Dufu Liquor Group Limited
杜甫酒業集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 986)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The board (the "**Board**") of directors (the "**Directors**") of Dufu Liquor Group Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2026 together with the comparative figures for the year ended 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*4*	**54,943**	67,283
Cost of sales		**(17,936)**	(32,756)
Gross profit		**37,007**	34,527
Other income	*6*	**6**	2
Other gains and (losses), net	*7*	**6,823**	60
(Allowance for)/reversal of expected credit losses ("**ECLs**") on trade receivables and loan and interest receivables, net	*8*	**(49,919)**	16,317
Selling and distribution expenses		**(4,800)**	(4,890)
Administrative expenses		**(10,358)**	(11,489)
Finance costs	*9*	**(2,790)**	(2,517)
(Loss)/profit before tax	*10*	**(24,031)**	32,010
Income tax credit/(expense)	*11*	**6,371**	(1,624)
(Loss)/profit for the year		**(17,660)**	30,386

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

For the year ended 31 March 2026

	Note	**2026** **HK$'000**	2025 *HK$'000*
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(117)**	8
Item that will not be reclassified to profit or loss:			
Fair value changes on financial assets at fair value through other comprehensive income ("**FVTOCI**")		**(7,975)**	4,735
Other comprehensive (expense)/income for the year		**(8,092)**	4,743
Total comprehensive (expense)/income for the year		**(25,752)**	35,129

		2026	2025 (Restated)
(Loss)/earnings per share	*13*		
– Basic and diluted (HK Cents)		**(13.64)**	23.47

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2026

	Notes	**2026** **HK$'000**	2025 *HK$'000*
Non-current assets			
Property, plant and equipment		**–**	–
Right-of-use assets		**515**	979
Loan receivables	*16*	**255,101**	107,156
Deferred tax assets		**7,105**	89
Financial assets at FVTOCI	*14*	**3,865**	16,890
		266,586	125,114
Current assets			
Inventories		**93,386**	93,929
Trade receivables	*15*	**12,498**	9,862
Loan and interest receivables	*16*	**35,068**	189,183
Other receivables and deposits paid	*17*	**18,535**	20,904
Cash deposits held by securities brokers		**1**	4
Bank balances and cash		**137**	216
		159,625	314,098
Current liabilities			
Trade payables	*18*	**608**	608
Loan and interest payables		**7,162**	1,843
Other payables and accruals		**45,356**	36,198
Lease liabilities		**511**	795
Unconvertible bonds		**13,498**	13,633
Tax payable		**2,000**	1,295
		69,135	54,372
Net current assets		**90,490**	259,726
Total assets less current liabilities		**357,076**	384,840

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 March 2026

	2026	2025
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**198**	212
Loan and interest payables	**940**	3,675
Unconvertible bonds	**14,557**	13,820
	15,695	17,707
Net assets	**341,381**	367,133
Capital and reserves		
Share capital	**129,471**	129,471
Reserves	**211,910**	237,662
Total equity	**341,381**	367,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Dufu Liquor Group Limited (the "**Company**") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda and its principal place of business is Room 910, 9th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in design, marketing and sales of jewelry business ("**Design and marketing of jewelry**") and provision of loans as money lending ("**Money lending**").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standard ("**HKFRS**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of new and amendments to HKFRS Accounting Standards

The Group has applied the following new and amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	*Lack of Exchangeability*

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

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

(b) Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and amendments to HKFRS Accounting Standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 April 2025. These new and amendments to HKFRS Accounting Standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for HKFRS 18 which is detailed below.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance presented in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

(b) Amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 "Presentation and Disclosure in Financial Statements" (Continued)

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.

- The Group may disclose certain MPMs in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the financial statements.

- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of jewelry	**19,038**	34,425
Revenue from other sources		
Interest income from money lending	**35,905**	32,858
	54,943	67,283

(ii) Disaggregation by timing of revenue recognition within the scope of HKFRS 15:

	2026	2025
	HK$'000	*HK$'000*
At a point in time	**19,038**	34,425

5. SEGMENT INFORMATION

(a) Business segments

The Group's operating and reportable segments which are based on the types of products sold and services rendered are as follows:

Design and marketing of jewelry:	design, marketing and sales of jewelry
Money lending:	provision of loans as money lending

Segment revenue and result

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

	Design and marketing of jewelry *HK$'000*	**Money lending** *HK$'000*	**Total** *HK$'000*
For the year ended 31 March 2026			
Segment revenue:			
Revenue from external customers	**19,038**	**35,905**	**54,943**
Net segment result:			
Segment result	**(5,377)**	**(13,015)**	**(18,392)**
Other unallocated income			**6,829**
Other unallocated expenses			**(9,678)**
Finance costs			**(2,790)**
Loss before tax			**(24,031)**

	Design and marketing of jewelry *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
For the year ended 31 March 2025			
Segment revenue:			
Revenue from external customers	34,425	32,858	67,283
Net segment result:			
Segment result	(1,132)	47,503	46,371
Other unallocated income			2
Other unallocated expenses			(11,846)
Finance costs			(2,517)
Profit before tax			32,010

Segment profit or loss represents profit or loss from each segment without allocation of certain other income, central administrative costs, directors' emoluments and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

5. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (continued)

Segment assets and liabilities

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

As at 31 March 2026

	Design and marketing of jewelry *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Assets and liabilities:			
Segment assets			
– Hong Kong	**30,683**	**290,169**	**320,852**
– The People's Republic of China (the "**PRC**")	**93,423**	**–**	**93,423**
	124,106	**290,169**	**414,275**
Financial assets at FVTOCI			**3,865**
Deferred tax assets			**7,105**
Unallocated corporate assets			**966**
Consolidated total assets			**426,211**
Segment liabilities:			
– Hong Kong	**16,219**	**249,900**	**266,119**
– Elimination of loan payables *(note)*	**–**	**(249,900)**	**(249,900)**
	16,219	**–**	**16,219**
Unconvertible bonds			**28,055**
Loan and interest payables			**8,102**
Tax payable			**2,000**
Unallocated corporate liabilities			**30,454**
Consolidated total liabilities			**84,830**

5. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (continued)

Segment assets and liabilities (continued)

As at 31 March 2025

	Design and marketing of jewelry *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Assets and liabilities:			
Segment assets			
– Hong Kong	30,597	296,340	326,937
– The PRC	93,966	–	93,966
	124,563	296,340	420,903
Financial assets at FVTOCI			16,890
Deferred tax assets			89
Unallocated corporate assets			1,330
Consolidated total assets			439,212
Segment liabilities:			
– Hong Kong	11,878	250,430	262,308
– Elimination of loan payables *(note)*	–	(249,900)	(249,900)
	11,878	530	12,408
Unconvertible bonds			27,453
Loan and interest payables			5,518
Tax payable			1,295
Unallocated corporate liabilities			25,405
Consolidated total liabilities			72,079

Note: The loan was made from the money lending segment of the Company to a subsidiary under negotiated terms. As at 31 March 2026, the carrying amount of loan was approximately HK$249,900,000 (2025: approximately HK$249,900,000).

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than right-of-use assets, financial assets at FVTOCI, certain other receivables, prepayments and deposits paid and deferred tax assets; and

- all liabilities are allocated to reportable segments other than certain other payables and accruals, loan and interest payables, tax payable and unconvertible bonds.

5. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (continued)

Other segment information

In respect of the year ended 31 March 2026

	Design and marketing of jewelry *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Allowance for ECL on trade receivables	**1,012**	**–**	**1,012**
Allowance for ECL on loan and interest receivables	**–**	**48,907**	**48,907**
Other material items of expense:			
– Cost of sales	**17,936**	**–**	**17,936**
– Staff costs	**2,867**	**–**	**2,867**

In respect of the year ended 31 March 2025

	Design and marketing of jewelry *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Allowance for ECL on trade receivables	242	–	242
Reversal of ECL on loan and interest receivables	–	(16,559)	(16,559)
Other material items of expense:			
– Cost of sales	32,756	–	32,756
– Staff costs	2,322	–	2,322

(b) Geographical information

The Group's operations are mainly located in Hong Kong.

The geographic market of the Group's revenue is determined based on the location at which the services were provided or the goods were delivered, irrespective of the origin of customers. Major services provided by the Group are in Hong Kong.

The non-current assets of the Group (other than financial assets at FVTOCI and deferred tax assets) by geographical areas determined based on the physical location of assets in the case of property, plant and equipment and right-of-use assets; and the location of the operations to which they are allocated. The Group's information about its non-current assets based on the geographical location of the assets is detailed below:

	2026 *HK$'000*	2025 *HK$'000*
Hong Kong	**203**	918
The PRC	**312**	61
	515	979

5. SEGMENT INFORMATION (CONTINUED)

(c) Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group are as follows:

	Revenue generated from	2026 HK$'000	2025 HK$'000
Customer A *(note i)*	Design and marketing of jewelry	–	18,707
Customer B	Design and marketing of jewelry	9,997	7,017

(i) The customer did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2026.

6. OTHER INCOME

	2026 HK$'000	2025 HK$'000
Bank interest income	–	2
Others	6	–
	6	2

7. OTHER GAINS AND (LOSSES), NET

	2026 HK$'000	2025 HK$'000
Other gains:		
Exchange gains, net	6,823	–
Realised gain on disposal of financial assets at FVTOCI	–	295
	6,823	295
Other losses:		
Provision of slow-moving stocks	–	(234)
Exchange losses, net	–	(1)
	–	(235)
	6,823	60

8. ALLOWANCE FOR/(REVERSAL OF) ECLs ON TRADE RECEIVABLES AND LOAN AND INTEREST RECEIVABLES, NET

	2026	2025
	HK$'000	*HK$'000*
Allowance for/(reversal of) ECLs on:		
– trade receivables	**1,012**	242
– loan and interest receivables	**48,907**	(16,559)
	49,919	(16,317)

9. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on loan payables	**423**	370
Imputed interest on unconvertible bonds	**2,325**	2,090
Interest on lease liabilities	**42**	57
	2,790	2,517

10. (LOSS)/PROFIT BEFORE TAX

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

	2026	2025
	HK$'000	*HK$'000*
Staff costs (including directors' emoluments)		
– Directors' fees, staff salaries and allowances	**4,725**	4,789
– Retirement benefits contributions	**125**	145
Total staff costs	**4,850**	4,934
Auditor's remuneration		
– Audit services	**730**	730
– Non-audit services	**75**	75
Cost of inventories sold	**17,936**	32,756
Depreciation of right-of-use assets	**828**	874

11. INCOME TAX (CREDIT)/EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**868**	1,552
(Over-provision)/under-provision for prior years	**(223)**	66
	645	1,618
Deferred tax	**(7,016)**	6
Income tax (credit)/expense	**(6,371)**	1,624

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of remaining group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the law of the PRC on Enterprise Income Tax (the "**EIT law**") and implementation regulation of the EIT law, the tax rate of the Group's subsidiary in the PRC is 25% (2025: 25%). No PRC income tax has been provided as the Group's subsidiary in the PRC did not have any assessable profit for the years ended 31 March 2026 and 2025.

12. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

13. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is as follows:

	2026	2025
	HK$'000	*HK$'000*
(Loss)/profit		
(Loss)/profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share	**(17,660)**	30,386

	2026	2025
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/earnings per share	**129,471**	129,471

The weighted average number of ordinary shares for current and prior year have been adjusted retrospectively to reflect the effect of the share consolidation that took effect on 27 May 2026.

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Company did not have any dilutive potential ordinary share for the years ended 31 March 2026 and 2025.

14. FINANCIAL ASSETS AT FVTOCI

	2026	2025
	HK$'000	*HK$'000*
Listed equity securities	**3,865**	16,890

As at 31 March 2026 and 2025, the fair value of listed equity securities are determined based on the quoted market closing bid prices available on the Stock Exchange.

The investment is not held for trading; instead, it is held for long-term strategic purpose.

15. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables		
– Design and marketing of jewelry business	**13,950**	10,302
Less: allowance for ECLs	**(1,452)**	(440)
	12,498	9,862

The Group has a policy of allowing credit period of 90 days (2025: 90 days) to its trade customers. The Group does not hold any collateral over the balances.

An aging analysis of trade receivables, net of impairment loss recognised, at the end of reporting period, based on the invoice date, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 3 months	**3,417**	4,290
Within 4 to 6 months	**5,541**	4,972
Over 6 months	**3,540**	600
	12,498	9,862

At 31 March 2026 and 2025, the trade receivables were denominated in HK$.

16. LOAN AND INTEREST RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Loan receivables	**385,614**	342,880
Interest receivables	**3**	–
Less: allowance for ECLs	**(95,448)**	(46,541)
	290,169	296,339
Less: non-current portion	**(255,101)**	(107,156)
	35,068	189,183

Loan receivables include both secured and unsecured loans to individuals customers, which are bearing interest and are repayable with fixed terms agreed with the Group's customers. Secured loan receivables are secured by collaterals provided by customers.

At 31 March 2026, the loan receivables arising from money lending business with fixed interest rate ranging from 8% to 11% (2025: 8% to 11%) per annum on principal amount, are repayable quarterly. The effective interest rates of the loan receivables range from 8% to 11% (2025: 9% to 11%) per annum.

The maturity profile of these loan and interest receivables from customers, at the end of the reporting period, net of allowance of ECL, analysed by remaining periods to their contracted maturity, is as follow:

	2026	2025
	HK$'000	*HK$'000*
Repayable:		
On demand and within 3 months	**3**	–
Over 3 months but less than 1 year	**35,065**	189,183
Over 1 year but less than 2 years	**212,154**	33,254
Over 2 year but less than 3 years	**42,947**	73,902
	290,169	296,339

At 31 March 2026 and 2025, the loan and interest receivables were denominated in the following currencies:

	2026	2025
	HK$'000	*HK$'000*
HK$	**149,373**	199,276
RMB	**140,796**	97,063
	290,169	296,339

17. OTHER RECEIVABLES AND DEPOSITS PAID

	2026	2025
	HK$'000	*HK$'000*
Other receivables	**3**	3
Deposits paid *(note)*	**18,532**	20,901
	18,535	20,904

Note:

As at 31 March 2026, included in the deposits paid of approximately HK$18,221,000 (2025: approximately HK$20,590,000) are trade deposit paid to suppliers for design and marketing of jewelry business.

18. TRADE PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**608**	608

Trade payables related to design and marketing of jewelry business with credit period on purchase of goods ranges from 30 to 180 days (2025: 30 to 180 days).

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Between 181 to 365 days	**–**	106
Over 365 days	**608**	502
	608	608

At 31 March 2026 and 2025, the trade payables were denominated in HK$ and the carrying amounts of trade payable approximate to their fair value.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 March 2026, the Group's revenue was approximately HK$54.94 million (2025: HK$67.28 million), representing a decrease of approximately HK$12.34 million or 18.34% as compared with the year ended 31 March 2025. The revenue included approximately HK$19.03 million (2025: HK$34.42 million) from design and marketing of jewelry (the "**Design and Marketing of Jewelry**") business and approximately HK$35.91 million (2025: HK$32.86 million) from provision of loans as money lending (the "**Money Lending**") business.

Gross profit was approximately HK$37.01 million (2025: HK$34.53 million), representing a slight increase of approximately HK$2.48 million or 7.18% as compared with the year ended 31 March 2025. Gross profit margin of the Group increased from approximately 51.32% to 67.36%. The increase in gross profit was due to the higher demand in the Money Lending.

The loss for the year of the Group was approximately HK$17.66 million (2025: profit of HK$30.39 million), representing a decrease of approximately HK$48.05 million. The increase in loss was mainly due to, including but not limited to the allowance for expected credit losses on trade receivables and loan and interest receivables, net were approximately HK$49.92 million as compared to reversal of expected credit losses of approximately HK$16.31 million of the year ended 31 March 2025.

Selling, distribution and administrative expenses were approximately HK$15.16 million (2025: HK$16.38 million), representing a decrease of HK$1.22 million or approximately 7.45% compared to the year ended 31 March 2025.

The finance costs amounted to approximately HK$2.79 million, representing a slight increase of approximately HK$0.27 million compared to approximately HK$2.52 million for the year ended 31 March 2025.

For the year ended 31 March 2026, the Group was principally engaged in the businesses of Design and Marketing of Jewelry and Money Lending.

Design and Marketing of Jewelry business

During the year, the revenue generated from the Design and Marketing of Jewelry business was approximately HK$19.03 million (2025: HK$34.42 million). Operating loss before tax was approximately HK$5.38 million (2025: approximately HK$1.13 million).

The pandemic in Mainland China (the "**Mainland**") has affected all businesses, including ours. Since the severe outbreak of COVID-19 in January 2020, various regions were under extensive lockdown and various levels of restrictions on public and business activities. The implementation of social distancing and quarantine measures in many countries worldwide have dampened consumer sentiment and brought the international tourism to a standstill, plunging the global economy into recession. Nevertheless, it appears that we are finally able to leave behind the nightmare of the pandemic.

The decline in jewellery sales is driven by a combination of China-led luxury slowdown, shifting consumer behaviour, economic uncertainty, and structural changes in how Asian consumers shop.

Jewellery sales in Asia are decreasing mainly because China's economic slowdown has weakened luxury demand, consumers are traveling less, and attitudes toward luxury purchases are shifting, especially among younger buyers.

Money Lending business

The Group holds a money lender's licence in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides loan facilities to prospective clients. The Group earns interest income from the provision of such loan facilities through the wholly owned subsidiary of the Company, Great Luck Finance Limited ("**Great Luck**").

As at 31 March 2026, there were a total of 150 (31 March 2025: 142) individual borrowers with principal amounts totalling approximately HK$385.61 million (31 March 2025: HK$342.88 million) at the average interest rate of 10.51% (31 March 2025: 10.70%) per annum. The tenure of loans was 1 to 3 years (2025: 1 to 3 years). During the period under review, interest income from money lending was approximately HK$35.91 million (2025: approximately HK$32.86 million).

The following table sets forth the distribution of the remaining maturity of loan receivables as at 31 March 2026:

	HK$'million
Within one year	35.31
Between one and three years	350.30
	385.61

All of the borrowers are individuals. Out of the total loan receivables, approximately HK$34 million were secured by guarantees from certain companies and the remaining balances were unsecured.

The loan amount of largest borrower of the Group was HK$9,000,000, approximately 2.33% of the total loan receivables of the Group and the five largest borrowers were HK$43,000,000, approximately 11.15% of the total loan receivables.

The Group strived to adhere to a set of policies and procedural manuals (such as, internal loan and credit policy of the Group, Guideline on Compliance of Anti-Money Laundering and Counter Terrorist Financing Requirements for Licensed Money Lenders which is issued by Hong Kong Companies Registry and the Money Lenders Ordinance) in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

Before granting loans to potential customers, the Group performs credit assessment and due diligence process to assess the potential customers' credit quality individually and defines the credit limits granted to the borrowers.

The credit assessment and due diligence process encompasses (i) obtaining personal information as to identity card copy and address proof; (ii) enquiring with the potential customer about any relationship with our directors or staff; (iii) ensuring the potential customer is an independent third party and not connected with the Group and its connected person; (iv) if the potential customer is a connected person, we may consider the approval or not and make disclosure under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") if required; (v) perform a notifiable transaction test to ensure the loan is in compliance with the Listing Rules; (vi) conducting a detailed assessment on the credit history and financial background of the potential customers are performed by the finance team, the officer will gather the information and pass it to finance manager to review and finally pass these information to directors of Great Luck for assessment and approval. The relevant documents of financial background including but not limited to securities statement, bank statement and property certificate for asset proof will be received; (vii) conducting a litigation search through the government/other platform for the potential customers; and (viii) performing an assessment on the recoverability by the finance team, the procedures include reviewing the asset proof to ensure the potential customer is not under bankruptcy or debt restructuring.

Under the Group's credit policy, (i) the loan shall not exceed the maximum loan amount preset by the Group (i.e. HK$10,000,000), (ii) the tenor of loan shall not exceed the preset by the Group (i.e. 3 years), (iii) the interest rate of loan shall not be less than the preset by the Group (i.e. 5%) and (iv) the credit limit should be based on, amongst others, the asset proof and the collateral value (if any), and determined by one of directors of Great Luck. The terms of loan will depend on, amongst others, on assets proof, background search, and collateral which will be determined on a case-by-case basis in accordance with the policy.

Loan monitoring mechanism has been established. The finance team is responsible for ongoing monitoring of the loan portfolio, credit limit of loans, loan recoverability, debt collection, identifying potential problems and recommending mitigating measures. The Group will conduct regular repayment assessments on the repayment schedule and the date of payment, and perform company searches, litigation searches, internet searches and regulatory compliance searches in order to monitor and determine the risk level. The Group will request borrowers provide any updated financial information if considered necessary to update their financial ability, credit risk and assess the loan recoverability. These exercises are to monitor if any material adverse change may arise in the financial or legal conditions of the borrowers.

The Group performs impairment assessment on loan receivables under the expected credit loss ("**ECL**") model. The measurement of ECL is a function of the probability of default, the loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of probability of default and loss given default based on historical data and forward-looking information is performed by independent professional valuers engaged by the Group at each reporting date for the purpose of determining ECL. In accordance with the Group's loan impairment policy, the amount of ECL is updated at each reporting date to reflect the changes in credit risk on loan receivables since initial recognition.

For the year ended 31 March 2026, the net impairment allowance recognised primarily represented the credit risk involved in collectability of certain default and non-default loans determined under the Group's loan impairment policy, with reference to factors including the credit history and financial conditions of the borrowers, the aging of the overdue balances, the realisation value of the collaterals pledged to the Group, and forward-looking information including the future macro-economic conditions affecting the borrowers.

Allowance for expected credit loss on loan and interest receivables were made approximately HK$48.91 million which is mainly due to the gross amount of loan receivables of HK$111.74 million were transferred from stage 2 to stage 3. Actually, the Group did not incur any bad debt during the year except for these accounting impairment provisions.

Regarding monitoring the recoverability of the loans, the Company will quarterly review and monitor the loan repayment status subsequent to the drawdown of loans to ensure that loan repayments are punctual and past due accounts are handled efficiently. When there were past due accounts, the Group would take actions including reminding calls, interviews, issuing demand notes, discussing the repayment terms or settlement proposals with the borrower and if unsuccessful, legal action would be taken against the borrower.

As at 31 March 2026, the allowance for ECLs of loan receivables is HK$95.45 million (2025: HK$46.54 million). The provision of default rate is 24.75% (2025: 13.57%). The Group did not record any bad debt or write-off of loan receivable during the year ended 31 March 2026.

The Company has complied with requirements set out in chapter 14 and/or 14A of the Listing Rules when it granted the loans to each of the borrower(s), whose loan(s) was still outstanding as at 31 March 2026.

According to the statistics from Companies Registry, number of licensed money lenders has gradually decreased from 2,324 to 1,988 for year 2019 to year 2026. Licensed money lenders, which are outside the banking system, provide an alternative source of financing for individuals and companies.

MATERIAL ACQUISITION AND DISPOSAL

The Company did not have any significant acquisition and disposal during the year ended 31 March 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other future plans for material investments or capital assets as at 31 March 2026.

OUTLOOK

The Directors will continue to enhance the Group's businesses through the review of its existing business portfolio from time to time and also seek suitable investment opportunities in the long run so as to broaden the source of income of the Group and diversify the Group's business portfolio on an on-going basis.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group's net current assets were approximately HK$90.49 million (2025: HK$259.73 million), including cash and cash equivalents of approximately HK$0.14 million (2025: HK$0.22 million). Total interest-bearing borrowings amounted to approximately HK$36.16 million as at 31 March 2026 (2025: HK$32.97 million). The Group's gearing ratio, which was net debt divided by total equity plus net debt, as at 31 March 2026 was 9.71% (2025: 8.42%).

SHARE CAPITAL AND CAPITAL STRUCTURE

There was no change in the share capital and capital structure of the Company during the year ended 31 March 2026.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and Mainland China. Most transactions, assets and liabilities are denominated in Hong Kong Dollars, United States dollars ("**USD**") and Renminbi. As Hong Kong dollars are pegged to USD, the management does not expect that the Group has significant foreign exchange exposure to USD. During the year ended 31 March 2026, the Group did not enter into any derivative contracts aimed at minimising exchange rate risks, but the Group will continue to review its foreign exchange exposure regularly and might consider using financial instruments to hedge against foreign exchange exposure at appropriate times.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2026 and 2025.

CAPITAL COMMITMENTS

The Group had no material capital commitments authorised but not provided for as at 31 March 2026 and 2025.

PLEDGE OF ASSETS

The Group did not have any pledge on its assets as at 31 March 2026 and 2025.

DIVIDEND

No dividend for the year ended 31 March 2026 (2025: Nil) is recommended by the Board.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, a capital reorganisation of the Company became effective on 27 May 2026. The capital reorganisation involved, among other things, a share consolidation of every ten (10) issued and unissued existing shares into one (1) consolidated share. As a result, the calculation of basic and diluted (loss)/earnings per share for all periods presented has been adjusted retrospectively in accordance with HKAS 33. Details regarding the capital reorganisation, please refer to the Company's circular and announcement dated 30 April 2026 and 26 May 2026 respectively.

EMPLOYMENT AND REMUNERATION POLICY

During the year under review, the Group continued to strengthen its staff quality through staff development and training programmes. The Group had 7 employees as at 31 March 2026 (2025: 7). Remunerations are commensurate with the nature of job, staff experience and market conditions.

CORPORATE GOVERNANCE

The Company recognises the importance of corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices in accordance with the needs of the Group's business.

The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

In the opinion of the Board, during the year ended 31 March 2026, the Company has complied with the code provisions set out in the CG Code.

PURCHASE, REDEMPTION OR SALE OF LISTED EQUITY SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed equity securities during the year ended 31 March 2026.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Audit Committee comprises a total of three independent non-executive directors of the Company. The 2026 Audited Annual Results was reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2026 have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA 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 McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' dealings in the Company's securities (the "**Own Code**"). Having made specific enquiry of all the Company's directors, they confirmed that they have complied with the required standard set out in the Own Code throughout the year ended 31 March 2026.

PUBLICATION OF DETAILED ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report for the year ended 31 March 2026 containing all applicable information required by Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company and published on the Stock Exchange's website and on the Company's website in due course.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to all management and staff for their diligence and continuing support.

By order of the Board
Dufu Liquor Group Limited
Liu Jun
Co-chairperson and Executive Director

Hong Kong, 30 June 2026

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Liu Jun, Mr. Qin Zhizun, Mr. Mr. Wei Liang and Ms. Li Xia; one non-executive Director, namely Ms. Yang Xiaoqing; and three independent non-executive Directors, namely Mr. Yiu To Wa and Mr. Lau Leong Yuen and Mr. Zhang Heng.

* *For identification purposes only*