5% from approximately HK\$556.9 million as at 31 March 2025 to approximately HK\$314.7 million. Such decrease was primarily due to the decrease in automobile inventories which comprised approximately 82.7% of the inventories of the Group. The Group's average inventory turnover days decreased from 130 days in the year ended 31 March 2025 to 73 days in the year ended 31 March 2026.

Exposure to Foreign Exchange Risk

The revenue and expenses of the Group are mainly denominated in RMB and HK\$ while the production cost, purchases and investments of the Group are denominated in RMB, HK\$, DKK and United States Dollar.

The Group did not enter into any foreign currency forward contract for this financial year. As at 31 March 2026 and 2025, the Group did not have any unrealised gain or loss in respect of the foreign currency forward contracts.

Contingent Liabilities and Capital Commitment

The Board considered that the Group had no material contingent liabilities as at 31 March 2026 (31 March 2025: nil). The Board considered that the Group had no material capital commitment as at 31 March 2026 in respect of acquisition of property, plant and equipment (31 March 2025: nil).

Charges on Assets

As at 31 March 2026, land and building, right-of-use assets, investment property, pledged deposits and inventories of the Group with aggregate carrying amounts of approximately HK\$483.3 million (31 March 2025: approximately HK\$475.3 million), approximately HK\$426.2 million (31 March 2025: approximately HK\$419.2 million), approximately HK\$89.0 million (31 March 2025: approximately HK\$84.8 million), approximately HK\$23.9 million (31 March 2025: approximately HK\$31.2 million) and approximately HK\$206.0 million (31 March 2025: approximately HK\$339.5 million) respectively were pledged to secure general banking facilities and other facilities granted to the Group.

Human Resources

As at 31 March 2026, the Group had 290 employees (31 March 2025: 319). Staff costs (including directors' emoluments) charged to profit or loss amounted to approximately HK\$56.2 million for this financial year (2025: approximately HK\$57.7 million).

The Group provided benefits, which included basic salary, commission, discretionary bonus, medical insurance and retirement funds and equity-settled share-based payments to employees to sustain competitiveness of the Group.

The package was reviewed on an annual basis based on the Group's performance and employees' performance appraisal.

The Group also provided training to the employees for their future advancement.

Subscriptions for new shares under general mandate and use of proceeds from the subscriptions

On 31 July 2024, the Company has allotted and issued an aggregate of 74,879,418 shares with a subscription price of HK\$0.64 each, pursuant to two subscription agreements dated 19 July 2024 (the "2024 Subscriptions"). The net proceed from the 2024 Subscriptions was approximately HK\$46.4 million.

Further details of the above subscriptions were set out in the announcements of the Company dated 19 and 31 July 2024 respectively.

An analysis of the utilisation of the net proceeds from the 2024 Subscriptions up to 31 March 2026 is set out below:

	Planned use of net proceeds from the 2024 Subscriptions	Unutilised net proceeds as at 31 March 2025	Net proceeds utilised during the year ended 31 March 2026	Unutilised net proceeds as at 31 March 2026
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Litigation expenses incurred	8.0	–	–	–
Potential investment	25.4	12.6	12.6	–
General working capital	13.0	–	–	–
	<u>46.4</u>	<u>12.6</u>	<u>12.6</u>	<u>–</u>

On 19 May 2025, the Company has allotted and issued an aggregate of 93,800,301 shares with a subscription price of HK\$0.402 each, pursuant to two subscription agreements dated 15 April 2025 (the “**2025 Subscriptions**”). The net proceed from the 2025 Subscriptions was approximately HK\$36.8 million.

Further details of the above subscriptions were set out in the announcements of the Company dated 15 April 2025 and 19 May 2025 respectively.

An analysis of the utilisation of the net proceeds from the 2025 Subscriptions up to 31 March 2026 is set out below:

	Planned use of net proceeds from the 2025 Subscriptions	Net proceeds utilised during the year ended 31 March 2026	Unutilised net proceeds as at 31 March 2026
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Litigation expenses incurred	10.0	4.4	5.6
Potential investment	16.8	16.8	–
General working capital	10.0	10.0	–
	<u>36.8</u>	<u>31.2</u>	<u>5.6</u>

It is expected that the remaining balance of the unutilized net proceeds allocated for the “Litigation expenses incurred” will be utilized by 30 September 2026.

On 24 February 2026, the Company has allotted and issued an aggregate of 112,560,361 shares with a subscription price of HK\$0.380 each, pursuant to four subscription agreements dated 16 January 2026 (the “**2026 Subscriptions**”). The net proceed from the 2026 Subscriptions was approximately HK\$41.7 million.

Further details of the above subscriptions were set out in the announcements of the Company dated 16 January 2026 and 24 February 2026 respectively.

An analysis of the utilisation of the net proceeds from the 2026 Subscriptions up to 31 March 2026 is set out below:

	Planned use of net proceeds from the 2026 Subscriptions <i>HK\$ million</i>	Net proceeds utilised during the year ended 31 March 2026 <i>HK\$ million</i>	Unutilised net proceeds as at 31 March 2026 <i>HK\$ million</i>	Expected timeline for fully utilising proceeds
Expansion and development of the auto dealership business of the Group	30.0	1.2	28.8	By 31 March 2027
Potential investment when opportunities arise	11.7	–	11.7	By 31 March 2027
	<u>41.7</u>	<u>1.2</u>	<u>40.5</u>	

LITIGATIONS UPDATES

Petition for winding up and appointment and discharge of joint provisional liquidators

During the terms of the former directors of the Company who were removed from their respective offices with immediate effect by resolutions in the Special General Meeting of the Company held on 23 April 2024 (the “SGM”), the former directors caused the Company to present a petition for winding up on 15 April 2024 (the “Petition”) and made an ex parte application to appoint joint and several provisional liquidators of the Company on 15 April 2024 (the “Ex Parte Application”) to the Bermudan Court in companies (winding-up) action no. 91 of 2024 (the “Bermuda Proceedings”). Upon the Petition and the Ex Parte Application, the Company was put into provisional liquidation and the Bermudan Court made an order dated 15 April 2024 (the “Order”), among others, that the hearing of the Petition be adjourned for a period of 6 months and that Edward Willmott and Elizabeth Cava of Deloitte Financial Advisory Ltd., Corner House, 20 Parliament Street, Hamilton HM 12 and Lai Kar Yan (Derek) and Ho Kwok Leung Glen, of Deloitte Touche Tohmatsu, 35th Floor, One Pacific Place, 88 Queensway, Hong Kong be appointed as joint provisional liquidators (the “Former JPLs”) of the Company (the “Appointment Order”). Following the appointment of the new board of directors upon resolution in the SGM, and in compliance with the resumption guidance of the Stock Exchange, the Company made an application on 6 May 2024 to the Bermudan Court for dismissing the Petition and setting aside the Appointment Order. Eventually, the Appointment Order was set aside, the Petition was struck out and the Former JPLs were discharged by the Bermudan Court on 15 May 2024.

In the same Order, the Bermudan Court further adjourned the hearing for determination of consequential matters, including the Former JPLs’ remuneration, fees, expenses and costs (the “Former JPL’s Costs”), to a later date (the “Costs Hearing”). The Costs Hearing took place on 9 August 2024 and a decision was handed down by the Bermudan Court on 29 November 2024 ordering, among others, that the Former JPLs’ Costs should be paid by the Company (the “Costs Decision”). Subject to taxation or assessment by the Bermudan Court, the aggregate amount claimed by the Former JPLs is approximately US\$1.4 million.

On 13 December 2024, the Company lodged an application with the Supreme Court of Bermuda for leave to appeal against the Costs Decision. On 18 May 2026, by a Consent Order filed with the Supreme Court of Bermuda on 18 May 2026, the Company and the Former JPLs have reached a full and final settlement of the Costs Decision and any appeal thereof (the “**Settlement**”).

Pursuant to the terms of the Settlement, the Company agreed to pay, and has duly arranged for the payment of, a lump sum amount of US\$600,000 to the Former JPLs in full and final settlement of their remuneration, fees, costs and expenses arising out of or in connection with their appointment. The Settlement was reached after arm’s length negotiations to resolve the Costs Decision and to avoid further legal costs and uncertainties with prolonged litigation.

Following the approval of the Consent Order by the Supreme Court of Bermuda on 25 May 2026 and the due payment of US\$600,000 to the Former JPLs in the manner as agreed, the Company’s liabilities in respect of the Former JPLs’ Costs under the Bermuda Proceedings have been fully and finally discharged.

For further details, please refer to the announcements made by the Company on 22 and 24 April 2024, 8, 14 and 16 May 2024, 23 December 2024 and 21 May 2026.

The indemnity claims against former directors

During the year ended 31 March 2025, the Company has taken part in the legal action in the High Court of Hong Kong under HCMP 792/2024 on the indemnity claims against its former directors, including Mr. Zheng Hao Jiang, Mr. Zhao Xiaodong, Mr. Zhu Lei, Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong, Mr. Gao Yu, Ms. Cheng Bin, Ms. Liu Wenjing and Mr. Li Min (collectively the “**Former Directors**” and the 1st to 9th Defendants in HCMP 792/2024 respectively) of the Company for (a) all of the Company’s costs including legal costs incurred in dealing with, arising out of and relating to the Bermuda Proceedings on an indemnity basis; (b) damages suffered by the Company as a result of the Ex Parte Application and the Petition; and (c) all of the JPLs’ costs and expenses arising out of or in relation to the Appointment Order.

At the hearing in the High Court on 20 March 2025, the learned judge ordered the 1st, 3rd and 7th Defendants to indemnify the Company for (a) the Company’s costs including legal costs incurred in dealing with, arising out of and relating to the Bermuda Proceedings on an indemnity basis; (b) damages suffered by the Company as a result of the Ex Parte Application and the Petition; and (c) all of the JPLs’ costs and expenses arising out of or in relation to the Appointment Order.

On 4 August 2025, the 1st, 3rd and 7th Defendants filed an application with the Court seeking to set aside the order made against them on 20 March 2025 and seeking for the proceedings to be continued as if begun by writ (the “**Former EDs’ Application**”). Upon hearing the Former EDs’ Application, the Court of First Instance of the High Court of Hong Kong made order on 15 April 2026 that, among others, (1) conditional leave be granted to the 1st, 3rd and 7th Defendants to set aside an earlier court order dated 20 March 2025, on condition that they pay US\$700,000 into the Court within a specified period and (2) costs of the said application in the sum of HK\$1,100,000 be paid by the 1st, 3rd and 7th Defendants to the Company. On 14 May 2026, the Company was informed by the solicitors for the 1st, 3rd and 7th Defendants that the said defendants have paid the sum of US\$700,000 into Court in compliance with the said Order. Following compliance with the above condition, the HCMP792/2024 proceedings will continue as against the 1st, 3rd and 7th Defendants as if commenced by writ in accordance with the directions of the Court. Pursuant to

an earlier order dated 12 September 2025, the HCMP792/2024 proceedings against the 4th, 5th, 6th and 8th Defendants have already continued as if commenced by writ. These proceedings will be docketed before a single Judge. The Company will continue to pursue its claims against the Former Directors in these proceedings, including, among others, indemnifying the Company for all of the Former JPLs' costs and expenses arising out of or in relation to their appointment in the Bermudan Proceedings.

Further announcements will be made by the Company on the progress of these proceedings when appropriate

For further details, please refer to the announcements made by the Company on 22 April 2024, 14 and 27 May 2024, 24 March 2025 and 21 May 2026.

The Borrowers' Default of Loan Agreements

The loan agreement in respect of a facility of HK\$58.0 million

On 4 March 2021, Forwell Finance Limited (the "**Lender**"), an indirect wholly-owned subsidiary of the Company, entered into a loan agreement (the "**1st Loan Agreement**") with a borrower which is an independent third party (the "**1st Borrower**"), pursuant to which the Lender agreed to grant to the 1st Borrower a loan with principal amount of HK\$58.0 million (the "**1st Loan**") for a term of 12 months, bearing interest at a rate of 6.5% per annum.

Pursuant to the 1st Loan Agreement, the 1st Borrower had been paying the quarterly interests on the 1st Loan to the Lender on time during the term of the 1st Loan Agreement. However, the 1st Borrower failed to repay the 1st Loan with outstanding principal amount of HK\$58.0 million and the accrued interest on the maturity date (4 March 2022).

The Group sought legal advice and commenced legal action against the 1st Borrower and the guarantor of the 1st Loan in the High Court of Hong Kong on 20 April 2022 with a view to recovering the 1st Loan and other losses and damages.

After the commencement of the legal proceedings, the parties reached a settlement on the matter and pursuant to a Tomlin Order filed by the parties with the High Court of Hong Kong dated 8 August 2022, the parties agreed to stay the legal proceedings and a deed of settlement was executed by the Lender, the 1st Borrower and the guarantor on 8 August 2022.

The Group received partial payment in instalments in the aggregate sum of HK\$24,320,000 during the year ended 31 March 2023, yet the 1st Borrower failed to repay the outstanding instalments, save for the aforesaid payment, and the accrued interests. The Group has resumed the legal actions against the 1st Borrower and the guarantor in the High Court of Hong Kong with a view to recovering the loans and other losses and damages. A hearing took place at the High Court of Hong Kong (the "**Court**") on 20 December 2023 in respect of the Proceedings (the "**Hearing**"). At the Hearing, the Court has granted judgment in favour of the Lender against the 1st Borrower and the guarantor for the outstanding principal amount as at 22 November 2022 in the sum of HK\$37,124,764.51, with interest accrued thereon at the annual rate of 6.5% from 22 November 2022 up to 20 December 2023 and thereafter at the judgment rate until the date of payment. The Court has also granted cost to the Lender in the sum of HK\$420,000. A statutory demand against the 1st Borrower was served in January 2024 and another statutory demand against the guarantor

was served by way of advertisement in March 2024 for the aforementioned judgment sum. A fresh statutory demand against the guarantor was served in May and June 2025 and was advertised in June 2025.

During the year ended 31 March 2025, upon search and enquiry, the Group was informed that a bankruptcy petition was issued against the guarantor under another case. On 9 September 2024, the Group was informed by the Petitioner's solicitors that such petition was withdrawn by the petitioner by way of consent summons on 3 September 2024. Upon further search and enquiry, the Group was informed that another bankruptcy petition was issued against the guarantor under another case. As shown in Official Receiver's Office Bankruptcy And Approved Individual Voluntary Arrangement Search Report, such another bankruptcy petition was dismissed or withdrawn on 11 February 2025.

The Company has lodged a bankruptcy petition against the guarantor with the Court on 2 September 2025. The Court has fixed the hearing of the petition for 2 December 2025. On 5 December 2025, the Company entered into the deed of settlement and guarantee ("**2025 Settlement Deed**"), pursuant to which, Company has agreed with the debtor and the guarantor to settle a total sum of HK\$4.3 million. The court allowed the withdrawal of the bankruptcy petition on 2 December 2025 upon mutual consent of the Company and the guarantor, as the parties entered into the 2025 Settlement Deed.

The Company entered into the 2025 Settlement Deed for several reasons:

- (1) **Persistent Payment Defaults:** Both the borrower and the guarantor have repeatedly failed to comply with their payment obligations under the loan documents and subsequent statutory demands, and are evidently in financial difficulties;
- (2) **Likelihood of Repayment of the Outstanding Debt:** The Company conducted searches at the Official Receiver's Office and located multiple bankruptcy petitions filed against the guarantor in 2023 and 2024. The Company was informed that some bankruptcy petitions were withdrawn due to the guarantor's inability to pay and lack of assets. Additionally, the guarantor is a defendant in another civil proceeding related to another loan default. In the absence of identifiable alternative repayment sources, the Company considered settlement negotiations with the guarantor and his parents;
- (3) **Uncertainties of Recovery at Bankruptcy Proceedings:** Preliminary investigations into the guarantor's financial position have not yielded any evidence of material assets held by the guarantor. Should the guarantor be adjudicated bankrupt in Hong Kong, the Company would rank equally with other unsecured creditors in bankruptcy proceedings and may face minimal or nil recovery from the guarantor, due to the absence or limited assets of the guarantor;
- (4) **Uncertainties of Further Legal Costs:** Should the bankruptcy proceedings continue and the opposing party raise objections, the Company may encounter protracted litigation, incurring additional legal costs that will depend on the number of court hearings required until a final judgment is made. In order to avoid further legal costs and uncertainties of further insolvency processes, the Company pursued settlement negotiations with the guarantor and his parents.

Based on the above, the 2025 Settlement Deed, which includes a HK\$4.3 million repayment, allows the Company to maximize its immediate recovery, although on a partial basis. This repayment has already been received by the Company. In the absence of identifiable alternative sources of repayment, the 2025 Settlement Deed presents a practical commercial solution under the current circumstances. Furthermore, entering into the 2025 Settlement Deed serves only to discharge the guarantor's liability. The Company reserves its legal rights to pursue further legal proceedings or enforce a judgment against the borrower for the outstanding balance, which may or may not lead to additional recovery opportunities.

For details, please refer to the announcements of the Company dated 4 March 2021, 1 and 29 April 2022, 8, 18 and 24 August 2022 and 1 September 2022, 21 December 2023, 5 December 2025 and 14 January 2026.

The loan agreement in respect of a facility of HK\$32.0 million

On 22 March 2021, the Lender entered into a loan agreement (the “**2nd Loan Agreement**”) with another borrower who is an independent third party (the “**2nd Borrower**”), pursuant to which the Lender agreed to grant to the 2nd Borrower loan with principal amount of HK\$32.0 million (the “**2nd Loan**”) for a term of 12 months, bearing interest at a rate of 7% per annum.

Pursuant to the 2nd Loan Agreement, the 2nd Borrower had paid the quarterly interests on the 2nd Loan to the Lender on time during the term of the 2nd Loan Agreement. However, the 2nd Borrower failed to repay the 2nd Loan with outstanding principal amount of HK\$32.0 million and the accrued interest on the maturity date (22 March 2022).

As a result of the 2nd Borrower's default, the Group sought legal advice and commenced legal action against the 2nd Borrower and the guarantor of the 2nd Loan in the High Court of Hong Kong on 29 April 2022 with a view to recovering the 2nd Loan and other losses and damages.

The Lender has on 6 December 2022 obtained a sealed judgment against the 2nd Borrower for the claims of the 2nd Loan and interest accrued thereon. The Lender has further on 17 February 2023 obtained a sealed judgment against the guarantor for the claims of the 2nd Loan and interest accrued thereon. The Group is in the course of enforcing the judgements against the 2nd Borrower and the guarantor for the recovery of the 2nd Loan and other losses and damages. The Lender has filed a bankruptcy petition against the 2nd Borrower in the Court on 19 September 2023 and on 6 February 2024, the Court has made a bankruptcy order against the 2nd Borrower. The Official Receiver is now the trustee-in-bankruptcy of the 2nd Borrower responsible for collection and distribution of any recovered properties and assets (if any) of the 2nd Borrower to his creditors. In August 2024, the 2nd Borrower filed an application to the Court to annul his bankruptcy order and his application is being opposed by both the Lender and the Official Receiver. The Court has revoked his application in March 2025.

The Company will make further announcement(s) as and when appropriate in compliance with the Listing Rules and inform the Shareholders and potential investors of any material development of this event.

For details, please refer to the announcements of the Company dated 22 March 2021, 29 April 2022, 8 December 2022, 20 February 2023 and 7 February 2024.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2026 (31 March 2025: nil) whilst no interim dividend (2025: nil) had been distributed during the year as the Group would like to reserve more capital to operate and develop the existing businesses.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining a high standard of corporate governance. The Board agrees that corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure that all practices can be met with legal and statutory requirements.

To the best knowledge of the Board, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules throughout the year ended 31 March 2026 and up to the date of this announcement.

CHANGE OF DIRECTORS

With effect from 11 July 2025, Mr. Chan Man Kit has resigned as an independent non-executive Director and has ceased to be the chairman of the audit committee of the Board (the “**Audit Committee**”) and a member of the remuneration committee of the Board (the “**Remuneration Committee**”).

With effect from 11 July 2025, Ms. Ma Shuyang has been appointed as an independent non-executive Director, the chairlady of the Audit Committee and a member of the Remuneration Committee.

For details, please refer to the announcement of the Company dated 11 July 2025.

UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

During the reporting period, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

ADOPTION OF 2025 SHARE SCHEME AND TERMINATION OF THE SHARE OPTION SCHEME

The Company has adopted the share option scheme (“**Share Option Scheme**”) on 29 September 2022 and is valid and effective for a period of 10 years from the date of adoption.

During the reporting period, the Company proposed to terminate the Share Option Scheme and adopt a new share incentive scheme (the “**2025 Share Scheme**”) to replace the Share Option Scheme to provide for the potential issuance of both share options and share awards in order to broaden the types of equity incentives that the Company can utilise as part of its incentive strategy

and also to ensure that the new scheme adopted shall be in compliance with the amended Chapter 17 of the Listing Rules introduced by the Stock Exchange, which came into effect on 1 January 2023.

The Company has terminated the Share Option Scheme and has adopted the 2025 Share Scheme under the Shareholders' approval by way of poll at the annual general meeting held on 25 September 2025. The 2025 Share Scheme is effective upon obtaining the listing approval from the Stock Exchange on 29 September 2025. Immediately upon the 2025 Share Scheme taking effect, the Share Option Scheme terminated and the Company shall not grant any options under the Share Option Scheme.

For details of the adoption of the 2025 Share Scheme and the termination of the Share Option Scheme, please refer to the circular of the Company dated 31 July 2025 and announcement of the Company dated 25 September 2025.

As at 1 April 2025, the 2025 Share Scheme has not been adopted yet and therefore, there was no share option or share award available for grant. As at 31 March 2026, 56,280,180 shares were available for grant under the 2025 Share Scheme, representing approximately 8.33% of the issued shares of the Company of 675,362,170 shares.

During the year ended 31 March 2026, no grant has been made under the 2025 Share Scheme, the percentage of the number of Shares that may be issued in respect of share options and share awards granted under the 2025 Share Scheme during the reporting period divided by the weighted average number of Shares in issue for the reporting period is not applicable.

The purpose of the 2025 Share Scheme is to provide the Company with a flexible means of, attracting, remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants through aligning the interests of Eligible Participants with those of the Company and Shareholders by providing them with an opportunity to acquire shareholding interests in the Company and to encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The primary duties of the audit committee of the Company (the “**Audit Committee**”) are reviewing and providing supervision over the Group's financial reporting process and internal controls and discussing with the external auditor for the nature and scope of audit. The Audit Committee comprises three independent non-executive Directors, namely, Ms. Wang Hui, Mr. Li Yunjiu and Ms. Ma Shuyang. Ms. Ma Shuyang is the chairlady of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements and annual results announcement of the Company for the year ended 31 March 2026 and is of the opinion that the preparation of such results is complied with applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF BDO LIMITED ON THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company (including the sale of treasury shares). As at 31 March 2026, the Company did not hold any treasury shares.

MODEL CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules to govern securities transactions by the Directors. After having made specific enquiry of all Directors, all Directors confirmed that they have complied with the Model Code during the year ended 31 March 2026 and up to the date of this announcement.

The Company also adopted the Model Code as guidelines for its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in securities of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Board are not aware of any other significant event which had material effect on the Group after the reporting period and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.hk970.com.

The annual report of the Company for the year ended 31 March 2026 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
New Sparkle Roll International Group Limited
JU Qinghao
Chairman

Hong Kong, 26 June 2026

As at the date of this announcement, the Company has one executive Director, Mr. JU Qinghao, and three independent non-executive Directors, Ms. WANG Hui, Mr. LI Yunjiu and Ms. MA Shuyang.