CHINLINK
普滙中金

CHINLINK INTERNATIONAL HOLDINGS LIMITED
普滙中金國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 0997)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Chinlink International Holdings Limited (the "**Company**" or "**Chinlink**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2026 (the "**Year**"), 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	*3*		
Services		**47,792**	56,138
Rental		**17,038**	20,306
Interest			
– Other interest revenue		**1,464**	2,859
Total revenue		**66,294**	79,303
Cost of sales		**(21,112)**	(24,552)

* *For identification purpose only*

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

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Gross profit		**45,182**	54,751
Other income, gains and losses	*5*	**12,417**	70,846
Write-down of properties under development for sale		**(43,813)**	–
Loss on fair value change of investment properties		**(118,733)**	(322,034)
Reversal of allowance under expected credit loss model, net		**6,318**	14,414
Selling and distribution costs		**(3,128)**	(7,994)
Administrative expenses		**(47,473)**	(51,171)
Finance costs	*6*	**(137,057)**	(155,519)
Loss before tax		**(286,287)**	(396,707)
Income tax credit	*7*	**21,033**	51,113
Loss for the year	*8*	**(265,254)**	(345,594)

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

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**29,187**	(12,406)
Item that will not be reclassified subsequently to profit or loss:			
Fair value loss on equity investments at fair value through other comprehensive income, net of tax		**(26,536)**	(29,935)
Other comprehensive income/(expense) for the year, net of income tax		**2,651**	(42,341)
Total comprehensive expense for the year		**(262,603)**	(387,935)
Loss for the year attributable to:			
Owners of the Company		**(264,413)**	(345,407)
Non-controlling interests		**(841)**	(187)
		(265,254)	(345,594)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(262,016)**	(387,713)
Non-controlling interests		**(587)**	(222)
		(262,603)	(387,935)
		HKcents	*HKcents*
LOSS PER SHARE			
– Basic	9	**(22.61)**	(29.54)
– Diluted		**(22.61)**	(29.54)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment		**62,258**	90,466
Right-of-use assets		**1,371**	12,436
Investment properties		**2,339,524**	2,302,012
Equity investment at fair value through other comprehensive income		**13,134**	39,670
Deposit paid for land auction		**909**	859
Financial assets at fair value through profit or loss		**–**	–
Deposits		**340**	1,676
		2,417,536	2,447,119
Current assets			
Properties under development for sale		**597,735**	602,218
Trade receivables	*11*	**140**	297
Trade receivables from related companies	*11*	**1,235**	1,165
Loan receivables		**–**	–
Factoring receivables		**–**	15,205
Other receivables, deposits and prepayments		**26,203**	31,800
Pledged bank deposits		**8,690**	21,305
Bank balances and cash		**5,780**	5,497
		639,783	677,487

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Current liabilities			
Trade payables	*12*	**699**	661
Other payables and accruals		**134,648**	129,301
Loans from staff		**604**	718
Construction costs accruals		**323,929**	311,530
Receipts in advance		**8,885**	7,889
Lease liabilities		**2,139**	5,662
Contract liabilities		**112,773**	115,441
Deposits received from tenants and customers		**21,675**	22,712
Deferred income		**8,857**	9,830
Tax payable		**7,589**	6,260
Bank and other borrowings	*13*	**1,661,911**	529,914
6.5% coupon bonds	*14*	**119,110**	110,797
		2,402,819	1,250,715
Net current liabilities		**(1,763,036)**	(573,228)
Total assets less current liabilities		**654,500**	1,873,891

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2026

	Notes	**2026** **HK$'000**	2025 *HK$'000*
Non-current liabilities			
Deferred income		**3,774**	4,927
Amounts due to directors		**74,267**	55,098
Lease liabilities		**–**	7,925
Bank and other borrowings	*13*	**146,528**	1,111,445
Amounts due to related companies		**97,966**	86,952
Deferred tax liabilities		**155,980**	168,956
		478,515	1,435,303
Net assets		**175,985**	438,588
Capital and reserves			
Share capital	*15*	**11,693**	11,693
Reserves		**160,127**	422,143
Equity attributable to owners of the Company		**171,820**	433,836
Non-controlling interests		**4,165**	4,752
		175,985	438,588

Notes

1. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that is mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the Group's financial positions and performance and/or the disclosures to the consolidated financial statements of the Group in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon application of HKFRS 18) and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provision. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

2. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company is incorporated in Bermuda as an exempted limited liability entity and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate and ultimate holding company is Wealth Keeper International Limited ("**Wealth Keeper**"), incorporated in the British Virgin Islands and the ultimate controlling shareholder of Wealth Keeper is Mr. Li Weibin ("**Mr. Li**"), the chairman and managing director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" to the annual report.

The Company is an investment holding company. The principal activities of the subsidiaries are property investment, provision of financial guarantee services and factoring services in the the People's Republic of China ("**PRC**") and Hong Kong.

The presentation currency of the consolidated financial statements is Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. All values are rounded to the nearest thousand ("**HK$'000**"), except when otherwise indicated.

Going concern basis

For the year ended 31 March 2026, the Group incurred a net loss of approximately HK$265,254,000 (2025: HK$345,594,000). As of 31 March 2026, the Group had net current liabilities of approximately HK$1,763,036,000 (2025: HK$573,228,000), while its bank balances and cash amounted to approximately HK$5,780,000 (2025: HK$5,497,000) only. In addition, the Group had outstanding bank and other borrowings and coupon bonds of approximately HK$1,661,911,000 (2025: HK$529,914,000) and HK$119,110,000 (2025: HK$110,797,000) respectively which were repayable on demand or due for repayment or renewal in the next twelve months. The Group has defaulted in repayment of principals or interests of bank and other borrowings and coupon bond during the year ended 31 March 2026. As a result the bank and other borrowings and coupon bonds of approximately HK$1,390,313,000 (2025: HK$234,533,000) and HK$119,110,000 (2025: HK$110,797,000) respectively were considered as defaulted as at 31 March 2026 and were repayable on demand. The default of these bank and other borrowings and coupon bonds triggered cross default of an other borrowing of approximately HK$21,814,000 (2025: HK$nil) as at 31 March 2026, which was originally due for repayment in January 2027. The bank and financial institutions are contractually entitled to request for immediate repayment of the bank and other borrowings and coupon bonds of approximately HK$1,412,127,000 (2025: HK$234,533,000) and HK$119,110,000 (2025: HK$110,797,000) respectively as at 31 March 2026. Further details are set out in Note 13 and Note 14. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. The directors of the Company have performed an assessment of the Group's future liquidity and cash flows, taking into account the following matters:

(i) The Group is seeking to accelerate the construction progress and thereby the preselling of the service apartments of the Phase Two Development project (as defined below). The Phase Two Development project included two loft apartment towers, commercial corridor and underground parking lots. Construction works of the first loft apartment tower and the commercial corridor are scheduled to be completed by the fourth quarter of 2026. The proceeds arising therefrom will be used for settling the construction fees, repayment of existing loan facilities and general working capital.

(ii) The Group has actively negotiated with financial institutions to secure the renewals of the Group's bond and borrowings to meet its liabilities when they fall due.

    (a) The Group has requested extending or waiver of the repayment of the defaulted principals and interests of the bank and other borrowings of approximately HK$106,652,000 and HK$111,626,000 respectively, while the total carrying amount of the relevant bank and other borrowings amounted to approximately HK$1,390,313,000. Subsequent to the end of the reporting period, the Group has been actively engaged in discussions with the relevant banks, financial institutions and lenders. Taking into account the Group's long-standing relationships with these counterparties, the directors are confident that mutually agreeable terms will be reached. As of the date of approval of these audited consolidated financial statements, negotiations are ongoing and significant progress has been made. However, the finalisation of the restructuring terms remains subject to the formal approval of the relevant banks, financial institutions and lenders.

    (b) As of 31 March 2026, the Group has defaulted in repayment of the principals and interests of 6.5% coupon bonds totaling approximately HK$119,110,000. Subsequent to the end of the reporting period, the Group has been actively engaged in discussions with the bondholders regarding the restructuring plan for these coupon bonds. The directors of the Company are confident that a mutually beneficial agreement will be reached. Negotiations are ongoing, and significant progress has been made towards finalising the terms of the restructuring.

(iii) The Group will consider realising its non-current assets including investment properties and applying the proceeds to repay certain secured bank and other borrowings and strengthen the Group's liquidity.

(iv) The Group will continue to actively negotiate with the contractors to extend the repayment dates of the construction costs accruals based on amicable relationships with the contractors.

(v) The Group has received written confirmation dated 31 March 2026 from Mr. Li, the ultimate controlling shareholder, that he will provide continuing financial support to the Group to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future, and agreed not to demand repayment of any of the amounts due to him by the Group in the next twelve months from the date of approval for issue of these consolidated financial statements;

(vi) The Group has taken measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flows from its operations;

(vii) The Group will consider to dispose non-core business and/or financial assets to strenghten the Group's liquidity. and

(viii) The Group is currently soliciting different sources of funds, including additional banking facilities to further support the Group's funding needs should the aforesaid operating cash inflows turned out to be less than forecasted.

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

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2026	2025
	HK$'000	*HK$'000*
Types of services:		
Revenue from property management services	**47,792**	55,708
Revenue from financial guarantee services	**–**	430
Total revenue from contracts with customers	**47,792**	56,138
Add:		
Rental income under HKFRS 16	**17,038**	20,306
Interest income under HKFRS 9	**1,464**	2,859
Total revenue	**66,294**	79,303
Geographical markets:		
Hong Kong	**–**	461
PRC	**66,294**	78,842
Total	**66,294**	79,303
Timing of revenue recognition:		
Over time	**47,792**	56,138
Total	**47,792**	56,138

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information for the years ended 31 March 2026 and 2025.

For the year ended 31 March 2026

	Revenue disclosed in segment information *HK$'000*	**Adjustment of rental income** *HK$'000*	**Adjustment of interest income** *HK$'000*	**Revenue from contracts with customers** *HK$'000*
Segment				
Property investment	**64,830**	**(17,038)**	**–**	**47,792**
Financial guarantee services and other financing services	**1,464**	**–**	**(1,464)**	**–**
Revenue for reportable segment	**66,294**	**(17,038)**	**(1,464)**	**47,792**

For the year ended 31 March 2025

	Revenue disclosed in segment information *HK$'000*	Adjustment of rental income *HK$'000*	Adjustment of interest income *HK$'000*	Revenue from contracts with customers *HK$'000*
Segment				
Property investment	76,014	(20,306)	–	55,708
Financial guarantee services and other financing services	3,289	–	(2,859)	430
Revenue for reportable segment	79,303	(20,306)	(2,859)	56,138

(ii) Performance obligation for contracts with customers and recognition policies

(1) Revenue from property management services, financial guarantee services and other financing services (revenue recognised over time)

For property management services, the Group satisfies the performance obligation by providing services such as cleaning and security on a daily basis. As the directors of the Company considered the Group has fulfilled its performance obligation in a pattern which approximates to time elapsed, revenue is therefore recognised over time by output basis. For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. The Group receives six months to one year property management fee in advance from certain tenants of the investment properties at the start of the property management contract. This gives rise to the contract liability which will be recognised as revenue throughout the period of services.

For financial guarantee services and other services, the Group provides the relevant services throughout the period of time. As the directors of the Company considered the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs the services, revenue is therefore recognised over time by output basis. The Group normally receives one year financial guarantee fee in advance from certain customers at the start of the financial guarantee contract. This gives rise to the contract liability which will be recognised as revenue throughout the period of services.

For the other financing services, the Group provide the relevant services throughout the period of time. The customers are usually billed on monthly basis for the services fee calculated based on pre-agreed amount. The revenue is recognised on a gross basis over time as the customer simultaneously received and consumed the benefits provided by the Group's performance.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 and 2025 and the expected timing of recognising revenue are as follows:

	Property management services		**Sales of properties**	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**23,773**	32,531	**93,628**	92,576
More than one year but not more than two years	**1,460**	3,486	**–**	–
More than two years	**73**	–	**–**	–
	25,306	36,017	**93,628**	92,576

Except for the property management services and financial guarantee services, all the other contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. SEGMENT INFORMATION

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

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

(i) Property investment – leasing of property and provision of property management services; and

(ii) Financial guarantee services and other financing services – provision of corporate financial guarantee services, related consultancy services and other financing services.

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

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

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

Segment revenue and results

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

	Year ended 31 March 2026		Year ended 31 March 2025	
	Segment revenue	**Segment (loss)/profit for the year**	Segment revenue	Segment (loss)/profit for the year
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Property investment	**64,830**	**(150,167)**	76,014	(306,498)
Financial guarantee services and other financing services	**1,464**	**18,359**	3,289	18,213
Revenue and result for reportable segment	**66,294**	**(131,808)**	79,303	(288,285)
Total	**66,294**		79,303	
Unallocated other income, gains and losses		**4,319**		70,846
Unallocated allowance under expected credit loss model, net		**(34)**		(232)
Unallocated corporate expenses		**(21,707)**		(23,517)
Finance costs		**(137,057)**		(155,519)
Loss before tax		**(286,287)**		(396,707)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of unallocated other income, gains and losses, unallocated allowance under expected credit loss model, net, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

5. OTHER INCOME, GAINS AND LOSSES

	2026	2025
	HK$'000	*HK$'000*
Other income		
Interest income	**179**	620
Other gains and losses		
Net foreign exchange (loss)/gain	**(1,354)**	7,710
Adjustment on carrying amount of amount due to a director	**4,447**	1,726
Adjustment on carrying amounts due to related companies	**7,452**	17,333
Gain from derecognition of financial liabilities	**–**	42,287
Gain from early termination of lease	**628**	496
Gain from lease modification	**–**	95
Others	**1,065**	579
	12,238	70,226
	12,417	70,846

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**112,983**	104,900
Interest expenses on loan from staff	**146**	146
Interest expenses on amount due to a director	**3,312**	3,312
Effective interest expense on 6.5% coupon bonds	**8,313**	9,422
Effective interest expense on 13.0% coupon bonds	**–**	16,190
Imputed interest expense from amounts due to related companies	**7,293**	18,301
Imputed interest expense from amount due to a director	**4,386**	1,829
Interest expenses on lease liabilities	**624**	1,419
	137,057	155,519

There was no finance cost capitalised arose on the general borrowing pool during the year ended 31 March 2026 and 2025.

7. INCOME TAX CREDIT

	2026 *HK$'000*	2025 *HK$'000*
Current tax:		
Hong Kong	**–**	–
PRC	**939**	2,857
	939	2,857
Deferred tax	**(21,972)**	(53,970)
	(21,033)	(51,113)

8. LOSS FOR THE YEAR

	2026 *HK$'000*	2025 *HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Auditors' remunerations		
– Current year	**1,480**	1,780
– Other service	**240**	299
Depreciation of property, plant and equipment	**9,349**	10,336
Depreciation of right-of-use assets	**4,733**	5,362
Staff costs (including directors' emoluments)		
Salaries and other benefits	**16,145**	15,781
Retirement benefit scheme contributions	**3,136**	3,468
	19,281	19,249
Expenses relating to short-term leases	**148**	193
Gross rental income from investment properties	**(17,038)**	(20,306)
Less: Direct operating expenses incurred for investment properties that generated rental income	**2,475**	3,160
	(14,563)	(17,146)

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss

	2026	2025
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(264,413)**	(345,407)

Number of shares

	2026	2025
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,169,288**	1,169,288

The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 March 2026 and 2025 is determined by reference to the number of shares in issue during the year.

During the year ended 31 March 2026 and 2025, the computation of diluted loss per share does not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price of shares for both years.

10. 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).

11. TRADE RECEIVABLES

Trade receivables

	2026	2025
	HK$'000	*HK$'000*
Trade receivables		
– goods and services	**14,137**	13,927
– operating lease	**191**	195
– Financial guarantee contracts	**546**	516
	14,874	14,638
Less: Allowances for expected credit losses	**(14,734)**	(14,341)
	140	297

As at 31 March 2026, the gross amount of trade receivables from contracts with customers amounted to HK$14,683,000 (allowances for expected credit losses of approximately HK$14,578,000 (2025: HK$14,443,000 (allowance for expected credit losses of approximately HK$14,211,000)).

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

	2026	2025
	HK$'000	*HK$'000*
0 – 30 days	**140**	260
31-90 days	**–**	–
>90 days	**–**	37
	140	297

The Group's credit terms granted to each of the custormers are normally 30 days to 90 days.

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

Trade receivables from related companies

As at 31 March 2026, trade receivables from related companies of approximately HK$1,235,000 (net the allowance for expected credit losses of approximately HK$4,000) (2025: HK$1,165,000 (net the allowance for expected credit losses of approximately HK$6,000)) were aged within 30 days based on the invoice date at the end of the reporting period.

12. TRADE PAYABLES

Trade payables

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

	2026	2025
	HK$'000	*HK$'000*
> 90 days	**699**	661

The credit period granted by the suppliers to the Group ranged from 30 to 90 days.

13. BANK AND OTHER BORROWINGS

	2026	2025
	HK$'000	*HK$'000*
Bank borrowings, secured	**1,275,973**	1,151,730
Bank borrowings, unsecured	**8,024**	7,491
Other borrowings, secured	**193,488**	177,790
Other borrowings, unsecured	**330,954**	304,348
	1,808,439	1,641,359
Carrying amount of the above borrowings are repayable*		
– Within one year	**249,784**	295,381
– More than one year, but not exceeding two years	**146,528**	153,504
– More than two years, but not exceeding than five years	**–**	32,106
– More than five years	**–**	925,835
Sub-total	**396,312**	1,406,826
Carrying amount of the bank and other borrowings that contains a repayable on demand clause (shown under current liabilities) but repayable*		
– Within one year	**374,409**	111,994
– More than one year, but not exceeding two years	**40,549**	122,539
– More than two years, but not exceeding five years	**45,300**	–
– More than five years	**951,869**	–
Sub-total	**1,412,127**	234,533
Total bank and other borrowings	**1,808,439**	1,641,359
Less: Amount shown under non-current liabilities	**(146,528)**	(1,111,445)
Amount shown under current liabilities	**1,661,911**	529,914
Carrying amounts of bank loans that are repayable on demand that have loan defaults or breach of loan covenants (shown under current liabilities)	**(1,412,127)**	(234,533)
Amounts shown under current liabilities for the borrowings without loan defaults or breach of loan covenants	**249,784**	295,381

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

As at 31 March 2026, the variable-rate bank borrowings of approximately HK$156,860,000 (2025: HK$136,426,000) are secured by the Group's property, plant and equipment with carrying value of approximately HK$20,200,000 (2025: HK$19,658,000) and investment properties with fair value of approximately HK$636,580,000 (2025: HK$621,147,000). These borrowings carry interests at variable rate of 5.40% per annum (2025: 6.30% per annum) which is based on the rate fixed by People's Bank of China ("**PBOC Rate**") plus a premium per annum as at 31 March 2026 and 2025.

As at 31 March 2026, the fixed-rate bank borrowings of approximately HK$1,119,113,000 (2025: HK$1,015,304,000) are secured by equity interest of certain Group's wholly owned subsidiaries and the Group's certain investment properties with fair value of approximately HK$1,702,944,000 (2025: HK$1,680,865,000). These borrowings carry interest at fixed rates which ranged from 4.00% to 5.50% per annum (2025: 5.00% to 5.80% per annum).

As at 31 March 2026, the remaining fixed-rate bank borrowings of approximately HK$8,024,000 (2025: HK$7,491,000) are unsecured, carry interest at fixed-rate of 5.50% per annum (2025: 5.50% per annum) and are repayable at maturity date on 29 November 2026 (2025: 13 July 2025).

As at 31 March 2026, the other borrowings amounting to approximately HK$193,488,000 (2025: HK$177,790,000) are secured by equity interest of certain Group's wholly owned subsidiaries. These borrowings carry interests at fixed-rate which ranged from 6.50% to 10.61% per annum (2025: 6.50% to 10.61% per annum) and are repayable at maturity date which ranged from 30 March 2026 to 14 October 2027 (2025: 30 March 2026 to 14 January 2027).

As at 31 March 2026, the remaining other borrowings of approximately HK$330,954,000 (2025: HK$304,348,000) are unsecured, carry interests at fixed-rates which ranged from 5.00% to 24.00% per annum (2025: fixed rates which ranged from 4.00% to 24.00% per annum) and are repayable at maturity dates which ranged from 9 April 2025 to 31 March 2027 (2025: 9 April 2025 to 29 March 2026).

As at 31 March 2026, the unsecured other borrowings included an amount of HK$165,777,000 (equivalents to RMB146,381,000) (2025: HK$160,863,000 (equivalents to RMB150,310,000)) which represents the capital injection in the form of registered capital and capital reserve into Shaanxi Chinlink Financial Guarantee Limited ("**Chinlink Financial Guarantee**") by 漢中市投資控股集團有限公司 ("**Hanzhong Investment**") pursuant to a cooperation agreement entered into between Chinlink Financial Guarantee, Hanzhong Investment and Chinlink Alpha Limited ("**Chinlink Alpha**") on 17 May 2018. Chinlink Financial Guarantee was wholly-owned by Chinlink Alpha before the capital injection and was held as to 65% by Chinlink Alpha and 35% by Hanzhong Investment after the capital injection.

According to the cooperation agreement, Chinlink Financial Guarantee shall distribute profit to Hanzhong Investment equivalents to 5.0% per annum of its capital injected. If the profit distribution of the year is less than that return, Chinlink Alpha or its nominated third party shall compensate the difference in the form to be agreed between the parties. Other than the 5.0% per annum profit distribution to Hanzhong Investment, all profit and reserves of Chinlink Financial Guarantee shall belong to the Group.

If there is a change in national policy or material adverse change in the business, assets, prospects, operation or financial condition in Chinlink Financial Guarantee, or if there is a material breach of the cooperation agreement which has not been rectified within 14 working days after notification, the cooperation agreement may be terminated and Hanzhong Investment can demand repayment. The total amount payable to Hanzhong Investment shall not exceed the actual total capital contributed by Hanzhong Investment, or Chinlink Alpha can acquire the 35% shareholding of the Chinlink Financial Guarantee held by Hanzhong Investment based on the total capital contributed by Hanzhong Investment.

Based on the above, the amount injected by Hanzhong Investment is classified as other borrowing under current liabilities.

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

	2026	2025
	HK$'000	*HK$'000*
Effective interest rate:		
Fixed-rate borrowings	**4.00%-24.00%**	4.00%-24.00%
Variable-rate borrowings	**5.40%**	6.30%

The Group has bank borrowings and other borrowings of approximately HK$1,239,595,000 and HK$172,532,000 respectively that contain repayable on demand clause (2025: approximately HK$136,426,000 and HK$98,107,000 respectively), which were included in the current liabilities.

The Group has defaulted in repayment of principals and interests of bank borrowing and other borrowings amounting to approximately HK$106,652,000 and HK$111,626,000 respectively during the year ended 31 March 2026. The outstanding amounts of the bank borrowing and other borrowings in respect of which the Group has defaulted in repayment were approximately HK$1,239,595,000 and HK$150,718,000 respectively as at 31 March 2026 and are repayable on demand as a result of the default clause in these borrowings. The default of these borrowings and bonds triggered cross default of an other borrowing of approximately HK$21,814,000 as at 31 March 2026, which was originally due for repayment in January 2027. As at 31 March 2026, the bank and financial institutions are contractually entitled to request for immediate repayment of the outstanding borrowings of approximately HK$1,412,127,000.

14. COUPON BONDS

6.5% Coupon bonds

Pursuant to the placing agreement dated 30 July 2019, 6.5% coupon bonds with principal amount of HK$82,500,000, HK$24,000,000, HK$61,500,000 and HK$32,000,000 (collectively referred as the "**First 6.5% Coupon Bonds**") were issued by the Company at par to the independent parties on 7 August 2019 (the "**Issue Date 2**"), 8 August 2019 (the "**Issue Date 3**"), 19 August 2019 (the "**Issue Date 4**") and 6 September 2019 (the "**Issue Date 5**") respectively.

The First 6.5% Coupon Bonds are denominated in HK$, secured by the Group's wholly owned subsidiaries, guaranteed by Mr. Li, repayable on the day falling on the first anniversary of the issue date and carry interest at 6.5% per annum. Interest is payable annually in arrears.

The First 6.5% Coupon Bonds will mature on the first anniversary of the issue dates, which are 7 August 2020 (the "**Maturity Date 2**"), 8 August 2020 (the "**Maturity Date 3**"), 19 August 2020 (the "**Maturity Date 4**"), and 6 September 2020 (the "**Maturity Date 5**") respectively. The Company can redeem the First 6.5% Coupon Bonds in whole or in part, at par together with all accrued and unpaid interest calculated at the rate of 6.5% per annum accrued thereon from Issue Date 2, Issue Date 3, Issue Date 4 and Issue Date 5 respectively and up to the date of redemption less any interest paid by the Company on it by giving not less than 10 business days' notice to the holder(s) of the First 6.5% Coupon Bonds at any time from the Issue Date 2 to the Maturity Date 2 and Issue Date 3 to Maturity Date 3 and Issue Date 4 to Maturity Date 4 and Issue Date 5 to Maturity Date 5, respectively.

As at 31 March 2021, the First 6.5% Coupon Bonds were matured, of which HK$41,500,000 were redeemed by the Company and the remaining principal of HK$158,500,000 of the First 6.5% Coupon Bonds were extended for one year pursuant to the deed of amendment dated 6 August 2020.

As at 31 March 2022, the First 6.5% Coupon Bonds were matured, of which HK$91,500,000 were redeemed by the Company and the remaining principal of HK$67,000,000 of the First 6.5% Coupon Bonds were extended for one year pursuant to the second deed of amendment dated 23 August 2021.

As at 31 March 2023, the First 6.5% Coupon Bonds were matured, of which HK$15,000,000 were redeemed by the Company. Pursuant to the third deed of amendment dated 12 August 2022, the remaining principal of HK$52,000,000 of the First 6.5% Coupon Bonds were extended for two year. According to the third deed of amendment, the bondholders were granted early redemption right to request for early redemption of bonds on the first anniversary of the extension date. If the bondholders do not exercise such early redemption right, they shall receive a one-off additional fixed interest of 2% of the outstanding principal amount as at the maturity date.

As at 31 March 2024, the First 6.5% Coupon Bonds of which HK$1,000,000 were early redeemed on the first anniversary of the extension date. The remaining principal of HK$51,000,000 do not exercise such early redemption right, and they shall receive a one-off additional fixed interest of 2% of the outstanding principal amount as at the maturity date pursuant to the third deed of amendment dated 12 August 2022.

Transaction costs relating to the First 6.5% Coupon Bonds of HK$2,580,000 are included in the carrying amount of the First 6.5% Coupon Bonds. The effective interest rate of the First 6.5% Coupon Bonds is 9.5% per annum at the first year and 10.5% at the second year, respectively from the date of the deed of amendment.

On 23 July 2020, the Company entered into a second placing agreement with a placing agent to issue 6.5% coupon bonds with principal amount of up to HK$100,000,000 (collectively referred as the "**Second 6.5% Coupon Bonds**").

The Second 6.5% Coupon Bonds are denominated in HK$, secured by the equity interests of a subsidiary, guaranteed by Mr. Li, repayable on the day falling on the first anniversary of the issue date and carry interest at 6.5% per annum, and the interest is payable annually in arrears.

As at 4 August 2020 (the "**Issue Date 6**"), the first tranche of the Second 6.5% Coupon Bonds with principal of HK$66,500,000 were issued and the proceeds were used for refinancing the existing borrowings. The Second 6.5% Coupon Bonds will mature on the first anniversary of the issue dates, which are 4 August 2021 (the "**Maturity Date 6**").

As at 31 March 2022, the Second 6.5% Coupon Bonds were matured, of which HK$66,500,000 were fully repaid by the Company.

On 23 August 2021, the Company entered into a third placing agreement with a placing agent to reissue the First 6.5% Coupon Bonds with principal amount of up to HK$140,000,000 in aggregate (collectively referred as the "**Third 6.5% Coupon Bonds**"), under best effort basis. On 23 August 2021 (the "**Issue Date 7**") and 31 August 2021 (the "**Issue Date 8**"), the first and second tranche of the Third 6.5% Coupon Bonds with principal of HK$56,300,000 and HK$3,000,000 (the First 6.5% Coupon Bonds, the Second 6.5% Coupon Bonds and the Third 6.5% Coupon Bonds, collectively referred as the "**6.5% Coupon Bonds**") were issued and the proceeds were used for refinancing the existing borrowings.

The Third 6.5% Coupon Bonds are denominated in HK$, secured by equity interests of a subsidiary, guaranteed by Mr. Li, repayable on the day falling on the first anniversary of the issue date and carry interest at 6.5% per annum. Interest is payable annually in arrears.

The Third 6.5% Coupon Bonds will mature on the first anniversary on the issue dates, which are 23 August 2022 ("**the Maturity Date 7**") and 31 August 2022 (the "**Maturity Date 8**"), respectively. The Company can redeem the third 6.5% Coupon Bonds in whole or in part, at par together with all accrued and unpaid interest calculated at the rate of 6.5% per annum accrued thereon from Issue Date 7 and Issue Date 8 respectively and up to the date of redemption less any interest paid by the Company on it by giving not less than 10 business days' notice to the holder(s) of the Third 6.5% Coupon Bonds at any time from the Issue Date 7 to the Maturity Date 7 and the Issue Date 8 to the Maturity Date 8, respectively.

As at 31 March 2023, the Third 6.5% Coupon Bonds were matured, of which HK$3,500,000 were redeemed by the Company. Pursuant to the deed of amendment dated 12 August 2022, the remaining principal of HK$45,800,000 were extended for two year, with the new maturity dates on 23 August 2024 and 31 August 2024. According to the deed of amendment, the bondholders were granted early redemption right to request for early redemption of bonds on the first anniversary of the extension date. If the bondholders do not exercise such early redemption right, they shall receive a one-off additional fixed interest of 2% of the outstanding principal amount as at the maturity date.

As at 31 March 2024, the Third 6.5% Coupon Bonds of which HK$5,000,000 were early redeemed on the first anniversary of the extension date. The remaining principal of HK$40,800,000 do not exercise such early redemption right, and they shall receive a one-off additional fixed interest of 2% of the outstanding principal amount as at the maturity date pursuant to the third deed of amendment dated 12 August 2022.

Transaction costs relating to the Third 6.5% Coupon Bonds of HK$2,190,000 are included in the carrying amount of the Third 6.5% Coupon Bonds. The effective interest rate of the Third 6.5% Coupon Bonds is 9.5% per annum at the first year and 10.5% at the second year, respectively from the date of the deed of amendment.

During the year ended 31 March 2026, interest charged on the 6.5% Coupon Bonds of HK$8,313,000 (2025: HK$9,422,000) was recognised in profit or loss.

As at 31 March 2026, the principal and interest of the 6.5% Coupon Bonds of approximately HK$119,110,000 (2025: HK$110,797,000) respectively are remain outstanding.

13.0% Coupon bonds

Pursuant to the subscription agreement dated 1 December 2017, 12.0% coupon bonds with principal amount of USD15,000,000 (the "**12.0% Coupon Bonds**") were issued by the Company at par to independent third parties on 1 December 2017.

On 5 August 2019, the Company commenced an exchange offer to exchange all of its outstanding 12.0% Coupon Bonds held by the eligible bondholders for a new 13.0% coupon bonds with principal amount of US$30,000,000 (the "**13.0% Coupon Bonds**") which will mature on August 2021 ("**Exchange Offer**").

The Exchange Offer was duly accepted by the eligible bondholders and all outstanding existing 12.0% Coupon Bonds was cancelled on 16 August 2019 and the 13.0% Coupon Bonds have been issued pursuant to the Exchange Offer on the same date. The 13.0% Coupon Bonds are denominated in USD and carry interest at 13.0% per annum. Interest is payable annually in arrears.

The 13.0% Coupon Bonds with an aggregate principal amount of USD30,000,000 were issued on 16 August 2019 (the "**Issue Date 1**") pursuant to the Exchange Offer.

The 13.0% Coupon Bonds are denominated in USD and carry interest at 13.0% per annum. Interest is repayable semi-annually in arrears.

The 13.0% Coupon Bonds will mature on 30 August 2021 (the "**Maturity Date 1**").

The effective interest rate of the 13.0% Coupon Bonds is 12.99% per annum.

No early redemption of the 13.0% Coupon Bonds is allowed by the Company except upon the occurrence of certain events or circumstances as set out in the bonds instrument.

The 13.0% Coupon Bonds are secured by equity interests of certain Group's wholly owned subsidiaries and guaranteed by certain shareholder.

In March 2025, the Company received a notice from a limited company incorporated in Hong Kong (the "**Lender**") in relation to the Lender's purchase of the rights and benefits of the 13.0% coupon bonds from the original bondholders. The Company and the Lender eventually came up with a new repayment plan for the 13.0% coupon bond and a new agreement in the form of a loan arrangement was entered into by both parties in March 2025. The key terms of the new agreement included: (i) a reduction of the principal amount to US$17,300,000 (equivalents to HK$134,559,000); (ii) an extension of the maturity date to 14 January 2027; (iii) a reduction of the interest rate from 13.0% per annum to 6.5% per annum; and (iv) a waiver of the defaulted interest.

The carrying amount of 13.0% Coupon Bonds of US$22,737,000 (equivalents to HK$176,846,000) was derecognized accordingly. A secured other borrowing of US$17,300,000 (equivalents to HK$134,559,000) was recognised and included in bank and other borrowings. Gain from derecognition of financial liabilities of approximately HK$42,287,000 was recognised in the other income, gains and losses.

During the year ended 31 March 2025, interest charged on the 13.0% Coupon Bonds of HK$16,190,000 was recognised in profit or loss.

15. SHARE CAPITAL

	Number of shares	Nominal value
		HK$'000
Ordinary shares:		
Authorised ordinary shares		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026 of HK$0.01 each	62,500,000,000	625,000
Issued ordinary shares and fully paid		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026 of HK$0.01 each	1,169,287,752	11,693

16. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had future minimum lease receivable under noncancelable operating leases which fall due as follows:

As lessor

	2026	2025
	HK$'000	*HK$'000*
Within one year	**2,924**	4,013

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

17. CAPITAL COMMITMENTS

	2026	2025
	HK$'000	*HK$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in connection with the investment properties under construction	**26,191**	24,751

18. LITIGATION

(a) Writ issued in Hong Kong against Chinlink International Holdings Limited by certain bondholders of 6.5% coupon bonds

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

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

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

(b) Writ issued in the PRC by Chinlink Commercial Management (Hanzhong) Company Limited ("Chinlink Hanzhong") and a bank in the PRC

On 19 December 2025, Chinlink Commercial Management (Hanzhong) Company Limited ("**Chinlink Hanzhong**"), as an defendant, an indirect wholly-owned subsidiary of the Company, received an enforcement order from the Hantai District People's Court of Hanzhong City in respect of a bank loan (the "**Loan**") in the principal amount of approximately RMB117,390,000 originally due on 25 December 2026, as recorded under the fixed asset and project loan facility agreement entered into with a bank in the PRC (the "**Bank**") on 26 December 2023. The Loan was secured by, among others, (i) certain state-owned construction land use rights and construction projects under the name of the Chinlink Hanzhong located in Hanzhong City; and (ii) two personal real estate properties of a guarantor located in Xi'an (collectively, the "**Collaterals**").

Following the receipt of the enforcement order, Chinlink Hanzhong proposed a debt restructuring plan. The Bank initially applied to withdraw the enforcement order on 30 December 2025, which was approved by the Court. However, as the Bank sought a more accelerated repayment schedule, it reapplied for enforcement order and the order was revived on 13 January 2026. On 19 January 2026, Chinlink Hanzhong submitted a revised restructuring proposal. The Bank agreed in principle to continue negotiations, leading to a temporary hold of legal proceedings. Since then, intensive discussions have been maintained through several meetings over the past few months. While dialogue remains ongoing, certain terms are still under deliberation. Consequently, a final resolution may take longer than initially anticipated. During the year ended 31 March 2026, the Bank reserves its right to pursue further legal proceedings should negotiations stall. The Court has issued rulings to auction the Collaterals, and valuation reports have been obtained.

The Company wishes to emphasise that the enforcement order restricts only the transfer and further pledge of the Collaterals, and does not prevent Chinlink Hanzhong from using such assets in its ordinary course of business. As at 31 March 2026, the net book value of the aforementioned land use rights and construction projects under Chinlink Hanzhong's name in Hanzhong City amounted to approximately HK$636,580,000, substantially exceeds the outstanding loan principal and accrued interest totalling approximately HK$156,860,000.

As at 31 March 2026, the underlying business and operations of both Chinlink Hanzhong and the Group as a whole have, in all material respects, remained unchanged and have not been materially or adversely affected by the enforcement proceedings.

The Company has been actively preparing for an auction of the Collaterals, with a view to realising the assets in an orderly manner. Should the auction proceed, the Company will make necessary arrangements with the relevant parties, and the Bank has indicated its intention to cooperate with the process.

19. CONTINGENT LIABILITIES

Details of the Group's material litigation proceedings as at 31 March 2026 are set out in Note 18 of this announcement. Set out below are the financial exposures and contingent liabilities arising from such proceedings:

(a) Claim by certain bondholders of 6.5% coupon bonds

As at 31 March 2026, the Company is subject to a claim by two bondholders in respect of the 6.5% coupon bonds, with the plaintiffs claiming an aggregate outstanding principal of HK$18,500,000 together with interest on such principal amount to be calculated from 6 August 2023 to the date of repayment. As at 31 March 2026, the total outstanding principal and accrued interest amounted to approximately HK$22,000,000. In addition, the Company estimates that legal costs in connection with this claim, if the plaintiffs proceed to trial, would amount to approximately HK$400,000, which is disclosed as a contingent liability as the actual incurrence is dependent on future procedural developments.

(b) Enforcement proceedings by a bank in the PRC

As at 31 March 2026, Chinlink Hanzhong is subject to enforcement proceedings in respect of a bank loan with an outstanding principal of approximately RMB117,390,000 (equivalents to HK$132,945,000). As at 31 March 2026, the total outstanding principal and accrued interest amounted to RMB138,507,000 (equivalents to HK$156,860,000). The Group is in active negotiation with the bank and believes that the collateral securing the loan (with a net book value of approximately HK$636,580,000 as at 31 March 2026) is sufficient to cover the debt. The enforcement process may trigger the legla cost, in the event that the bank engages external legal counsel and incurs the legal cost, the amount can be reasonably estimated,

Save as disclosed above, there were no other material contingent liabilities as at 31 March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Year, the Group recorded total revenue of HK$66.3 million, down 16.4% from the year ended 31 March 2025 (the "**Previous Year**"). Net loss for the Year was HK$265.3 million, a decrease of 23.2% from the Previous Year. Revenue was derived principally from property investment and financial services. Overall performance remained under pressure during the Year, as both segments operated in a weak environment that continued to weigh on revenue and profitability.

The Group's property investment segment continued to rely on the Daminggong Construction Materials and Furniture Shopping Centre (Dongsanhuan Branch) (the "**Commercial Complex**"), a large-scale retail complex principally engaged in the leasing of premises for interior decoration materials, home furnishings, furniture and household appliances. During the Year, the Commercial Complex continued to face challenges, as shown by lower occupancy and reduced rental rates. These trends generally reflected macroeconomic conditions in the People's Republic of China (the "**PRC**" or "**China**") and ongoing shifts in consumer preferences, both of which continued to weigh on the retail market.

During the Year, China's economic environment remained characterised by cautious consumer spending, a prolonged property market downturn and persistent unemployment concerns, especially among younger people. Although retail sales in China increased year on year in the second quarter of 2025, the home furnishings sector remained subdued, indicating that the broader recovery in consumption did not materially improve demand for home furnishings and renovation-related products. As the Group's customers are wholesale and retail operators in these sectors, weaker demand increased operating pressure on tenants and placed downward pressure on rental rates at the Commercial Complex.

The Commercial Complex's ongoing phase two development (the "**Phase Two**") consists of two loft apartment towers linked by a commercial corridor and underground parking. Construction progress has been delayed due to market conditions. Construction of tower one and the adjacent commercial area, originally scheduled for completion in the first quarter of 2026, is now expected to be completed in the fourth quarter of 2026. Pre-sale activities for Phase Two have also been adversely affected by the prevailing environment, further limiting the Group's ability to bring forward income contribution from the development during the Year.

Given these challenges, the Group continues to monitor market conditions closely and maintain a prudent approach to its financial services. Considering the unfavourable credit market conditions in both China and Hong Kong, the Group has taken a cautious stance on reactivating its financial services business in these markets. This approach reflects its focus on balancing business opportunities with credit and liquidity risks amid the current macroeconomic and financial environment.

Overall, despite signs of modest improvement in general economic sentiment, the property investment business had not shown a clear recovery during the Year. The Group therefore remains focused on managing the pressures affecting retail consumption and the property market, while taking a measured approach to reactivating and expanding its financial services activities.

SEGMENTAL REVIEW

Property Investment Business

During the Year, the Group's property investment business generated revenue of HK$64.8 million, representing a decrease of HK$11.2 million, or 14.7%, from HK$76.0 million in the Previous Year. The decline in revenue was mainly due to the extended rent-free periods and reduced rental rates offered to retain existing tenants at the Commercial Complex and attract new ones. These measures reflected the continued pressure from prevailing retail and property market conditions in China.

Financial Guarantee Services and Other Financing Services Businesses

During the Year, the Group continued to provide financial guarantee and factoring services in China, and money lending services in both China and Hong Kong. However, due to unfavourable credit market conditions, income from financial services, including fees and interest, fell sharply by 54.5% to HK$1.5 million from HK$3.3 million in the Previous Year.

The decline was primarily attributable to a reduction in the size of the Group's financing portfolio, reflecting its more cautious credit risk management approach and the challenging credit market conditions faced by borrowers in the PRC and Hong Kong. In view of prevailing credit conditions, the Group has maintained a prudent stance and has not actively expanded its financial services portfolio.

FINANCIAL REVIEW

Profitability Analysis

For the Year, the Group's revenue was HK$66.3 million, reflecting a significant decrease of 16.4% from HK$79.3 million in the Previous Year. Revenue contribution by segment comprised: property investment of HK$64.8 million (2025: HK$76.0 million) and financial guarantee services and other financial services of HK$1.5 million (2025: HK$3.3 million).

Gross profit for the Year decreased to HK$45.2 million, down 17.5% from HK$54.8 million in the Previous Year. Gross profit margin decreased to 68.2% from 69.1% in the Previous Year.

The decrease in revenue and gross profit was mainly attributable to the drop in revenue from (i) financial guarantee and other financial services due to the reduced portfolio size and (ii) property investment business due to the reduced rental rates as incentives to retain existing tenants and attract new tenants.

Other income, gains and losses recorded a gain of HK$12.4 million (2025: a gain of HK$70.8 million) for the Year, mainly attributable to the adjustment to the carrying amount of amounts due to related parties and a director. During the Previous Year, the gain comprised (i) an adjustment to the carrying amount of amounts due to related parties and a director; (ii) an exchange loss arising from the appreciation of RMB against HK$; and (iii) a one-off gain from derecognition of financial liabilities.

The Group recognized a write-down of on properties under development for sale for HK$43.8 million (2025: nil) during the Year, which was attributable to the sluggish property market conditions in China, resulting in a downward adjustment of the estimated net realisable value of the Phase Two.

The Group recorded loss on fair value change of investment properties for HK$118.7 million (2025: HK$322.0 million) during the Year. It was mainly attributable to a fair value loss of the Commercial Complex and the logistics park project located in Hantai District, Hanzhong City, Shaanxi Province, the PRC (the "**Chinlink · Worldport**") due to the sustained slump in the property market.

The Group recognized the reversal of allowance for expected credit loss, net of HK$6.3 million (2025: HK$14.4 million) for the Year, which was attributable to the recovery of long-overdue loans and factoring receivables during the Year. In prior years, allowances for expected credit loss were made on long-overdue loans and factoring receivables as these customers of our financial services business encountered short-term cash flow difficulties. The Group has implemented certain measures to protect the interests of the Group, such as issuing reminders and warning letters to the customers, obtaining further collateral from the customers, closely monitoring the cash inflows from their receivables etc.

Administrative expenses mainly comprised staff costs, travelling expenses, depreciation, legal and professional fees which totalled HK$47.5 million for the Year, representing a decrease of HK$3.7 million compared with HK$51.2 million in the Previous Year. The decrease was mainly due to decrease in legal and professional fees and decrease in depreciation of property, plant and equipment and right-of-use assets.

Finance costs amounted to HK$137.1 million for the Year, representing a decrease of HK$18.4 million compared with HK$155.5 million in the Previous Year. The decrease was mainly due to the refinancing and restructuring of certain high-interest bank and other borrowings in early 2025.

For the Year, the Group recorded a loss of HK$265.3 million (2025: HK$345.6 million) mainly due to (i) a drop in revenue from financial guarantee and other financial services and property investment businesses; (ii) substantial impairment loss on properties under development for sale; and (iii) a substantial loss on the fair value change of investment properties due to the unfavourable conditions in the Chinese property and consumer market downturn but was partially compensated by the reversal of allowance under the expected credit loss model. The decrease in loss for the Year compared with the Previous Year was mainly due to the decrease in loss on the fair value change of investment properties and the decrease in finance costs.

Liquidity and Financial Resources

As at 31 March 2026, the bank balances and cash and pledged bank deposits amounted to HK$14.5 million in total, representing a decrease of HK$12.3 million from HK$26.8 million in the Previous Year. The decrease was mainly due to daily operating expenses of the Group during the Year.

As at 31 March 2026, the bank and other borrowings of the Group which were mainly denominated in Hong Kong Dollar ("**HK$**"), Renminbi ("**RMB**") and United States Dollars ("**US$**") amounted to HK$1,808.4 million (31 March 2025: HK$1,641.4 million), representing an increase of HK$167.0 million from that of 31 March 2025, of which HK$1,661.9 million and HK$146.5 million were repayable within one year and more than one year respectively.

Details of the significant financing activities completed during the Year (some of which had imposed specific performance obligations on the controlling shareholder of the Company and were subject to announcement disclosure under Rule 13.18 of the Listing Rules and requirements of disclosure in annual reports under Rule 13.21 of the Listing Rules) were as follows:

6.5% Coupon Bonds

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

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

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

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

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

According to the SOC, Plaintiff A alleged that as at 28 October 2024 the Company was indebted to Plaintiff A and the total outstanding principal amounted to HK$8.5 million together with interest on such principal amount to be calculated from 6 August 2023 to the date of repayment.

According to the SOC, Plaintiff B alleged that as at 28 October 2024 the Company was indebted to Plaintiff B and the total outstanding principal amounted to HK$10.0 million together with interest on such principal amount to be calculated from 6 August 2023 to the date of repayment.

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

As at 31 March 2026, the Group recorded net current liabilities of HK$1,763.0 million (31 March 2025: HK$573.2 million) and the current ratio of the Group calculated as the Group's current assets over its current liabilities was 0.27 (31 March 2025: 0.54). The fallback in the current ratio was mainly due to the significant increase in current liabilities as a result of reclassification of certain liabilities which were non-current liabilities as at 31 March 2025 to current liabilities as they will be due within twelve months after 31 March 2026.

Share Capital

As at 31 March 2026, the authorised share capital and issued share capital of the Company were HK$625.0 million and HK$11.69 million respectively (31 March 2025: HK$625.0 million and HK$11.69 million respectively). There were no changes in the authorised share capital and issued share capital of the Company during the Year.

Gearing Ratio

The Group's gearing ratio as at 31 March 2026 was 0.94 (31 March 2025: 0.86) which was calculated by dividing the Group's total liabilities of HK$2,881.3 million (31 March 2025: HK$2,686.0 million) by the Group's total assets of HK$3,057.3 million (31 March 2025: HK$3,124.6 million). The increase in the gearing ratio was mainly due to substantial loss arising from the devaluation of investment properties during the Year.

Material lending transactions

As part of the normal course of business of the Group, the Group provided certain financial services to its customers, which included (i) provision of various type of lending, for instance, factoring loans; entrusted loans; and other loans etc.; and (ii) provision of financial guarantee service. Details of the Group's lending business as at 31 March 2026 are as follows:

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

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

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

(ii) Major terms of loans/financial guarantee granted

The interest rate of the loans were ranging from nil to 7.0% per annum and all of the loans as at 31 March 2026 had matured. All of the loan receivables as at 31 March 2026 were guaranteed by the legal representatives, shareholders of the customers and/or independent third party corporations, of which 78.2% were also secured by (i) operating income; (ii) the deforestation right owned by the customers; (iii) trade receivables and (iv) share pledge of the customers and its subsidiaries. As at 31 March 2026, HK$84.1 million of the loan receivables were overdue. Expected credit loss of HK$13.9 million was provided for the Year which net off with the reversal of expected credit loss of HK$29.0 million. To reduce the risk of bad debt, the Group has implemented certain measures, such as issuing reminders and warning letters to the customers, obtaining further collateral (like share pledge of the customer or its subsidiaries) from the customers, closely monitoring the cash inflow from their receivables.

(iii) The size and diversity of customers

As at 31 March 2026, the Group had total loan receivables amounting to HK$84.1 million and a summary of the customer diversity classified by the size of principal is as follows:

Principal range	**Lending** Number of customers/ (Total lending principal *(HK$)*)
Below HK$10 million	9/HK$22.9 million
HK$10 million HK$20 million	4/HK$61.3 million

The amounts of lending to the five largest customers (in aggregate) amounted to approximately HK$70.5 million. They accounted for approximately 83.8% of the total loan receivables of the Group as at 31 March 2026.

In response to the challenging credit environment in China, the Group has temporarily ceased to acquire new financial guarantee businesses. Therefore, there were no guarantee sums provided by the Group to lenders as at 31 March 2026.

IMPAIRMENT LOSS

For the Year, the Group recognized the reversal of loss allowance on loan receivables and factoring receivables of approximately HK$13.5 million and HK$15.5 million respectively and recognized impairment loss on factoring receivables of approximately HK$13.9 million under Expected Credit Loss ("**ECL**") model.

Events and circumstances that led to the Group in recognizing impairment of its loans, factors would normally include (a) delay or default in settlement of loan interest or loan principal amounts by the borrower on due dates; and (b) existing or forecasted adverse changes in business, financial or economic conditions that were expected to cause a significant decline in the borrower's ability to meet its debt obligations.

By the end of March 2026, the Company was aware of the above-mentioned events and circumstances when the impairment was reviewed by Vincorn Consulting and Appraisal Limited (the "**Independent Valuer**") and was agreed by the Company's auditor. The above-mentioned events and circumstances were not anticipated by the Company at the time when the loans were granted.

(i) Additional information on the reversal of loss allowance on loan receivables

Details of the reversal of loss allowance on loan receivables recognized for the year ended 31 March 2026 are as follows:

No.	Name of Borrower	**Reversal of loss allowance made for the year ended 31 March 2026** *HK$'000*	**Latest maturity date**	**Gross carrying amount of loan receivables as at 31 March 2026** *HK$'000*	Gross carrying amount of loan receivables as at 31 March 2025 *HK$'000*	**Net carrying amount of loan receivables as at 31 March 2026** *HK$'000*	Net carrying amount of loan receivables as at 31 March 2025 *HK$'000*
1	Shaanxi Gun Shi Xin Tian Di Cultural Investment Company Limited	**(8,350)**	2022-09-07	**15,296**	22,561	**–**	–
2	Shaanxi Long Yuan Landscaping Engineering Company Limited	**(4,573)**	2022-09-28	**–**	7,207	**–**	–
	Sub-total	**(12,923)**		**15,296**	29,768	**–**	–
	Other borrowers	**(607)**		**22,910**	22,239	**–**	–
	Total	**(13,530)**		**38,206**	52,007	**–**	–

The reversal of loss allowance on loan receivables for the year ended 31 March 2026 mainly includes the reversal of loss allowance for ECL of the loan receivables of the Group due from Shaanxi Gun Shi Xin Tian Di Cultural Investment Company Limited ("**Gun Shi**") of approximately HK$8.4 million and Shaanxi Long Yuan Landscaping Engineering Company Limited ("**Long Yuan**") of approximately HK$4.6 million.

Gun Shi

Gun Shi, a company principally engaged in the food and beverage and entertainment business in the PRC, was granted a loan of RMB26,000,000 on 7 September 2020, with an initial loan period of one year, later extended to 7 September 2022. Initially, it was expected that the COVID-19 pandemic would be under control by the end of 2021, thereby allowing Gun Shi's revenue to rebound to pre-pandemic level in 2022. However, the COVID-19 pandemic continued to spread at the end of 2021 in Xi'an with lockdowns starting in late December 2021. Continued intermittent lockdowns caused a significant disruption to Gun Shi's food & beverage and entertainment business, with extended lockdowns and social distancing measures leading to a sharp decline in customer visits to entertainment venues and a corresponding decline in revenue and profitability. Consequently, Gun Shi experienced constrained cash flow from its operations, making it unable to settle its outstanding loan receivables upon maturity.

During the year ended 31 March 2025, the Company had discussions with Gun Shi regarding the settlement of the loan receivable, which had an outstanding principal of RMB23,850,000 as of 13 December 2024 ("**Outstanding Principal 1**"). Both parties had tentatively agreed to a proposed repayment plan, pursuant to which Gun Shi is required to repay at least 20% of the Outstanding Principal 1 by 30 June 2025 and the total repayment of which should reach at least 65% by 31 December 2025. The Outstanding Principal 1 should be fully settled by 31 March 2026.

During the period from 13 December 2024 to 31 March 2025, the Group received partial settlements of RMB6,900,000 from Gun Shi. In the subsequent year ended 31 March 2026, the Group received further repayments totalling RMB8,020,000. After accounting for these settlements, the remaining unpaid principal balance as of 31 March 2026 amounted to RMB8,930,000 (the "**Outstanding Principal 2**").

Gun Shi was not able to fully settle Outstanding Principal 1 by 31 March 2026 as agreed due to temporary financial difficulties and delayed cash inflows. Considering Gun Shi has already settled RMB14,920,000 representing approximately 63% of Outstanding Principal 1 and following further discussions and an updated assessment of Gun Shi's repayment capability, the Group and Gun Shi have tentatively agreed to extend the final repayment date of Outstanding Principal 2 by 31 March 2027; subject to settlement of Outstanding Principal 2 by 31 March 2027, the Group will waive all outstanding interest.

The proposed repayment plan was developed based on a thorough assessment of the financial circumstances of Gun Shi, including their recent financial conditions, profit forecasts, cash flow projections and business contracts. This analysis enabled the Company to structure repayment schedules that align with their financial capabilities and expected cash flows, ensuring Gun Shi to meet their financial obligations.

If Gun Shi is unable to repay the loan as agreed, the Company will institute the legal proceedings to seek immediate payment. Our objective is to find a solution that is mutually beneficial for both the Company and Gun Shi whilst, at the same time, safeguard the best interests of the Company in relation to loan recovery.

Long Yuan

Long Yuan, a company principally engaged in the provision of landscaping engineering services in the PRC, was granted a loan of RMB15,000,000 on 28 September 2020, with an initial loan period of one year, later extended to 28 September 2022. Initially, it was expected that Long Yuan's revenue and profit would be stable in 2022, presuming the COVID-19 pandemic would be under control by the end of 2021. However, as the COVID-19 pandemic continued to spread at the end of 2021, the cash flows of its customers were severely affected, with landscaping projects delayed or cancelled as a result of the lockdowns that began in late December 2021 in Xi'an and continued intermittently. The spread of the COVID-19 pandemic, along with a downturn in the real estate market in the PRC adversely affected profitability, leading to a decrease in Long Yuan's revenue, net profit, and the recoverability of trade receivables from its customers. Consequently, Long Yuan experienced constrained cash flow from its operations, making it unable to settle its outstanding loan receivables upon maturity.

During the year ended 31 March 2025, the Company had discussions with Long Yuan regarding the settlement of the loan receivable, which had an outstanding principal of RMB12,900,000 as of 13 December 2024 ("**Outstanding Principal 3**"). Both parties had tentatively agreed to a proposed repayment plan, pursuant to which Long Yuan was required to repay at least 30% of the Outstanding Principal 3 by 30 June 2025. The Outstanding Principal 3 should be fully settled by 31 December 2025.

During the period from 13 December 2024 to 31 March 2025, the Group received partial settlements of RMB8,600,000 and the remaining Outstanding Principal 3 of RMB4,300,000 were fully repaid during the year ended 31 March 2026. Following mutual negotiations, the Group waived all outstanding interest as Long Yuan successfully settled Outstanding Principal 3 in accordance with the agreed timeframe.

(ii) Additional information on the impairment loss allowance (reversal of loss allowance) on factoring receivables

Details of the impairment loss allowance/reversal of loss allowance on factoring receivables recognized for the year ended 31 March 2026 are as follows:

No.	Name of Borrower	**Loss allowance (reversal of loss allowance) made for the year ended 31 March 2026** *HK$'000*	**Latest maturity date**	**Gross carrying amount of factoring receivables as at 31 March 2026** *HK$'000*	Gross carrying amount of factoring receivables as at 31 March 2025 *HK$'000*	**Net carrying amount of factoring receivables as at 31 March 2026** *HK$'000*	Net carrying amount of factoring receivables as at 31 March 2025 *HK$'000*
1	Xi'an Dewantong Commercial Operation and Management Company Limited	**(12,552)**	2022-10-29	**8,969**	20,661	**–**	–
2	Xi'an Chuang De Technology Company Limited	**(2,949)**	2023-06-24	**14,113**	16,200	**–**	–
3	Company A	**6,688**	2024-06-15	**9,213**	9,401	**–**	7,188
4	Company B	**6,344**	2024-06-14	**8,859**	9,401	**–**	7,188
	Sub-total	**(2,469)**		**41,154**	55,663	**–**	14,376
	Other borrowers	**854**		**4,781**	4,518	**–**	829
	Total	**(1,615)**		**45,935**	60,181	**–**	15,205

The reversal of loss allowance on factoring receivables for the year ended 31 March 2026 mainly includes the reversal of loss allowance for ECL of the factoring receivables of the Group due from Xi'an Dewantong Commercial Operation and Management Company Limited ("**Dewantong**") of approximately HK$12.6 million and Xi'an Chuang De Technology Company Limited ("**Chuang De**") of approximately HK$2.9 million being partially offset by the impairment loss allowance on factoring receivable for the year ended 31 March 2026 of approximately HK$13.9 million.

Dewantong

Dewantong, a company principally engaged in property development, leasing and management, and operation of warehouse and logistics centers in the PRC, was granted a factoring loan of RMB30,550,000 on 29 October 2021, with a loan period of one year. Initially, it was expected that Dewantong's revenue and profit would remain stable in 2022. However, the unexpected continuation of the COVID-19 pandemic and a sudden downturn in China's property market significantly undermined consumers' confidence and severely impacted Dewantong's financial performance. The high vacancy rate of property leasing, low rental income, and delays and cancellations in decoration and renovation projects, resulted in substantial overdue trade receivables and exacerbated Dewantong's cash flows. As Dewantong was unable to collect its outstanding trade receivables in a timely manner, it experienced constrained cash flow from its operations, ultimately leading to its inability to settle its outstanding factoring receivables upon maturity.

During the year ended 31 March 2025, the Company had discussions with Dewantong regarding the settlement of the factoring receivable, which had an outstanding principal of RMB24,250,000 as of 13 December 2024 ("**Outstanding Principal 4**"). Both parties had tentatively agreed to a proposed repayment plan, pursuant to which Dewantong is required to repay at least 20% of the Outstanding Principal 4 by 30 June 2025 and the total repayment of which should reach at least 65% by 31 December 2025. The Outstanding Principal 4 should be fully settled by 31 March 2026.

During the period from 13 December 2024 to 31 March 2025, the Group received partial settlements of RMB7,000,000 from Dewantong. In the subsequent year ended 31 March 2026, the Group received further repayments totalling RMB11,690,000. After accounting for these settlements, the remaining unpaid principal balance as of 31 March 2026 amounted to RMB5,560,000 (the "**Outstanding Principal 5**").

Dewantong was not able to fully settle Outstanding Principal 4 by 31 March 2026 as agreed due to temporary financial difficulties and delayed cash inflows. Considering Dewantong has already settled RMB18,690,000 representing approximately 77% of Outstanding Principal 4 and following further discussions and an updated assessment of Dewantong's repayment capability, the Group and Dewantong have tentatively agreed to extend the final repayment date of Outstanding Principal 5 by 31 March 2027; subject to settlement of Outstanding Principal 5 by 31 March 2027, the Group will waive all outstanding interest.

Chuang De

Chuang De, a company principally engaged in smart fire alarm system project in the PRC, was granted a factoring loan of RMB15,000,000 on 24 June 2022, with a loan period of one year. Initially, it was expected that Chuang De's revenue and profit would be stable in 2023. However, as the downturn in the real estate market in the PRC led to a surge in overdue payments and project cancellations, severely impacting Chuang De's profitability and causing a decline in revenue, net profit, and the recoverability of trade receivables. Consequently, Chuang De experienced constrained cash flow from its operations, making it unable to settle its outstanding factoring receivables upon maturity.

During the year ended 31 March 2025, the Company had discussions with Chuang De regarding the settlement of the factoring receivable, which had an outstanding principal of RMB14,100,000 as of 31 March 2025 ("**Outstanding Principal 6**"). Both parties had tentatively agreed to a proposed repayment plan, pursuant to which Chuang De was required to repay at least 30% by 31 December 2025 and the total repayment of which should reach at least 60% by 30 June 2026. The Outstanding Principal 6 should be fully settled by 31 December 2026.

During the year ended 31 March 2026, the Group received partial settlements of RMB2,944,000 from Chuang De. Consequently, the remaining unpaid principal balance as of 31 March 2026 amounted to RMB11,156,000.

Chuang De was unable to meet the initial 30% repayment milestone by 31 December 2025 due to temporary financial difficulties and delayed cash inflows. Following further discussions and an updated assessment of Chuang De's repayment capability, the Group and Chuang De have tentatively agreed to delay the repayment schedule by six months that is, Chuang De is required to settle at least 30% of the Outstanding Principal 6 by 30 June 2026, achieve a cumulative 60% by 31 December 2026, and fully settle Outstanding Principal 6 by 30 June 2027. Provided that the principal is settled in accordance with this revised timeline, the Group will waive all outstanding interest.

The proposed repayment plans were developed based on a thorough assessment of the financial circumstances of Dewantong and Chuang De, including their recent financial conditions, profit forecasts, cash flow projections and business contracts. This analysis enabled the Company to structure repayment schedules that align with their financial capabilities and expected cash flows, ensuring Dewantong and Chuang De to meet their financial obligations.

If Dewantong and Chuang De are unable to repay the loans as agreed, the Company will institute the legal proceedings to seek immediate payment. Our objective is to find a solution that is mutually beneficial for both the Company and Dewantong and Chuang De whilst, at the same time, safeguard the best interests of the Company in relation to loan recovery.

(iii) The valuation method

In respect of the determination of the ECL of loan receivables and factoring receivables, the Group engaged the Independent Valuer to carry out a valuation as at 31 March 2026. In determining the valuation method, the Independent Valuer has considered the following valuation approaches, which are the appropriate methodologies in accordance with the Hong Kong Financial Reporting Standard ("**HKFRS**") 9:

1. Simplified Approach

Applied to trade receivables (including goods and services, operating lease and financial guarantee contracts), taking into account historical provision rates.

2. General Approach

Adopted for financial assets not eligible for other approaches, comprising 3 stages based on credit risk.

Stage 1: Assets without a significant increase in credit risk since initial recognition are measured using 12-month ECL.

Stage 2: Assets with a significant increase in credit risk since initial recognition are measured using a lifetime ECL.

Stage 3: Credit impaired assets are measured using a lifetime ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Independent Valuer adopted general approach for loan and factoring receivables to calculate the ECL. The Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Due to the significant amounts and different risk characteristics of the loan and factoring receivables, the ECL of the loan and factoring receivables will be assessed on an individual basis.

The ECL rate of each risk level was derived from the formula below:

ECL Rate = Probability of Default × (1-Recovery Rate) × (1+ Forward-Looking Adjustment)

The major inputs applied in the valuation include the probability of default (the "**PD**"), recovery rate (the "**Recovery Rate**") and forward-looking adjustment (the "**FLA**"). Key inputs of the valuation are shown below:

For Stage 1	**For the year ended 31 March 2026**	For the year ended 31 March 2025
1. PD	**5.96%**	6.19%
2. Recovery Rate	**38.80%**	38.90%
3. FLA	**0.29%**	3.66%
4. ECL Rate	**3.66%**	3.92%

For Stage 2	**For the year ended 31 March 2026**	For the year ended 31 March 2025
1. PD	**37.68%**	37.18%
2. Recovery Rate	**38.80%**	38.90%
3. FLA	**0.29%**	3.66%
4. ECL Rate	**22.78%**	22.72%

For Stage 3	**For the year ended 31 March 2026**	For the year ended 31 March 2025
1. PD	**100.00%**	100.00%
2. Recovery Rate	**0.00%**	0.00%
3. FLA	**N/A**	N/A
4. ECL Rate	**100.00%**	100.00%

For stage 1, the industry PDs are sourced from "Annual default study: Escalating geopolitical tension adds downside risk to 2026's default outlook" issued by Moody's Corporation. With the PD of each industry, a respective credit rating is assigned to the industry by referencing to Moody's Corporation again, and we referenced to Moody's Corporation for the Recovery Rate.

For stage 2, as most of the debtors are overdue for more than 1 year, a Ca-C credit rating is assigned to reflect their higher credit risk, the PD and the Recovery Rate are matched with the credit rating and sourced from Moody's Corporation.

For stage 3, the debtors are assigned with a C credit rating and considered default, 100% ECL rate is adopted.

The FLA was derived by logit regression analysis, which the dependent variable is the logit of PD while the independent variable is the percentage change of GDP (the "**GDP change**") of China. The PD is referenced to Moody's Corporation and the GDP change is sourced from International Monetary Fund. The FLA as of 31 March 2026 is 0.29%.

Every year, Moody's Corporation release their default studies, updating default data like PD and Recovery Rate based on the number of defaults and global economic changes. These updates result in small, insignificant changes to the data as of 31 March 2026 compared to the data as of 31 March 2025. Besides, given the 2026 PD is slightly decreased compared to 2025 PD, the regression analysis encounters the changes and reflect a smooth and stable FLA. Overall, due to the improvement in default rate, the FLA as of 31 March 2026 is decreased compared with 31 March 2025.

The Independent Valuer has obtained information prepared by the management of the Group and considered all relevant factors during the valuation period, including but not limited to the following factors: (i) the asset information list as of the valuation date; (ii) the overall economic outlook and market factors that affect the ECL of the assets; (iii) other reliable sources of market information; and (iv) other factors that have a significant impact on the ECL of the assets.

The Independent Valuer is a professional valuation firm in valuation advisory services. The Independent Valuer is registered as a firm regulated by the Royal Institution of Chartered Surveyors and is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

(iv) The actions taken by the Company to recover those overdue loan and factoring receivables

At the end of each month, overdue loan receivables and factoring receivables are reviewed leading to internal discussions on a case-by-case basis about appropriate recovery actions. This approach ensures that the Company can maximize recovery in the most timely manner possible.

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

(v) **Assessment and view of the Board**

The Board of Directors (the "**Board**") had considered, among other things, the methodology and basis adopted in determining the impairment provisions in relation to the Group's loan receivables and factoring receivables in accordance with HKFRS 9. There was no material change in the valuation method or basis adopted in the impairment assessment and valuation of its assets, and the significant impairment loss recorded by the Group as at 31 March 2026 was mainly due to the change in circumstances of the relevant assets which in turn affects the value of inputs used in the valuation.

Having considered the current market situation and on the basis that the methodology and basis of impairment assessment adopted are commonly used in the market and are generally consistent with the practice adopted by the Group in previous financial years and/or supported by valuation conducted by the Independent Valuer, the Directors are of the view that such methodology and basis are fair and reasonable.

Foreign Currency Exposure

The Group's revenue, expenses, major assets and liabilities were mainly denominated in HK$, RMB and US$. During the Year, the exchange rate of RMB to HK$ depreciated slightly. As HK$ is pegged to US$, the Directors considered that the foreign currency risk of the Group was relatively low.

Contingent Liabilities and Charge on Assets

Save as disclosed in Note 19 of this announcement, the Group did not have any significant contingent liabilities.

As at 31 March 2026, the Group had pledged (i) bank deposits of HK$8.7 million to certain banks as security for the banks' provision of loans to the Group's financial guarantee services customers; (ii) leasehold land and buildings with carrying value of HK$20.2 million to secure obligations under banking facilities; and (iii) certain investment properties with fair value of HK$2,339.5 million and equity interest in certain subsidiaries to secure obligation under certain bank and other borrowings.

Capital Commitments

As at 31 March 2026, the Group had capital commitments contracted but not provided for amounting to HK$26.2 million in respect of the development of Chinlink • Worldport. Details of the commitments are set out in Note 17 of this announcement. The Group will fund the capital commitments through cash generated from operations, bank and other borrowings and borrowings from the controlling shareholder of the Company and disposal of assets.

Events after the reporting period

There is no significant subsequent event after the year end date of 31 March 2026.

Final Dividend

The Directors do not recommend the payment of final dividend for the Year (2025: Nil).

Major Risks

The major risks that may affect the Group's business are outlined below:

Economic Risk

The Group's core businesses and properties are located in Hong Kong and China. As such, the general policies and politics, and fiscal and monetary policies of the governments of Hong Kong and China may have a direct or an indirect economic impact on the Group. The Group closely monitors the economic environment, evaluates the situation and adjusts its strategy as needed to mitigate these risks.

Credit Risk

The Group's exposure to credit risk results from trade debtors and loan receivables arising from the sale of goods, rendering of services to customers and providing loans to customers, and the provision of guarantees to lending banks in favour of customers obtaining loans provided by the lending banks. The Group has a credit policy in place and credit risk is monitored on an ongoing basis. Individual credit assessments are carried out to determine the credit limits and terms which are reviewed on a regular basis.

Liquidity Risk

The Group manages its liquidity risk by closely monitoring its current and expected liquidity requirements, ensuring that there is sufficient liquid cash, committed bank facilities and/or loans from its controlling shareholder to meet its funding needs. In addition, the Group continuously monitors its compliance with loan covenants.

Compliance Risk

The Group recognises the risks of non-compliance with regulatory requirements. The Group conducts ongoing reviews of applicable laws and regulations affecting its operations and provides relevant training and guidance to its staff.

Relationship with Employees, Customers and Suppliers

As at 31 March 2026, the Group had 9 employees in Hong Kong, 133 employees in China (31 March 2025: 11 employees in Hong Kong and 159 employees in China). Employees are remunerated based on their performance and relevant work experience, taking into account the prevailing market conditions. Discretionary performance bonus may be awarded to employees with reference to the financial performance of the Group. Other employee benefits include contributions to mandatory provident funds, medical insurance and professional development and training.

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

PROSPECTS

China's 15th Five-Year Plan begins in 2026 and signals a deliberate transition toward slower but higher-quality growth, with GDP forecast at around 4.5% to 5.0%. Its economy is shifting from traditional property-led expansion toward advanced manufacturing, including AI-enabled digital manufacturing, innovation, green technology and broader structural reform. While capital investment remains concentrated in the high-tech sector, targeted stimulus measures, including local government bond issuance, are expected to be launched to support infrastructure spending, and accommodative monetary policy will be enforced to maintain liquidity and lower borrowing costs for private enterprises. To offset Western trade barriers, China's exports are increasingly focused on developing markets across Asia, Africa and Latin America, as well as on higher-margin, technology-driven goods. However, global protectionism and retaliatory tariffs from regions such as Mexico, the EU and other emerging markets continue to create headwinds for traditional export growth, placing greater reliance on domestic consumption. The real estate market remains the primary risk, as high inventories and weak developer balance sheets continue to weigh on domestic demand and household confidence. Labour market uncertainty has also contributed to cautious consumer spending.

A recovery in consumer confidence and the property market in China is critical to the Group's performance outlook. As noted above, rental income from the Group's investment properties and the pre-sale performance of Phase Two have remained weak in recent years, reflecting continued softness in the property market. Although the PRC central government has introduced fiscal, monetary and administrative measures to ease developers' liquidity pressures, reduce housing inventory and stimulate operations, property demand remains subdued, and prices have stayed broadly flat. Homebuyer confidence has not yet recovered, which continues to affect demand for home furnishings and furniture sold at the Commercial Complex. Accordingly, the Group does not expect a significant near-term improvement in rental income or pre-sales of the Phase Two loft units. Nevertheless, completion of Phase Two will help ease the Group's cash flow pressures and support its overall financial position.

During the Year, the Group made good progress in recovering financing guarantee and factoring receivables, and it will continue these efforts to protect its asset base. The Group will not commence new financial guarantee or factoring business in China or money lending in Hong Kong until there is a notable improvement in credit market conditions.

The Group is in negotiations with creditors to restructure certain outstanding debts in a manner that aligns with its liquidity position. Meanwhile, it is also exploring other business opportunities and engaging with potential investors to strengthen its operations and capital base.

CORPORATE GOVERNANCE AND OTHER INFORMATION

During the Year, the Company complied with all applicable code provisions under the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules, except for the following deviation:

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

For details of the compliance and practice of corporate governance of the Company, please refer to the corporate governance report contained in the 2025/2026 Annual Report to be published in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the relevant employees. Before the publication of the Company's results announcement, notifications were sent to the Directors and the relevant employees of the Company to remind them not to be involved in dealing in the Company's securities during the blackout period. Having made specific enquiry of the Directors, all Directors confirmed that they complied with the required standards set out in the Model Code for the Year.

REVIEW OF FINANCIAL STATEMENTS

As at the date of this announcement, the Audit Committee comprises a non-executive Director namely, Mr. Kwok Chi Lap; and three independent non-executive Directors namely, Ms. Lai Ka Fung, May (Chairman), Dr. Ho Chung Tai, Raymond and Ms. Chan Sim Ling, Irene. The Audit Committee has reviewed the Group's consolidated financial statements for the Year and discussed the risk management and internal control and financial reporting matters.

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

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

APPRECIATION

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

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's audited consolidated financial statements for the Year. The report includes paragraphs of material uncertainty related to going concern, without modification: In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss for the year of approximately HK$265,254,000 (2025: HK$345,594,000). As of 31 March 2026, the Group had net current liabilities of approximately HK$1,763,036,000 (2025: HK$573,228,000), while its bank balances and cash amounted to approximately HK$5,780,000 (2025: HK$5,497,000) only. In addition, the Group had outstanding bank and other borrowings and coupon bonds of approximately HK$1,661,911,000 (2025: HK$529,914,000) and HK$119,110,000 (2025: HK$110,797,000) respectively which were repayable on demand or due for repayment or renewal in the next twelve months. The Group has defaulted in repayment of principals or interests of bank and other borrowings and coupon bond during the year ended 31 March 2026. As a result the bank and other borrowings and coupon bonds of approximately HK$1,390,313,000 (2025: HK$234,533,000) and HK$119,110,000 (2025: HK$110,797,000) respectively were considered as defaulted as at 31 March 2026 and were repayable on demand. The default of these bank and other borrowings and coupon bonds triggered cross default of an other borrowing of approximately HK$21,814,000 (2025: HK$nil) as at 31 March 2026, which was originally due for repayment in January 2027. The bank and financial institutions are contractually entitled to request for immediate repayment of the bank and other borrowings and coupon bonds of approximately HK$1,412,127,000 (2025: HK$234,533,000) and HK$119,110,000 (2025: HK$110,797,000) respectively as at 31 March 2026. Further details are set out in Note 13 and 14. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF ANNUAL REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited and the Company (http://www.chinlinkint.com).

The 2025/2026 Annual Report of the Company containing all information required by the Listing Rules will be dispatched to the shareholders of the Company as well as being made available on the aforesaid websites in due course.

By order of the Board of
Chinlink International Holdings Limited
Mr. Li Weibin
Chairman

Hong Kong, 30 June 2026

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