MEXAN LIMITED
茂盛控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 22)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	3/2026	3/2025	Change
	HK$'000	*HK$'000*	%
Continuing operations			
Revenue	**44,144**	37,592	17.4%
Gross profit	**18,831**	6,928	171.8%
Loss for the year	**(2,345)**	(38,898)	94.0%
Core profit (loss) from continuing operations [Note 1]	**3,474**	(7,051)	149.3%
Loss attributable to the owners of the Company for the year	**(2,144)**	(38,700)	94.4%
Basic and diluted loss per share *(HK cents)*	**(0.11)**	(1.97)	94.4%

Note 1: Core profit (loss) from continuing operations represents net profit (loss) from continuing operations excluding impairment loss on investment property.

The board (the "Board") of directors (the "Directors") of MEXAN LIMITED (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026, together with comparative figures for the corresponding year 2025 are 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*
Continuing operations			
Revenue	*5*	**44,144**	37,592
Direct costs		**(25,313)**	(30,664)
Gross profit		**18,831**	6,928
Other income		**4,756**	7,941
Administrative and other operating expenses		**(14,528)**	(16,176)
Selling and distribution expenses		**(3,120)**	(3,925)
Depreciation		**(2,788)**	(6,063)
Impairment loss on investment properties	*12*	**(5,819)**	(31,847)
Reversal of provision for impairment loss on trade and retention receivables and contract assets, net	*13, 14*	**402**	4,893
Finance costs	*6*	**(79)**	(643)
Loss before income tax from continuing operations	*7*	**(2,345)**	(38,892)
Income tax expense	*8*	**–**	(6)
Loss for the year from continuing operations		**(2,345)**	(38,898)
Discontinued operation			
Profit for the year from a discontinued operation	*17*	**377,040**	6,679
Profit (Loss) for the year		**374,695**	(32,219)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of provision for long service payments		**17**	1,274
Total comprehensive income (loss) for the year		**374,712**	(30,945)

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Profit (Loss) for the year attributable to:			
Owners of the Company		**374,896**	(32,021)
Non-controlling interests		**(201)**	(198)
		374,695	(32,219)
Total comprehensive income attributable to:			
Owners of the Company		**374,913**	(30,747)
Non-controlling interests		**(201)**	(198)
		374,712	(30,945)
Profit (Loss) for the year attributable to owners of the Company			
Continuing operations		**(2,144)**	(38,700)
Discontinued operation		**377,040**	6,679
		374,896	(32,021)
Earnings (Loss) per share attributable to owners of the Company – basic and diluted (HK cents)	*10*		
Profit (Loss) for the year		**19.07**	(1.63)
Loss from continuing operations		**(0.11)**	(1.97)
Profit from a discontinued operation		**19.17**	0.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2026

	Notes	**2026** **HK$'000**	2025 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*11*	**78**	135
Investment properties	*12*	**48,191**	56,017
Right-of-use assets		**–**	724
		48,269	56,876
Current assets			
Inventories		**1,278**	4,691
Trade and other receivables	*13*	**10,057**	94,964
Contract assets	*14*	**6,439**	4,703
Time deposits with a maturity less than three months		**70,728**	–
Secured bank deposits		**–**	4,859
Cash and bank balances		**127,127**	35,446
		215,629	144,663
Assets held for sale	*17*	**–**	345,379
		215,629	490,042
Current liabilities			
Trade and other payables, deposits received and accrued charges	*15*	**5,563**	95,202
Bank loans	*16*	**–**	17,948
Contract liabilities		**2,651**	3,342
Lease liabilities		**–**	755
Amount due to a non-controlling shareholder of a subsidiary		**6,414**	6,414
Current tax liabilities		**589**	974
		15,217	124,635
Net current assets		**200,412**	365,407
Total assets less current liabilities		**248,681**	422,283

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Non-current liabilities			
Bank loans	*16*	**–**	69,000
Provision for long service payments		**–**	34
Deferred tax liabilities		**–**	5,381
		–	74,415
Net assets		**248,681**	347,868
EQUITY			
Share capital		**39,328**	39,328
Reserves		**213,097**	312,083
Equity attributable to owners of the Company		**252,425**	351,411
Non-controlling interests		**(3,744)**	(3,543)
Total equity		**248,681**	347,868

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability on 1 November 1991 under the Companies Act 1981 of Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, Church Street, Hamilton HM 11, Bermuda. With effective from 30 June 2026, its principal place of business in Hong Kong was changed from Room 1303, 13/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong to Unit A & B, 12th Floor, Kingpower Commercial Building, No. 409-413 Jaffe Road, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the supply of furniture and building materials and provision of the design and fit-out construction service. The Group was also engaged in the operation of a hotel in Hong Kong but was discontinued during the current year (Note 17).

The consolidated financial statements are presented in Hong Kong dollars ("HK$" or "HK dollars"), which is also the functional currency of the Company.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of amendments to standards and interpretations

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of amendments to standards and interpretations that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The application of the amendments listed above in the current year has had no material effect on the Group's financial performance and positions for the current and prior year.

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

The following new standard, interpretations and amendments 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Annual Improvements to HKFRS Accounting Standards	Volume 11[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[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 effective date to be determined

The Group is currently assessing the effect of these new accounting standards and amendments, other than as explained below, the management did not anticipate these new accountings and amendments will have material impact to the Group.

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 consolidated financial statements, it 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.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2025 consolidated financial statements except for the adoption of the new/revised HKFRS Accounting Standards that is relevant to the Group and effective from the current reporting period.

(b) Basis of measurement

The consolidated financial statements are prepared under historical cost convention, except for assets held for sale.

The accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of amendments to standards and interpretation and the impacts on the Group's financial statements, if any, are disclosed in Note 2.

It should be noted that accounting estimates and assumptions are used in preparation of the 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.

4. SEGMENT INFORMATION

(a) Operating segment information

The executive Directors of the Company are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors of the Company that are used to make strategy decision.

During the year ended 31 March 2026, the Group has two reportable segments. The segments are managed separately as each business offers different services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Hotel operation (discontinued operation) – letting of hotel rooms to contracted and non-contracted sales agents and walk-in customers, sales of food and beverage and provision of laundry services

- Trading of building materials and fit-out construction service (continuing operation) – supply of furniture and building materials and provisions of the design and fit-out construction service

The segment revenue and results for the years ended 31 March 2026 and 2025:

	Discontinued operation – Hotel operation		Continuing operations – Trading of building materials and fit-out construction service		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
External revenue	**–**	86,118	**44,144**	37,592	**44,144**	123,710
Segment profit (loss) before income tax	**402,966**	9,087	**11,677**	(2,219)	**414,643**	6,868
Interest income	**–**	895	**58**	160	**58**	1,055
Interest expense	**(25)**	(5,670)	**(18)**	(564)	**(43)**	(6,234)
Depreciation for property, plant and equipment	**–**	(20,086)	**(57)**	(497)	**(57)**	(20,583)
Depreciation for properties leased for own use	**–**	–	**(724)**	(2,461)	**(724)**	(2,461)
Reversal of provision for impairment loss on trade and retention receivables and contract assets, net	**–**	–	**402**	4,893	**402**	4,893
Gain on disposal of property, plant and equipment	**402,599**	–	**–**	–	**402,599**	–
Income tax credit	**(25,926)**	(2,408)	**–**	(6)	**(25,926)**	(2,414)
Reportable segment assets	**–**	448,642	**23,637**	31,693	**23,637**	480,335
Reportable segment liabilities	**–**	(176,230)	**(7,981)**	(12,507)	**(7,981)**	(188,737)
Additions to non-current assets	**–**	475	**–**	–	**–**	475

Reconciliation of reportable segment profit or loss, assets and liabilities are as follows:

	2026	2025
	HK$'000	*HK$'000*
Reportable segments profit before tax	**414,643**	6,868
Less: Profit before income tax from a discontinued operation	**(402,966)**	(9,087)
Impairment loss on investment properties	**(5,819)**	(31,847)
Depreciation on investment properties	**(2,007)**	(3,105)
Other administrative and other operating expenses	**(10,800)**	(9,838)
Other finance costs	**(152)**	(394)
Other income	**4,756**	8,511
Loss before income tax from continuing operation	**(2,345)**	(38,892)

	2026	2025
	HK$'000	*HK$'000*
Reportable segment assets	**23,637**	480,335
Unallocated corporate asset		
– Investments properties	**48,191**	56,017
– Other receivables	**947**	209
– Cash and bank balances	**191,123**	10,357
Consolidated total assets	**263,898**	546,918

	2026	2025
	HK$'000	*HK$'000*
Reportable segment liabilities	**7,981**	188,737
Amount due to a non-controlling shareholder of a subsidiary	**6,414**	6,414
Unallocated other payable and accruals	**822**	3,899
Consolidated total liabilities	**15,217**	199,050

(b) Geographical segment information

During the years ended 31 March 2026 and 2025, the Group's operations and non-current assets are situated in Hong Kong in which all of its revenue was derived.

(c) **Information about major customers**

Revenues from each of the major customers accounted for 10% or more of the Group's total revenue are set out below:

	2026	2025
	HK$'000	*HK$'000*
Discontinued operation – Hotel operation:		
Customer B	**–**	30,513
Customer C	**–**	13,462
	–	43,975
Continuing operations – Trading of building materials and fit-out construction service:		
Customer A	**28,922**	13,963
	28,922	57,938

5. REVENUE

The Group's revenue represents income from the trading of furniture and building materials and construction service.

In the following table, revenue is disaggregated by types of good and service provided and timing of revenue recognition.

	2026	2025
	HK$'000	*HK$'000*
Continuing operations		
Trading of furniture and building materials and fit-out construction service		
– Trading of furniture and building materials	**12,999**	11,276
– Fit-out construction service	**31,145**	26,316
Total revenue	**44,144**	37,592
Time of revenue recognition		
– Over time	**31,145**	26,316
– At a point in time	**12,999**	11,276
Total revenue	**44,144**	37,592

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2026	2025
	HK$'000	*HK$'000*
Contract assets	**6,439**	4,703
Contract liabilities	**(2,651)**	(3,342)
	3,788	1,361

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on revenue related to the provision of fit-out construction service. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group provides the invoice to the customers.

The contract liabilities mainly relate to the advance consideration received from fit out construction service and trading of building materials. HK$3,180,000 contract liabilities at 1 April 2025 and HK$4,930,000 of contract liabilities at 1 April 2024 has been recognised as revenue for the year ended 31 March 2026 and 2025 respectively from performance obligations satisfied when the fit-out construction service were provided to the customers over time by reference to the period of stay or the building materials were delivered to and accepted by the customers.

Unsatisfied or partial satisfied performance obligations

As at 31 March 2026, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK$9.9 million (2025: HK$39 million). This amount represents revenue expected to recognise in the future from construction contracts and sales and purchase agreements from sales of building materials and furniture entered into with customers. The Group will recognise the expected revenue in the future when or as the work is completed, or control over the ownership of building materials and furniture has been passed to customers. These are expected to occur over the next 12 months.

6. FINANCE COSTS

Finance costs comprise the following:

	2026	2025
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans	**–**	45
Interest on amount due to a company controlled by a director of a subsidiary	**–**	429
Interest on long service obligation	**1**	8
Interest on lease liabilities	**18**	90
Bank charges	**60**	71
	79	643

7. LOSS BEFORE INCOME TAX

	2026	2025
	HK$'000	*HK$'000*
Continuing operations		
Loss before income tax is arrived at after charging (crediting) the following:		
Cost of services provided	**17,769**	23,879
Cost of inventories	**7,432**	6,785
Auditor's remuneration		
– Audit service	**940**	878
– Non-audit service	**160**	296
Depreciation for property, plant and equipment	**57**	497
Impairment loss on investment properties	**5,819**	31,847
Depreciation for investment properties	**2,007**	3,105
Depreciation for properties leased for own use	**724**	2,461
Reversal of provision for impairment loss on trade and retention receivables and contract assets, net	**402**	4,893
Loss on disposal of property, plant and equipment	**–**	312
Staff costs (including director's emoluments)		
– Salaries and allowances	**10,014**	15,512
– Retirement benefit schemes contribution	**315**	554
– Long service payments expenses	**(35)**	12

8. INCOME TAX EXPENSE (CREDIT)

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2026	2025
	HK$'000	*HK$'000*
Continuing operations		
Current tax – Hong Kong Profits Tax		
Provision for the year		
– At 16.5%	**–**	6

9. DIVIDENDS

No dividend for the year ended 31 March 2025 was declared or paid by the Company.

On 2 April 2025, upon the completion of the disposal of a hotel property and furnishings as detailed in Note 17, the Board declared a very substantial disposal special dividend of HK$0.06 per ordinary share of the Company's issued share capital payable to shareholders. This dividend proposal was approved at the Company's special general meeting held on 25 March 2025, and such dividend was paid on 29 April 2025. On 9 May 2025, the Group declared a special interim dividend of HK$0.181 per ordinary share of the Company's issued share capital, and such dividend was paid on 30 May 2025. In addition, the Board resolved not to propose a final dividend for the year ended 31 March 2026.

10. EARNINGS (LOSS) PER SHARE

For continuing and discontinued operations

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

	2026	2025
	HK$'000	*HK$'000*
Profit (Loss) for the year attributable to owners of the Company		
– Continuing operations	**(2,144)**	(38,700)
– Discontinued operation	**377,040**	6,679
	374,896	(32,021)
Number of shares		
Weighted average number of ordinary shares *('000)* for the purpose of basic earnings (loss) per share	**1,966,387**	1,966,387

No dilutive earnings (loss) per share is presented as there was no potential ordinary shares in issue during the years ended 31 March 2026 and 2025.

11. PROPERTY, PLANT AND EQUIPMENT

No impairment losses were recognised in respect of property, plant and equipment for both years. During the year ended 31 March 2026, additions to property, plant and equipment approximately amounted to HK$Nil (2025: HK$475,000).

12. INVESTMENT PROPERTIES

At the end of reporting period, no impairment of the leasehold land is considered.

At the end of reporting period, an impairment loss of HK$5,819,000 (2025: HK$31,847,000) was recognised as the commercial properties market in Hong Kong was deteriorated during to recession of global economic environment during the year ended 31 March 2026.

13. TRADE AND OTHER RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables *(note a)*	**458**	334
Less: Provision for impairment loss *(note a)*	**(8)**	(136)
	450	198
Retention receivable *(note b)*	**5,672**	7,880
Less: Provision for impairment loss *(note b)*	**(98)**	(246)
	5,574	7,634
Deposits	**1,007**	1,477
Deposit receivable *(note c)*	**–**	76,500
Prepayments	**2,850**	9,054
Other receivables	**176**	101
	4,033	87,132
	10,057	94,964

Note (a):

For construction business, the Group allows maximum credit period of 2 months (2025: 2 months) to its trade customers. All trade receivables are expected to be recovered within one year. The following is an aging analysis of trade receivables, based on invoice date, at the end of the reporting period:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	390	45
Over 30 days but less than 60 days	52	–
Over 60 days but less than 90 days	–	–
Over 90 days	16	289
	458	334
Less: Allowance for impairment losses	(8)	(136)
	450	198

Under the segments of trading of building materials and fit-out construction service, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Normally, other than those receivables secured by deposits, the Group does not hold any collateral over these receivables. The movement in the allowance for impairment losses during the year is as follows:

	2026	2025
	HK$'000	*HK$'000*
At 1 April	**136**	4,539
Reversal of impairment loss for the year	**(128)**	(4,403)
At 31 March	**8**	136

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix based on the aging analysis by due date and grading respectively:

Trading of building materials and fit-out construction service

As at 31 March 2026

	Not past due	**Within 30 days**	**Over 30 days but less than 60 days**	**Over 60 days but less than 90 days**	**Over 90 days**	**Total**
Expected loss rate *(%)*	**–**	**–**	**–**	**–**	**100%**	
Gross carrying amount *(HK$'000)*	**299**	**143**	**–**	**9**	**7**	**458**
Expected credit losses *(HK$'000)*	**–**	**–**	**–**	**1**	**7**	**8**

As at 31 March 2025

	Not past due	Within 30 days	Over 30 days but less than 60 days	Over 60 days but less than 90 days	Over 90 days	Total
Expected loss rate *(%)*	3.13%	–	–	–	46.60%	
Gross carrying amount *(HK$'000)*	45	–	–	–	289	334
Expected credit losses *(HK$'000)*	1	–	–	–	135	136

Under the segment of trading of building materials and fit-out construction service, an impairment analysis was performed at 31 March 2026 and 2025 by using a provision matrix based on shared credit risk characteristics and the days past due. The provision rates are based on due date for grouping of various customer segments with similar loss patterns. The calculation reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note (b):

The Group typically agrees 5% of the total contract sum as retention monies, of which half will generally be released after the issue of the certificate of practical completion and the remaining portion will be released after the warranty period. The Group generally provides their customers with one to two years warranty period from the date of the practical completion of the project. Upon the expiration of maintenance period, the customers will provide a warranty certificate and pay the retentions within the term specified in the contract. An impairment analysis was performed by using a provision matrix based on shared credit risk characteristics and the days past due. The movement in the allowance for impairment losses during the year is as follows:

	2026	2025
	HK$'000	*HK$'000*
At 1 April	**246**	350
Reversal of impairment loss for the year	**(148)**	(104)
At 31 March	**98**	246

Note (c):

It represents the deposit paid by the purchaser for the acquisition of the hotel property and furniture, which was held by the Company's solicitors on behalf of the Group.

14. CONTRACT ASSETS

	2026	2025
	HK'000	*HK'000*
Contract assets arising from:		
Fit-out construction service	**6,451**	4,841
Less: Allowance for impairment losses	**(12)**	(138)
	6,439	4,703

Contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed and not billed because the rights are conditioned on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when progress certificate/invoice is issued.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Contract assets have been grouped based on shared credit risk characteristics and the days past due. The movement in the allowance for impairment losses during the year is as follows:

	2026	2025
	HK$'000	*HK$'000*
At 1 April	**138**	524
Reversal of impairment loss for the year	**(126)**	(386)
At 31 March	**12**	138

15. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	2026	2025
	HK$'000	*HK$'000*
Current portion:		
Trade payable *(Note a)*	**3,168**	3,555
Accrued staff costs	**81**	3,778
Accrued charges *(Note b)*	**1,813**	3,872
Provision for long service payments *(Note 18)*	**46**	3,538
Deposit received for disposal of assets held for sale *(Note c)*	**–**	76,500
Other deposit received *(Note d)*	**–**	2,330
Other payables *(Note e)*	**455**	1,629
	5,563	95,202
Non-current portion:		
Provision for long service payments *(Note 18)*	**–**	34
	5,563	95,236

Notes:

(a) The ageing analysis of trade payables of the Group, based on invoice dates, as at the end of the year is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 1 month	**471**	858
Over 1 month but within 2 months	**–**	–
Over 2 months but within 3 months	**–**	–
More than 3 months	**2,697**	2,697
	3,168	3,555

(b) The accrual charges represent audit fee of HK$1.0 million (2025: HK$1.2 million) and transaction cost of HK$Nil (2025: HK$2.3 million) for disposal of hotel property and furniture that have not been paid.

(c) Deposit received from disposal of assets held for sale represented 10% of total consideration for sale of the hotel property and furniture.

(d) The balance represents the deposit received from contract agents in accordance with the annual room sales contract where the agents are required to prepay one month room charge as deposit, which was fully refund to contract agents during the year ended 31 March 2026.

(e) Other payables mainly represent the hotel accommodation tax payable of HK$Nil (2025: HK$474,000) and sales commission payable of construction services of HK$41,000 (2025: HK$204,000). The Group applies the practical expedient under paragraph 94 of HKFRS 15 and recognises the sales commission of obtaining contracts as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

The directors of the Company considered the carrying amounts of trade and other payables, deposits received and accrued charges approximate to their fair values.

16. BANK LOANS

	2026	2025
	HK$'000	*HK$'000*
Secured:		
Letter of credit *(Note c)*	–	2,630
Bank term loans *(Notes a and b)*	–	84,318
	–	86,948
Current portion *(Note d)*	–	17,948
Non-current portion *(Note d)*	–	69,000
	–	86,948

(a) At 31 March 2025, the bank term loans of HK$11 million and HK$73 million were secured by the first legal charge of the commercial property and hotel property of the Group respectively, carried at a variable interest rate with reference to Hong Kong Interbank Offered Rate ("HIBOR"). The effective interest rate of the bank term loans were 5.66% per annum and 5.96% per annum respectively.

(b) At 31 March 2025, the bank term loans were secured by the corporate guarantee from the Company, the corporate guarantee from a related company controlled by a director of the Company and personal guarantee from a director of the Company.

(c) At 31 March 2025, the letter of credit were secured by cash deposit, carried at a variable interest rate with reference to HIBOR. It was also secured by the personal guarantee from a director of the Company, and 51% was secured by the corporate guarantee from the Company.

(d) Based on the scheduled repayment dates set out in the loan agreements, the amounts repayable in respect of the bank loans were as follows:

	2026	2025
	HK$'000	*HK$'000*
Within one year	–	17,948
More than one year, but not exceeding two years	–	8,000
More than two years, but not exceeding five years	–	61,000
	–	86,948

After the completion of the disposal of a hotel property and furniture as detailed in Note 17, the bank term loans of HK$11 million and HK$73 million at 31 March 2025 were fully repaid on 10 April 2025 and 2 April 2025, respectively.

17. DISCONTINUED OPERATION AND ASSETS HELD FOR SALE

On 7 February 2025, the Group as vendor and an independent third party as purchaser, entered into the sale and purchase agreement, pursuant to which the Group conditionally agreed to sell, and the purchaser conditionally agreed to purchase, the hotel property and furniture in the hotel property of the Group at the consideration of HK$765,000,000, of which HK$76,500,000 (Note 13(c)) shall be paid as deposit and in part payment within 10 business days after signing the sale and purchase agreement to the Group's solicitors as stakeholders until completion and the remaining HK$688,500,000 shall be paid on the completion. The disposal was completed on 2 April 2025 with the consideration fully received on that day.

As at 31 March 2025, the hotel property and the furniture are available for immediate sale in its present condition and the sale is expected to be completed within twelve months from the reporting date and have been reclassified as asset held for sale accordingly. In addition, hotel operation as disclosed in Note 4, represents a separate major line of business has ceased its operations on 2 April 2025 and is therefore classified as a discontinued operation.

The result and cashflow of the hotel operation for the period from 1 April 2025 to 2 April 2025 and for the year ended 31 March 2025 were as below:

	The period from 1 April to 2 April 2025	2025
	HK$'000	*HK$'000*
Revenue	**–**	86,118
Other income	**744**	2,042
Gain on disposal of the property, plant and equipment	**402,599**	–
Expenses	**(228)**	(73,403)
Financial costs	**(149)**	(5,670)
Profit before income tax	**402,966**	9,087
Income tax expense	**(25,926)**	(2,408)
Profit for the year from a discontinued operation	**377,040**	6,679
Net cash (outflow) inflow from operating activities	**(5,695)**	11,953
Net cash inflow from investing activities	**747,978**	451
Net cash outflow from financing activities	**(83,939)**	(27,520)
Net increase (decrease) in cash	**658,344**	(15,116)

The following assets were classified as held for sale in relation to the discontinued operation at 31 March 2025:

	HK$'000
Property, plant and equipment	
– Hotel property	338,847
– Furniture	6,532
	345,379

18. PROVISION FOR LONG SERVICE PAYMENTS

Under Employment Ordinance, Cap.57, an employee who has been employed under a continuous contract for not less than 5 years of service is eligible for long service payments ("LSP") under the following circumstances:

- The employee resigns at age of 65 or above;
- The employee dies during employment;
- The employee resigns on ground of ill health;
- The fixed term employment contract expires without being renewed;
- The employee is dismissed which is not because of redundancy or serious misconduct

The LSP benefit is determined with reference to the employee's last full month's salary (capped at HK$22,500) and number of years of service. The LSP benefit is capped at HK$390,000 for each eligible employee. The accrued benefits derived from the Group's mandatory contributions under the mandatory provident fund ("MPF") scheme in respect of that employee can be used to offset the LSP benefit.

Under the Mandatory Provident Fund Schemes Ordinance, Cap. 485, the Group, as an employer, is required to make mandatory MPF contribution at 5% of the employee's monthly salary (capped at HK$1,500). The Group makes the contribution to separate trustees. MPF scheme has attributes of a defined contribution plan.

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset LSP (the "Abolition"). Subsequently, the HKSAR Government announced that the Abolition will take effect on 1 May 2025 (the "Transition Date").

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP in respect of the employment period after the Transition Date.
- The pre-transition LSP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the last month's salary of employment termination date.

At the time when the HKSAR Government announced the effective date of the Abolition, it indicated that it would launch a scheme to subsidise a portion of the post-transition portion of LSP payable by employers. Subsequently in November 2024, the Finance Committee of the Legislative Council approved the creation of a commitment for implementing the subsidy scheme for the Abolition ("LSP Subsidy"). Based on the Group's accounting policy on the LSP Subsidy, the subsidy is regarded as government grants for accounting purpose. No government grants are recognised in the year.

Movements in the liability recognised in the consolidated statement of financial position are as follows:

	2026	2025
	HK$'000	*HK$'000*
At beginning of the year	**3,572**	4,364
Benefit paid from the plan	**(3,475)**	(276)
Remeasurements recognised in other comprehensive income:		
– Actuarial gain arising from changes in financial assumptions	**(17)**	(1,274)
Expenses recognised in profit or loss:		
Continued operations		
– Current service cost	**(35)**	12
– Interest cost	**1**	8
Discontinued operation		
– Current service cost	**–**	640
– Interest cost	**–**	98
At end of the year	**46**	3,572

Expenses of HK$35,000 (2025: HK$652,000) are included in administrative and other operating expenses in the consolidated statement of profit loss and other comprehensive income.

19. EVENT AFTER THE END OF THE REPORTING PERIOD

On 4 June 2026, the Board announced a proposed share consolidation ("Share Consolidation") on the basis that every fifty issued and unissued existing shares of par value of HK$0.02 each will be consolidated into one consolidated share of par value of HK$1.00 each. The Share Consolidation is conditional upon, among other things, the approval of the shareholders of the Company at the special general meeting to be held on 2 July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Upon the disposal of the Winland 800 hotel during the year in April 2025 (which was the principal operation of the Group for almost two decades), the main business of the Group today is the trading of furniture and building materials and operating fit-out construction projects through its wholly owned subsidiary Winland Firmstone Limited ("Winland Firmstone").

Turning to the business for trading of building materials and fit out construction projects operated under WFSL.

The success or failure of this sector will be significantly depended on the performance of the construction and property sectors. The construction and property sectors are facing several challenges in terms of competitive landscape and weak market sentiment. For Hong Kong's construction sector, it has been undergoing market consolidation amongst main contractors and many have been under significant financial and operational pressure such as diminishing margins and high interest rates with less funding liquidity. The keen market competition, high interest rates for the past twelve months and volatile construction material price fluctuation were squarely the greatest challenges faced by the construction industry in Hong Kong.

Against such adversity, our main subsidiary Winland Firmstone which engages in trading of furniture and building materials and fit-out construction service records significant increase in gross profit and gross profit margin. Nonetheless, such upbeat performance reflects income from final stage of projects from past operation of Winland Firmstone. The management remains circumspective on future outlook and will actively seek for potential investment opportunities and diversify the revenue resources with a view to enhance return to shareholders.

PROSPECTS

The trade war initiated by US President Donald Trump continues to haunt the world economy in 2025. Today, Artificial Intelligence, Crypto and Stable Coin are the hot topics in the business world, the management will be alerted to any of such opportunities in the interest of the Group's future development.

Our business in supply of building materials and fit-out construction service continued to face great challenges from the general slowdown of the property market that affected demands for luxurious products, and rising operation costs. The management will make regular review and supervision to ensure the business remain healthy and adjust the business mix if circumstances require.

Despite the uncertainty surrounding the long-term prospects of the building materials trade, the Directors remain flexible and adaptable in responding to a changing environment and are prepared to adjust business models, explore new markets, and meet evolving customer needs to elevate the Group's business to the next level.

BUSINESS REVIEW

1. Hotel Operation (Discontinued Operation)

The Group operated the Winland 800 Hotel, a 800-room hotel located at Tsing Yi, New Territories, Hong Kong up to end of March this year.

In order to realize shareholders' benefit, the Group came to the decision to end the Hotel operation altogether by entering into the VSD in February 2025 for the consideration of HK$765 million.

As mentioned earlier and, considering, inter alias, the current global economy, politics, epidemic, risk and cost control management and the Group's future development strategy, the Board decided to dispose the Hotel to an independent third party at a consideration of HK$765 million and discontinued the operation of this business segment, such disposal was completed on 2 April 2025. The Directors considered that the disposal has no material negative impact on the Group's financial position, and the consideration of the disposal was arrived at arm's length negotiations between the two parties on normal commercial terms, and was fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors also take into account a number of factors in making their decision, in particular the current financial situation of the subsidiary and its business prospects.

2. Trading of building materials and fit-out construction operation (Continuing Operation)

The core business of Winland Firmstone includes but not limited to supply of imported kitchen cabinet, furniture and decorative lighting, supply of a wide range of building materials including ceramic tiles, mosaics, carpet and fabrics etc; supply of high-quality natural stones and provision of design and construction service for fit-out projects. Some major customers of Winland Firmstone include leading property developers in Hong Kong.

During the year, the Group generated revenue from trading of furniture and building materials and fit-out construction service of approximately HK$44.1 million. Such increase was attributable to the final stage of projects from fit-out construction service. Additionally, the Group's ongoing commitment to stringent cost control measures and a strategic reduction in manpower contributed positively, enhancing overall performance and profitability.

FINANCIAL REVIEW

Revenue from continuing operations of the Group (which does not include the operation of the Hotel) for the year ended 31 March 2026 exceeded that of the same period last year. The revenue increased from approximately HK$37.6 million for the year ended 31 March 2025 to approximately HK$44.1 million for the year ended 31 March 2026, representing a significant increase of 17.43% as compared to the same period last year. Such increase was attributable to the final stage of projects from fit-out construction service. Additionally, the Group's ongoing commitment to stringent cost control measures and a strategic reduction in manpower contributed positively, enhancing overall performance and profitability.

Gross profit and gross profit margin increased from HK$6.9 million and 18.43% to HK$18.8 million and 42.66%, respectively, for the year ended 31 March 2026. Administrative expenses amounted to approximately HK$14.5 million for the year ended 31 March 2026. Such increase in gross profit and gross profit margin resulted from the final stage of projects from fit-out construction service.

The selling and distribution expenses decreased from approximately HK$3.9 million to approximately HK$3.1 million. The whole amount was incurred for the trading of building materials and fit-out construction operation.

As a result, the loss after tax from continuing operations decreased from approximately HK$38.9 million for the year ended 31 March 2025 to approximately HK$2.3 million for the year ended 31 March 2026. The decrease in loss position from continuing operations was mainly attributed to the increase in revenue and decrease in operation expenses and depreciation.

1. Liquidity, financial resources and capital structure

As at 31 March 2026, the Group's total borrowings, including the bank loans was Nil compared with approximately HK$86.9 million as at 31 March 2025.

As at 31 March 2026, cash and bank balances and time deposits with a maturity less than three months amounted to approximately HK$127.1 million and HK$70.7 million, respectively, compared with cash and bank balances of approximately HK$35.4 million as at 31 March 2025.

As at 31 March 2026, the Group's net assets amounted to approximately HK$248.7 million, which decreased from approximately HK$347.9 million as at 31 March 2025, mainly due to distributions to shareholders and repayment of bank loans.

Gearing ratio of the Group that is expressed as a percentage of total borrowings to total equity attributable to owners of the Company was 0% as at 31 March 2026 compared with approximately 24.7% as at 31 March 2025. Net gearing ratio of the Group which is expressed as a percentage of net borrowings (total borrowings less cash and bank balance) to total equity attributable to owners of the Company was 0% compared with approximately 14.7% as at 31 March 2025.

2. Treasury policies

The Group generally financed its operations with internally generated resources and credit facilities. Bank deposits are denominated in HK$.

3. Material acquisitions and disposals

On 7 February 2025, the Group entered into the VSD Sale and Purchase Agreement, pursuant which the VSD Vendor conditionally agreed to sell, and the VSD Purchaser conditionally agreed to purchase, the VSD Properties at the consideration of the VSD Consideration. The Disposal constituted a very substantial transaction for the Company under Rule 14.06(5) of the Listing Rules. Further details in relation to the Disposal were disclosed in the announcements of the Company dated 7 February 2025. The disposal was completed with consideration fully received on 2 April 2025.

Other than as disclosed above, the Group does not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 March 2026.

4. Significant investments held

The Group did not have any significant investments held as at 31 March 2026.

5. Employee information and emolument policy

As at 31 March 2026, the total number of employees of the Group was 21 (31 March 2025: 113 (including 87 employees of discontinued operation)). Remuneration packages are generally structured by reference to market terms and individual qualifications. The emoluments of the directors are determined having regard to the comparable market statistics. No director of the Company, or any of his associates, and executive is involved in dealing with his own remuneration. The remuneration policies of the Group are normally reviewed on periodic basis. The Group participates in Mandatory Provident Fund schemes that cover all the eligible employees of the Group.

6. Pledge of assets

As at 31 March 2026, the Group does not have any assets pledged for banks borrowings.

7. Financial Guarantee

As at 31 March 2026, the Company does not provide any financial guarantee to banks for the banking facilities (31 March 2025: HK$145,700,000) granted to its subsidiaries. The amount utilized by the subsidiaries was Nil as at 31 March 2026 (31 March 2025: HK$74,665,000). The directors of the Company are of the view that such obligation will not cause an outflow of resources embodying economic benefits.

The Company has not recognized any deferred income in respect of the guarantees as the fair value is insignificant and its transaction price was Nil. The Company has not recognized any provision in the Company's financial statements as at 31 March 2025 as the directors considered that the probability for the holder of the guarantees to call upon the Company as a result of default in repayment is remote.

8. Capital commitments

As at 31 March 2026, the Group had no commitment (31 March 2025: Nil) which has been contracted but not yet been provided for acquisition of property, plant and equipment.

9. Foreign currency exposure

As the Group's operations are situated in Hong Kong, all of the revenue were settled in Hong Kong dollar. The Group pays some suppliers for trading of furniture and building materials and fit-out construction business in USD and Euro. The Group was exposed to certain foreign currency exchange risks but it does not anticipate future currency fluctuations to cause material operational difficulties.

As at the date of this announcement, the Group did not implement any foreign currencies and interest rates hedging policies. The Group will closely monitor the change in foreign exchange rates to manage currency risks and evaluate necessary actions as required.

10. Future plans for material investments or capital assets

As at the date of this announcement, the Group did not have any plans for material investments or capital assets.

EVENT AFTER THE END OF THE REPORTING PERIOD

On 4 June 2026, the Board announced a proposed share consolidation ("Share Consolidation") on the basis that every fifty issued and unissued existing shares of par value of HK$0.02 each will be consolidated into one consolidated share of par value of HK$1.00 each. The Share Consolidation is conditional upon, among other things, the approval of the shareholders of the Company at the special general meeting held on 2 July 2026.

Details of the Share Consolidation are available in the circular of the Company dated 9 June 2026.

Save as disclosed in the above, there were no other important events affecting the Group that have occurred since 31 March 2026.

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

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year ended 31 March 2026.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, the Company has complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set in Appendix C1 of the Listing Rules for the year ended 31 March 2026, except for the deviation from the CG Code as follows:

Under code provision C.2.1 of the CG Code, the roles of chairman and managing director should be separate and should not be performed by the same individual. Mr. Lun Yiu Kay Edwin is both the Chairman of the Board and Managing Director of the Company. The Board considers that although such structure deviates from C.2.1 of the Code, the effective operation of the Group will not be impaired since Mr. Lun Yiu Kay Edwin has exercised sufficient delegation in the daily operation of the Group's business as Managing Director while being responsible for the effective operation of the Board as Chairman of the Board. The Board and senior management have benefited from the leadership and experience of Mr. Lun Yiu Kay Edwin.

As at the date of this announcement, the Board consists of two male directors and four female director. The Company has complied with Rule 13.92 of the HK Exchange Listing Rules with respect to board diversity.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Appendix C3 of the Listing Rules, the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Having made specific enquiry to all directors, all directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transaction throughout the year.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three members, namely Ms. Chan Wai Yan, Ms. Li Ching Yi, and Ms. Zhao Aiyin all of them are Independent Non-Executive Directors. The chairlady of the Audit Committee is Ms. Chan Wai Yan. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management in the Audit Committee.

The Audit Committee has reviewed with the management and our Group's external auditor the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for the year ended 31 March 2026.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this preliminary announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited, *Certified Public Accountants* to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Forvis Mazars 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 Engagement issued by the HKICPA and consequently no assurance has been expressed by Forvis Mazars CPA Limited on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.mexanhk.com under "Announcements". The annual report for the year ended 31 March 2026 will be dispatched to the shareholders and published on the above websites by the end of July 2026.

By Order of the Board
MEXAN LIMITED
Law Hok Yu
Executive Director and Company Secretary

Hong Kong, 30 June 2026

As at the date of this announcement, the Executive Directors are Mr. Lun Yiu Kay Edwin (Chairman), Mr. Law Hok Yu and Ms. Miao Xianliu, and the independent non-executive Directors are Ms. Li Ching Yi, Ms. Zhao Aiyin, and Ms. Chan Wai Yan.

* *For identification purpose only*