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**China Baoli Technologies Holdings Limited**

**中國寶力科技控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 164)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2026**

**ANNUAL RESULTS**

The board (the “**Board**”) of directors (“**Director(s)**”) of China Baoli Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the consolidated annual results of the Group for the year ended 31 March 2026, together with the comparative audited figures for the year ended 31 March 2025, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Revenue	4	47,359	48,246
Cost of revenue		<u>(39,027)</u>	<u>(40,801)</u>
Gross profit		8,332	7,445
Other income, gains and losses, net	5	13,054	355
Selling and distribution expenses		–	(277)
Administrative expenses		(27,052)	(27,820)
Reversal of impairment loss (Impairment loss) on intangible assets		70	(191)
(Impairment loss) Reversal of impairment loss under expected credit loss model, net of reversal		(766)	6,483
Impairment loss on goodwill		–	(5,216)
Gain on extinguishment of financial liabilities		–	27,474
Share of loss of associates		–	(14)
Finance costs	6	<u>(18,073)</u>	<u>(9,674)</u>
<b>Loss before tax</b>	7	<b>(24,435)</b>	<b>(1,435)</b>
Income tax expense	8	<u>(6)</u>	<u>(20)</u>
<b>Loss for the year</b>		<b><u>(24,441)</u></b>	<b><u>(1,455)</u></b>
<b>Loss for the year attributable to:</b>			
– Owners of the Company		(23,666)	(533)
– Non-controlling interests		<u>(775)</u>	<u>(922)</u>
		<b><u>(24,441)</u></b>	<b><u>(1,455)</u></b>
<b>Loss per share</b>			
– Basic and diluted	10	<b><u>HK\$(0.10)</u></b>	<b><u>HK\$(0.01)</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 March 2026*

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Loss for the year</b>	<u>(24,441)</u>	<u>(1,455)</u>
<b>Other comprehensive loss:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	<u>(1,419)</u>	<u>(2,606)</u>
Other comprehensive loss for the year, net of income tax	<u>(1,419)</u>	<u>(2,606)</u>
<b>Total comprehensive loss for the year</b>	<u><u>(25,860)</u></u>	<u><u>(4,061)</u></u>
<b>Total comprehensive (loss) income attributable to:</b>		
Owners of the Company	(27,182)	(3,035)
Non-controlling interests	<u>1,322</u>	<u>(1,026)</u>
	<u><u>(25,860)</u></u>	<u><u>(4,061)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 March 2026*

	<i>Note</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		380	238
Right-of-use asset		1,833	332
Intangible assets		1,243	2,005
Derivative financial instruments		–	971
Interests in associates		255	255
		<u>3,711</u>	<u>3,801</u>
<b>Current assets</b>			
Inventories		–	2,390
Trade and other receivables	11	36,406	59,985
Cash and cash equivalents		64,499	7,542
		<u>100,905</u>	<u>69,917</u>
<b>Current liabilities</b>			
Trade and other payables	12	175,092	196,144
Lease liabilities		1,507	307
Contract liabilities		5,484	395
Tax payable		3,090	3,090
Borrowings		69,998	77,054
Liability component of convertible bonds		41,918	38,921
		<u>297,089</u>	<u>315,911</u>
<b>Net current liabilities</b>		<u>(196,184)</u>	<u>(245,994)</u>
<b>Total assets less current liabilities</b>		<u>(192,473)</u>	<u>(242,193)</u>
<b>Non-current liabilities</b>			
Lease liabilities		400	–
Derivative financial instruments		120	360
Liability component of convertible bonds		119,870	118,262
		<u>120,390</u>	<u>118,622</u>
<b>Net liabilities</b>		<u>(312,863)</u>	<u>(360,815)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2026

	<i>Note</i>	<b>2026</b> <b>HK\$'000</b>	<b>2025</b> <b>HK\$'000</b>
<b>Capital and reserves</b>			
Share capital	13	2,910	1,072
Reserves		<u>(301,718)</u>	<u>(346,510)</u>
Equity attributable to owners of the Company		<b>(298,808)</b>	<b>(345,438)</b>
Non-controlling interests		<u>(14,055)</u>	<u>(15,377)</u>
<b>Total deficit</b>		<b><u>(312,863)</u></b>	<b><u>(360,815)</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of the Stock Exchange. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Suites 3706–3708, 37/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are dry grinding and dry beneficiation business and convergence media business.

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

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for derivative financial instruments which are measured at fair value.

## 2. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

### 2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 and relevant to the Group for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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#### ***Amendments to HKAS 21: Lack of Exchangeability***

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

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## 2.2 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 the Classification and Measurement of Financial Instruments <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards	Volume 11 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> The effective date to be determined

The Directors of the Company are in the process of assessing the possible impact on the future adoption of the new/revised HKFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the Company's consolidated financial statements.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements for the year ended 31 March 2026 have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Companies Ordinance (“**CO**”). The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 March 2025 except for the adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group as detailed in note 2.1 above.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### **3.2 Going concern**

The Group incurred a loss of HK\$24,441,000 for the year ended 31 March 2026 and as of that date, the Group’s current liabilities exceeded its current assets by HK\$196,184,000 and the Group had net liabilities of HK\$312,863,000 as at 31 March 2026. As at the same date, the Group’s borrowings and liability component of convertible bonds amounted to HK\$231,786,000 in aggregate, while its cash and cash equivalents amounted to HK\$64,499,000 only. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

##### ***(1) Fund-raising activities***

The Company has completed several fund-raising activities during the year including (i) issue of 6,736,954 rights shares and placing of 177,125,000 ordinary shares on 17 July 2025, the net proceed from the rights issue and placing, after deducting all relevant expenses, amounted to HK\$71,527,000; Subsequent to the end of the reporting period, the Company has also completed two rounds of share subscriptions of 38,440,000 shares and 19,770,000 shares on 15 April 2026 and 1 June 2026 respectively, the net proceeds from these subscriptions, after deducting all relevant expenses, amounted to HK\$20,500,000 in aggregate, of which HK\$10,670,000 was received in advance during the year ended 31 March 2026. In addition to these successful fund-raising activities, the Company will continue to seek various fund-raising opportunities including but not limited to rights issue, placing and issue of new convertible bonds, depending on the prevailing market conditions and the development of the Group’s core businesses. In order to achieve the best interest of the Company and the shareholders of the Company as a whole, the Group will seek professional’s advice from financial advisors and consultants in conducting these fund-raising activities.

##### ***(2) Loans capitalisation***

The Group has been actively negotiating loan capitalisation with various lenders. Completion of the loan capitalisation may be subject to, amongst others, the grant of listing approval of the issue of new shares by the Stock Exchange and approval by the Shareholders.

**(3) Extension of the terms of borrowings**

The Group is actively in discussions with existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until sufficient cash flows are secured.

**(4) Cost control**

The Group will continue to control administrative costs and unnecessary capital expenditures to enhance liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending.

**(5) Application of dry grinding and dry beneficiation ("DGDB") technologies into iron and steel industries and also diversifying into other profitable industries**

The Group is expanding the applications of the DGDB technologies including but not limited to iron ore beneficiation and coal mine processing in Mongolia. It is expected that the profitability of the Group will be improved if the applications of the DGDB technologies are successful.

Through fund-raising exercises and continuing the abovementioned business strategies, the Directors believe that the Group would be able to meet its financial obligations and fulfill its operational needs while obtaining additional financing resources in pursuing other businesses.

The Directors have prepared a cash flow forecast covering a period up to 31 March 2027 on the basis that the Group's aforementioned plans and measures will be successfully implemented, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2026. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures is in progress, uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would also depend on its ability to generate adequate cash flows for its operation.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

#### 4. REVENUE

##### Disaggregation of revenue from contracts with customers

For the year ended 31 March 2026

	Convergence media business <i>HK\$'000</i>	Dry grinding and dry beneficiation business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Types of goods or service</b>			
Multi-media and advertising service	35,012	–	35,012
Sale of goods	–	2,347	2,347
DGDB technology support service	–	10,000	10,000
<b>Total</b>	<b>35,012</b>	<b>12,347</b>	<b>47,359</b>
<b>Timing of revenue recognition</b>			
A point in time	–	2,347	2,347
Over time	35,012	10,000	45,012
<b>Total</b>	<b>35,012</b>	<b>12,347</b>	<b>47,359</b>
<b>Type of customer</b>			
Corporate	35,012	12,347	47,359

For the year ended 31 March 2025

	Convergence media business <i>HK\$'000</i>	Dry grinding and dry beneficiation business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or service			
Multi-media and advertising service	36,898	–	36,898
Sale of goods	–	11,348	11,348
Total	<u>36,898</u>	<u>11,348</u>	<u>48,246</u>
Timing of revenue recognition			
A point in time	–	11,348	11,348
Over time	36,898	–	36,898
Total	<u>36,898</u>	<u>11,348</u>	<u>48,246</u>
Type of customer			
Corporate	<u>36,898</u>	<u>11,348</u>	<u>48,246</u>

#### 5. OTHER INCOME, GAINS AND LOSSES, NET

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Net (loss) gain on fair value change of derivative component of convertible bonds	(731)	576
Interest income	621	6
Exchange loss, net	(6,214)	(1,225)
Derecognition of placing notes payable and interest payable	18,600	–
Gain on disposal of intangible assets	386	–
Others	392	998
	<u>13,054</u>	<u>355</u>

#### 6. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interests on:		
Placing notes at effective interest rates	500	1,500
Convertible bonds payable at effective interest rates	13,464	4,726
Borrowings	4,017	3,337
Lease liabilities	92	111
	<u>18,073</u>	<u>9,674</u>

## 7. LOSS BEFORE TAX

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
This is after charging:		
Staff costs		
– directors' emoluments	5,866	4,650
– salaries and other benefits in kind	7,801	8,236
– retirement benefits scheme contributions	357	578
– share-based payments	1,549	–
	<u>15,573</u>	<u>13,464</u>
Auditors' remuneration	1,200	1,440
Cost of inventories	2,461	11,205
Depreciation of property, plant and equipment	152	208
Depreciation of right-of-use assets	1,432	1,498
Amortisation of intangible asset (included in cost of revenue)	29	29

*Note:* Staff costs amounted to approximately HK\$90,000 (2025: HK\$nil) and HK\$15,483,000 (2025: approximately HK\$13,464,000) have been included in cost of revenue and administrative expenses respectively.

## 8. INCOME TAX EXPENSE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax – The People's Republic of China (the "PRC")	<u>6</u>	<u>20</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit. No provision for taxation in Hong Kong has been made for both years ended 31 March 2026 and 2025 as the Group's subsidiaries in Hong Kong incurred a loss for taxation purpose.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25% for both years ended 31 March 2026 and 2025.

## 9. DIVIDENDS

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

## 10. 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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(23,666)</u>	<u>(533)</u>
	2026 '000	2025 '000

### Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>237,152</u>	<u>98,461</u>
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The computation of diluted loss per share for the years ended 31 March 2026 and 2025 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

Diluted loss per share is the same as basic loss per share, as the effect of potential ordinary share, including convertible bonds, has anti-dilutive effects during the years ended 31 March 2026 and 2025.

## 11. TRADE AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	11,363	28,004
Less: Allowance for credit losses	<u>(769)</u>	<u>(3,904)</u>
Trade receivables, net ( <i>Notes a &amp; b</i> )	<u>10,594</u>	<u>24,100</u>
Other receivables, prepayments and deposits	29,036	38,890
Less: Allowance for credit losses	<u>(3,224)</u>	<u>(3,005)</u>
Other receivables, prepayments and deposits, net	<u>25,812</u>	<u>35,885</u>
Trade and other receivables, net	<u>36,406</u>	<u>59,985</u>

*Notes:*

- (a) The credit term granted to the Group's trade debtors generally ranged from 0 days to 30 days (2025: 0 days to 30 days).
- (b) The following is an ageing analysis of trade receivables net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0 to 30 days	<b>9,890</b>	2,697
31 to 90 days	–	2,581
91 to 180 days	<b>35</b>	225
181 to 365 days	–	56
Over 365 days	<b>669</b>	18,541
	<b>10,594</b>	24,100

The Group does not hold any collateral over these balances.

## 12. TRADE AND OTHER PAYABLES

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables ( <i>Note</i> )	<b>2,773</b>	25,736
Other payables and accruals	<b>22,692</b>	23,883
Accrued staff costs	<b>15,977</b>	14,657
Due to shareholders and directors	<b>82,557</b>	79,824
Due to employees	<b>9,567</b>	13,735
Deposits received from a former employee	<b>15,640</b>	15,640
Deposits received	<b>2,000</b>	2,000
Interest payable on other borrowings and bank borrowings	<b>7,804</b>	7,658
Interest payable on convertible bonds	<b>1,508</b>	1,007
Interest payable on placing notes	<b>3,904</b>	12,004
Receipt in advance for subscription of shares	<b>10,670</b>	–
	<b>172,319</b>	170,408
	<b>175,092</b>	196,144

*Note:*

The following is an ageing analysis of trade payables presented based on the invoice date:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Up to 30 days	170	5,436
31 to 90 days	486	603
91 to 180 days	282	165
181 to 365 days	142	8
Over 365 days	<u>1,693</u>	<u>19,524</u>
	<u><u>2,773</u></u>	<u><u>25,736</u></u>

The credit term granted by the trade creditors generally ranged from 7 days to 45 days (2025: 7 days to 45 days).

### 13. SHARE CAPITAL

	<b>Par value per share</b> <i>HK\$</i>	<b>Number of shares</b> <i>'000</i>	<b>Amount</b> <i>HK\$'000</i>
Ordinary shares:			
Authorised:			
At 31 March 2025, 1 April 2025 and <b>31 March 2026</b>	<b>0.01</b>	<b><u>65,000,000</u></b>	<b><u>650,000</u></b>
Issued and fully paid:			
At 1 April 2024	0.01	84,017	840
Issue of shares in respect of placing ( <i>Note a</i> )	0.01	13,418	134
Issue of shares in respect of share subscription ( <i>Note b</i> )	0.01	<u>9,756</u>	<u>98</u>
At 31 March 2025 and 1 April 2025	0.01	107,191	1,072
Issue of shares in respect of rights issue ( <i>Note c</i> )	0.01	6,737	67
Issue of shares in respect of placing ( <i>Note d</i> )	0.01	<u>177,125</u>	<u>1,771</u>
<b>At 31 March 2026</b>	<b>0.01</b>	<b><u>291,053</u></b>	<b><u>2,910</u></b>

*Notes:*

- (a) On 7 May 2024, the Company entered into a placing agreement with a placing agent (the “**2024 Placing Agent**”), pursuant to which the Company agreed to place through the 2024 Placing Agent, on a best effort basis, of up to 16,803,334 placing shares to not less than six (6) placees (the “**2024 Placing**”) at the placing price of HK\$1.030 per placing share. On 28 May 2024, a supplementary agreement was signed and the placing price is adjusted from HK\$1.030 to HK\$1.070. The 2024 Placing was completed on 2 July 2024 and a total of 13,418,000 placing shares were placed at the placing price of HK\$1.070 per placing share.

The net proceeds from the 2024 Placing amounted to approximately HK\$13,757,000 and were used for (i) settlement of the outstanding liabilities of the Group in the amount of approximately HK\$9,300,000; (ii) development of the business of the Group in the amount of approximately HK\$2,700,000; and (iii) general working capital of the Group in the amount of approximately HK\$1,757,000. Details of the 2024 Placing were disclosed in the Company’s announcements dated 7 May 2024, 28 May 2024, 11 June 2024 and 2 July 2024 respectively.

- (b) On 4 October 2024, the Company entered into 4 subscription agreements with 4 subscribers (the “**Subscribers**”), pursuant to which the Company agreed to allot and issue and the Subscribers agreed to subscribe for an aggregate of 9,756,096 ordinary shares at a price of HK\$0.41 per share (the “**Share Subscription**”). The Share Subscription was completed on 18 October 2024 and the net proceeds from the Share Subscription amounted to approximately HK\$4,000,000 were used for (i) settlement of the outstanding debt owing by the Company to certain Subscribers in the aggregate amount of approximately HK\$2,000,000; and (ii) general working capital of the Group in the amount of approximately HK\$2,000,000. Details of the Share Subscription were disclosed in the Company’s announcements dated 4 October 2024 and 18 October 2024 respectively.
- (c) On 18 February 2025, the Company proposed a rights issue (the “**Rights Issue**”) up to 428,763,076 rights shares (“**Rights Shares**”) at a subscription price of HK\$0.40 per Rights Share on the basis of four Rights Shares for every one existing share held by qualifying shareholders on a non-underwritten basis. The Rights Issue was completed on 17 July 2025 and 6,736,954 Rights Shares were allotted and issued to eligible shareholders.
- (d) On 18 February 2025, the Company entered into a placing agreement with a placing agent, pursuant to which the Company conditionally agreed to appoint and the placing agent conditionally agreed to act as the placing agent for the Company to procure not less than six placees to subscribe for the unsubscribed Rights Shares on a best effort basis (the “**2025 Placing**”). The 2025 Placing was completed on 17 July 2025 and a total of 177,125,000 placing shares were placed at the placing price of HK\$0.40 per placing share. The net proceeds from the Rights Issue and 2025 Placing amounted to HK\$71,527,000 were used for (i) repayment of outstanding liabilities of the Group; (ii) general working capital of the Group; and (iii) convergence media business.

Details of the Rights Issue and the 2025 Placing are set out in the Company’s announcements dated 18 February 2025, 14 March 2025, 21 May 2025, 5 June 2025, 4 July 2025, 9 July 2025 and 17 July 2025, circular dated 28 March 2025 and prospectus dated 30 April 2025, respectively

All the shares which were issued during the year ended 31 March 2026 rank pari passu with the then existing shares in all respects.

## **EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report from Forvis Mazars CPA Limited, the external auditor of the Group, on the Group's consolidated financial statements for the year ended 31 March 2026 which has included a disclaimer of opinion:

### **DISCLAIMER OF OPINION**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

#### **Material Uncertainty Related to Going Concern**

As stated in note 3.2 to the consolidated financial statements, the Group incurred a loss of approximately HK\$24,441,000 for the year ended 31 March 2026 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$196,184,000 and the Group had net liabilities of approximately HK\$312,863,000. As at the same date, the Group's borrowings and liability component of convertible bonds amounted to approximately HK\$231,786,000 in aggregate, while its cash and cash equivalents amounted to approximately HK\$64,499,000 only. The circumstances and conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to operate as going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in note 3.2 to the consolidated financial statements, the consolidated financial statements have been prepared by the Directors on a going concern basis, the validity of the going concern basis dependent on the assumption that the Group would be successful in obtaining sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reclassify non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The principal activity of the Company is investment holding, whilst its subsidiaries are principally engaged in the dry grinding and dry beneficiation (“DGDB”) business and convergence media business.

During the financial year ended 31 March 2026, the global economy operated against a backdrop of prolonged volatility. Escalating geopolitical frictions and cross-border trade restrictions continued to disrupt global supply chains. Elevated energy prices and higher shipping costs feeds directly into global inflation with heightened market uncertainty and volatility. On the other hand, persistent deflationary pressures coupled with structural economic challenges in China poses another headwind to regional economy. Despite these challenges, technological innovations in artificial intelligence and green energy sectors created new growth drivers, lifting operational efficiency across multiple industries.

In Chinese Mainland, downturn in real estate sector, industrial overcapacity, weak domestic demand and cautious consumer spending continue to weigh on recovery. In response, the Company is committed to navigating these complexities with discipline and agility. The Company strived to stabilize revenue from its convergence media business while accelerating the industrial development and commercialization of the DGDB business, with a view to delivering sustainable growth, enhancing profitability, and building long-term value for all stakeholders.

For the year ended 31 March 2026, the Group recorded a consolidated revenue of approximately HK\$47,359,000 (2025: approximately HK\$48,246,000) representing a year-on-year decrease of HK\$887,000 or 1.8% mainly generated from DGDB and convergence media businesses. Gross profit for the year ended 31 March 2026 was approximately HK\$8,332,000 (2025: approximately HK\$7,445,000). The gross profit margin increased slightly by 2.2%, which was mainly attributable to higher gross profit margin contributed by DGDB business.

The net loss for the year ended 31 March 2026 was approximately HK\$24,441,000, compared with the net loss of approximately HK\$1,455,000 for the year ended 31 March 2025. The year-on-year increase in net loss was mainly due to the absence of the one-off gain on extinguishment of financial liabilities recognised in the prior year.

#### **Dry Grinding and Dry Beneficiation (DGDB) Business**

The Group made significant progress in the commercialization of its DGDB business during the reporting year. Segment revenue climbed to HK\$12,347,000, compared to approximately HK\$11,348,000 in the corresponding period last year, fully validates the commercial viability and market competitiveness of the Group’s proprietary DGDB technologies.

During the year under review, the Group entered into a strategic cooperation agreement with Top Skill Global Limited (“**Top Skill**”) for an iron ore project in Dundgobi Province, Mongolia (the “**Cooperation Agreement**”). The Group delivered a full suite of technical deliverables, including the review of geological data and resources models, as well as compilation of conceptual design reports with process validation. Following service completion, both parties have further discussed the key terms for upcoming cooperation arrangement, including but not limited to (i) the obligations of the Group to provide ongoing engineering and technical support for the implementation and operation of DGDB technology of the iron ore project; (ii) financial terms and compensation for technology licensing and technical support provided by the Group; and (iii) the obligations of Top Skill on operations and logistics and equipment procurement for the iron ore project.

The Group has further achieved meaningful progress on its Mongolian coal mine processing project together with the coal mine owner, having completed key preliminary infrastructure works including mining camps, staff quarters, and supporting facilities. While current groundwork is well in place, the project will require substantial additional resources and ongoing investment to commence full operational rollout. The Group will advance its iron ore and coal projects in parallel to form a diversified yet disciplined operational framework and accumulate replicable experience for future regional expansion.

As DGDB commercialization scales up, the Group will continue to refine its technology processing to optimise performance for iron ore and coal processing.

Looking ahead, the Group will leverage its Mongolia projects implementation as strategic footholds to continuously expand its DGDB business to other arid mining regions. The cost-effective power generated from pithead facilities at the coal mine site creates potential opportunities for digital infrastructure development. The Group intends to capitalize on these cost advantages to explore such high-growth sectors.

### **Convergence Media Business**

The convergence media business recorded a revenue of approximately HK\$35,012,000 for the year ended 31 March 2026, representing a slight decline of 5.11% as compared to the previous year (2025: approximately HK\$36,898,000). Despite the continued market contraction and intensifying competition across digital content platforms, the Group remained committed to optimizing its service offerings and maintaining stable cooperative relationships with major suppliers and customers.

Throughout the year, the Group continued delivering content marketing and advertising services on major online social platforms, including Tencent (騰訊) and Kuaishou (快手), ensuring a steady revenue stream for its convergence media business.

In addition, the Group actively expanded into live events and cultural artistic productions. During the year ended 31 March 2026, the Group participated in part of the stage design and production for Zhou Shen’s concert at Kai Tak Stadium Hong Kong. Leveraging this experience, the Group will continue to pursue cooperation opportunities for cultural events, live music concerts, and productions to diversify its media income streams.

### **Other Operations — Investment, Securities Trading and Tourism and Hospitality Business**

Beyond its two core business segments, the Group is actively monitoring emerging opportunities in investment, securities trading and tourism hospitality sectors, and is well-positioned to pursue viable projects as and when they arise.

## **FINANCIAL REVIEW**

### **Other income, gains and losses, net**

The Group’s other income, other gains and losses, net recorded a significant increase of approximately HK\$12,699,000, from approximately HK\$355,000 for the year ended 31 March 2025 to approximately HK\$13,054,000 for the year ended 31 March 2026. This increase was mainly attributable to approximately HK\$18,600,000 gain arising from the derecognition of placing notes payable and interest payable. The increase was partially offset by an increase in exchange loss of approximately HK\$4,989,000 driven by RMB appreciation against Hong Kong Dollar during the year ended 31 March 2026.

### **(Impairment Loss) Reversal of Impairment Loss under Expected Credit Loss (“ECL”) Model, Net of Reversal**

(Impairment loss) Reversal of impairment loss under ECL model, primarily represented the net impairment losses on trade and other receivables in respect of impairment assessment in accordance with HKFRS 9 as at 31 March 2026. In assessing the ECL of the Group’s trade and other receivables, a credit rating analysis of the underlying debtors was adopted by reviewing the past-due status, ageing information, available press information and credit loss experience over the past years of the grouped debtors and the forward-looking information to estimate the probability of default of the Group’s receivables as at 31 March 2026. The Group has also engaged an independent professional valuer for assessing the allowance for ECL on trade and other receivables. During the year ended 31 March 2026, there was an impairment loss under ECL on trade and other receivables of approximately HK\$36,000 (2025: Reversal of impairment loss of HK\$6,483,000).

Included in the impairment loss for other receivables, prepayments and deposits, HK\$2,859,000 (2025: HK\$2,255,000) represented the impairment loss on the amounts due from a licensor (the “**Licensor**”) in aggregate of gross balances of HK\$16,152,000 (2025: HK\$15,258,000) at the end of the reporting period. No settlement was received by the Group during the reporting period because the litigation against the Licensor is still in progress. In the opinion of the Directors, there was no detrimental event known by the Group that indicates

the amounts due from the Licensor were credit impaired. The Group adopts a consistent approach in estimating the expected credit loss of these amounts due from the Licensor as other receivables with additional consideration of the lengthened expected collection period due to the litigation.

### **Finance costs**

Finance costs amounted to approximately HK\$18,073,000 for the current year, representing an increase of approximately HK\$8,399,000 or 86.8% as compared to that of approximately HK\$9,674,000 for the last year. The increase was due to the increase in convertible bonds payable at effective interest rates by approximately HK\$8,738,000 for the year ended 31 March 2026. The RMB currency appreciation trend and recognition of full year interests of convertible bonds to Chongqing Zifeng Business Partnership (Limited Partnership) during the current year caused the significant increase in finance costs this year.

### **Liquidity and Financial Resources**

As at 31 March 2026, the Group had cash and cash equivalents of approximately HK\$64,499,000 (2025: approximately HK\$7,542,000), and the Group had borrowings and liability component of convertible bonds of approximately HK\$231,786,000 (2025: approximately HK\$234,237,000) in aggregate, of which borrowings of 24.6% was in HK\$ and 75.4% was in RMB and of which borrowings within one year was HK\$111,916,000 (2025: HK\$115,975,000), accounting for 48.3% (2025: 49.5%) of the total borrowings. The gearing ratio, being the ratio of the sum of total borrowings to total deficit, was 74.1% as at 31 March 2026 (2025: 64.9%). The liquidity ratio, being the ratio of current assets over current liabilities, was 34.0% as at 31 March 2026 (2025: 22.1%). The improved liquidity ratio was due to successful fund-raising activities, including rights issue and placing completed on 17 July 2025. The Company raised additional funding of approximately HK\$71.5 million which improved the cash position of the Company.

The Group mainly holds cash and cash equivalents in RMB, United States Dollars and HK\$.

As at 31 March 2026, the Group's borrowings with fixed interest rates accounted for 100% (2025: approximately 96.5%) of total borrowings.

### **Capital Commitments**

As at 31 March 2026, the Group had capital commitments contracted but not provided for in the consolidated financial statements of approximately HK\$157,767,000 (2025: approximately HK\$152,801,000).

### **Pledge of Assets**

As at 31 March 2026 and 31 March 2025, the Group did not pledge any assets to secure the borrowings granted to the Group.

## **Contingent Liabilities**

As at 31 March 2026, except those as disclosed in the section of “**Litigations**”, the Group had no other significant contingent liabilities (2025: Nil).

## **PROSPECTS**

Looking ahead, the Group remains cautiously optimistic amid ongoing macroeconomic uncertainties, including volatile commodity prices, geopolitical tensions, and divergent regulatory environments across different regions.

For its convergence media arm, the Group will pursue measured, risk-controlled expansion across digital advertising and live event operations. The Group will explore upgrading to a first-tier distributor for major social platforms; while this would deliver better margins, the tier-up requires a larger working capital commitment due to pre-pay commitments and longer settlement cycles. Given liquidity constraints, progress on this front will be incremental and subject to stable operating cash flow or additional funding support.

Meanwhile, the Group will selectively develop digital content, live shows and music concerts with tight capital oversight. Though live events carry higher margins, they are highly seasonal, creating profit volatility. The Group will balance seasonal event projects with steady year-round digital advertising orders to stabilise segment earnings and avoid overexposure to cyclical demand swings.

This restrained dual growth strategy gradually diversifies media income and strengthens the Group’s market presence. The Group will prioritise cost-effective digital content and modest-scale productions to expand audience coverage, while selectively participating in live event production projects to contain financial risks amid a challenging operating environment.

The Group will push forward strategic transformation and prioritize the development of scalable, technology-driven mineral processing businesses. Building on its Mongolia project footprint, the Group intends to expand the proprietary DGDB technology to other arid mining regions globally. Leveraging the unique competitive advantages of its proprietary cost-efficient water-free processing technology, which provides unique and unrivalled suitability for arid or energy deficient mining regions, the Group can explore market areas that are difficult or highly costly for other technical solutions to service, establishing unique competitive barriers.

The Group will assess the feasibility of expanding its DGDB applications to more iron ore projects, targeting lower beneficiation costs, higher ore recovery rates, and full compliance with increasingly stringent environmental standards. Furthermore, the Group intends to capitalise on the utilization of cost-effective power generated from pithead facilities at the coal mine site for digital infrastructure sectors such as data centre development and cryptocurrency mining. Preliminary discussions with potential partners are underway to evaluate relevant technical solutions and business models. This initiative is expected to drive

additional business growth, generate additional revenue, and further enhance the Group's profitability, delivering long-term benefits to the Group and its shareholders.

All the above initiatives align with China's "dual carbon" goals, the national push for new quality productive forces, and the global shift towards low-emission and eco-friendly technologies. As major economies progressively introduce carbon border adjustment mechanisms and more stringent environmental disclosure requirements, the Group's DGDB technology — featuring water-free ore processing and low-energy consumption features, is well-positioned to support the transformation of the steel and mining sectors towards more environmentally responsible production methods.

Through these combined efforts, the Group is confident in its ability to drive sustainable growth, improve operational efficiency, and deliver long-term value to its Shareholders.

## **CORPORATE, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY**

The Group is committed to fulfilling social responsibility, promoting employee welfare and career development, protecting the environment, giving back to the community, and achieving sustainable growth.

The Group's eco-friendly DGDB technologies will help reduce energy consumption and carbon emissions in China's steel industry, delivering tangible environmental benefits.

An Environmental, Social and Governance ("ESG") report ("ESG Report") of the Group will be published separately on the Company's and the Stock Exchange's websites to report the Company's ESG policies and its compliance with the provisions set out in the ESG Reporting Guide as contained in Appendix C2 of the Listing Rules for the year ended 31 March 2026.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

## **RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS**

The Group recognises that its employees, customers, and business partners are key to maintaining the sustainable development of the Group. The Group is committed to building a close and mutually beneficial relationship with all stakeholders while delivering high-quality products and services to customers.

Employees are regarded as one of the vital and valuable assets of the Group. The Group encourages employees to participate in external seminars and lectures to keep abreast of changes and to enhance their knowledge in areas such as industry trends, legal updates, and corporate compliance best practices.

The Group also encourages continuous professional development training for the Directors to develop and refresh their knowledge and skills. This includes seminars on updated regulatory requirements, recent developments, and corporate governance framework.

The Group stays connected with its customers and business partners and maintains ongoing communication with them through various channels such as telephone, email, and in-person meetings to gather their feedback and suggestions.

## USE OF PROCEEDS OF EQUITY FUND RAISING ACTIVITY

Date of announcement/ circular/prospectus	Event	Net proceeds raised (approximately)	Proposed use of proceeds	Actual use of proceeds
18 February 2025, 14 March 2025, 28 March 2025, 2 May 2025, 21 May 2025, 5 June 2025, 4 July 2025, 9 July 2025 and 17 July 2025	(1) Proposed rights issue on the basis of four (4) rights shares for every one (1) existing share held on the record date on a non-underwritten basis; and (2) Placing of unsubscribed rights shares under specific mandate	HK\$71.5 million	(i) Approximately HK\$50.80 million (being approximately 71.1% of the net proceeds) is intended to be used for repayment of outstanding liabilities of the Group; (ii) Approximately HK\$9.40 million (being approximately 13.1% of the net proceeds) is intended to be used for general working capital of the Group; and (iii) Approximately HK\$11.30 million (being approximately 15.8% of the net proceeds) is intended to be used for the convergence media business.	(i) Approximately HK\$16.20 million had been used for repayment of outstanding liabilities of the Group, and approximately HK\$34.70 million of the remaining balance of the net proceeds will be utilised as intended by December 2026; (ii) Approximately HK\$9.40 million had been used for general working capital of the Group; and (iii) Approximately HK\$7.00 million had been used for the convergence media business, and approximately HK\$4.20 million of the remaining balance of the net proceeds will be utilised as intended by June 2026.

## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

- (a) On 30 March 2026, the Company entered into twelve subscription agreements (the “**1<sup>st</sup> Subscription Agreements**”) with twelve subscribers, pursuant to which the Company contemplates to allot and issue and the twelve subscribers are desirous of subscribing for an aggregate of 38,440,000 subscription shares at a price of HK\$0.40 per subscription share (the “**1<sup>st</sup> Subscriptions**”).

On 15 April 2026, the completion of the 1<sup>st</sup> Subscriptions took place in accordance with the terms and conditions as all the conditions precedent set out in the 1<sup>st</sup> Subscription Agreements have been fulfilled and satisfied.

Details of the 1<sup>st</sup> Subscriptions are set out in the Company’s announcements dated 30 March 2026, 2 April 2026 and 15 April 2026.

- (b) On 19 May 2026, the Company entered into eight subscription agreements (the “**2<sup>nd</sup> Subscription Agreements**”) with eight subscribers, pursuant to which the Company contemplates to allot and issue and the eight subscribers are desirous of subscribing for an aggregate of 19,770,000 subscription shares at a price of HK\$0.42 per subscription share (the “**2<sup>nd</sup> Subscriptions**”).

On 1 June 2026, the completion of the 2<sup>nd</sup> Subscriptions took place in accordance with the terms and conditions as all the conditions precedent set out in the 2<sup>nd</sup> Subscription Agreements have been fulfilled and satisfied.

Details of the 2<sup>nd</sup> Subscriptions are set out in the Company’s announcements dated 19 May 2026 and 1 June 2026.

## LITIGATIONS

- (i) On 20 August 2013, the Company entered into a placing agreement (the “**Placing Agreement**”) with a placing agent (the “**Placing Agent**”). Pursuant to the Placing Agreement, the placing notes (the “**Placing Notes**”) carry interest at 5.0% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. One purported a beneficial owner of certain Placing Notes (the “**Claimant**”), commenced court action against the Company for recovery of the alleged outstanding debt due by the Company to her under the Placing Notes. Nevertheless, the note holders of the Placing Notes have not commenced any court action against the Company. Such creditor’s alleged debt amount includes the principal of HK\$10 million and outstanding interest of HK\$1.26 million.

On 16 March 2020, the Placing Agent was added by such creditor as the second defendant in the Amended Writ of Summons and Amended Statement of Claim. On 4 December 2020, the Company filed and served a Writ of Summons and Statement of Claim against the Placing Agent. A mediation conference was held on 13 September

2021 and the mediation ended without agreement. On 31 January 2022, the Court of First Instance of the High Court of Hong Kong (the “**Court**”) granted an order that the aforesaid two court actions be heard and tried together at the same time or one after the other as to be directed by the trial judge. On 20 June 2022, the Company filed and served its Re-Amended Defence and Counterclaim under one court action and its Re-Amended Statement of Claim and Writ of Summons under another court action.

On 8 February 2023, the Court issued an order that the case management summons conference hearing in the aforesaid two actions which was held on 11 July 2023 and adjourned to 18 December 2023. On 27 September 2023, the Company has taken out applications for expert directions and adducing supplemental witness statements. On 18 December 2023, the Court issued an order that a case management conference hearing was to be held on 18 April 2024.

On 18 April 2024, the Court issued an order that such creditor to set the case down within 42 days for a 12-day trial. Applications to set down for trial were filed and served on 13 May 2024 and 28 May 2024 respectively and approved by the Court on 7 June 2024.

On 18 November 2025, the Company and the Placing Agent entered into a settlement agreement regarding the case the Company claimed against the Placing Agent. On 27 November 2025, the Court issued a consent order fully releasing both parties from any and all further claims and/or liabilities against each other under the case.

On 6 March 2026, the Claimant filed an application to discontinue its action, with a substantive hearing held on 13 March 2026. By judgement dated 29 May 2026, the Court approved the discontinuance, barred the Claimant from commencing identical and substantially the same legal proceedings against the Company in the future, and ordered the Claimant to bear the Company’s legal costs arising from the dispute.

- (ii) In July 2020, Hong Kong Made (Media) Limited (“**Hong Kong Made**”) and Ample Success Limited (“**Ample Success**”) had entered into an agreement with the Licensor to obtain the advertising license rights for the period from 1 July 2019 to 30 June 2022 in connection with the GSCR Hexiehao Trains (the “**2019 Advertising License Rights Agreement**”) and were the exclusive agents in connection with the advertising agency services and related production services for GSCR Hexiehao Trains. In June 2021, the Group had entered into another agreement with the Licensor to extend the term of the 2019 Advertising License Rights Agreement for the period from 1 July 2022 to 30 June 2025 (the “**2021 Advertising License Rights Agreement**”).

In September 2022, the Group was in dispute with the Licensor on certain terms of the 2021 Advertising License Rights Agreement and the Group, as plaintiff, lodged legal proceedings against the Licensor (the “**Defendant**”) in Guangzhou Nansha People’s Court, (the “**Nansha Court**”) in respect of the breach of the 2021 Advertising License

Rights Agreement for (i) rescinding the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to approximately HK\$6,045,000); (iii) refund of over-charged license fees of RMB8,917,000 (equivalent to approximately HK\$10,163,000); and (iv) other damages such as losses, interest and legal fees etc. (the “**2022 PRC Court Action**”).

In December 2022, the Group also lodged another legal proceedings against the Defendant in the Court for (i) rescinding the 2019 Advertising License Rights Agreement and the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to approximately HK\$6,045,000) (iii) refund of over-charged license fees of RMB15,533,000 (equivalent to approximately HK\$17,716,000); and (iv) other damages such as losses, interest and legal fees etc. (the “**2022 Hong Kong Court Action**”).

On 20 February 2023, the Defendant lodged a counterclaim against the Group in the Nansha Court (the “**Counterclaim**”) for (i) the repayment of the outstanding license fee and the interest arose due to late payment of RMB18,960,000 (equivalent to approximately HK\$21,626,000); (ii) confiscation of the deposit paid of RMB5,300,000 (equivalent to approximately HK\$6,045,000); and (iii) other damages. On 13 June 2023, the Defendant revoked the Counterclaim. On the same date, the Nansha Court determined to cancel the 2022 PRC Court Action on the basis that there was parallel litigation with certain overlapping issues between the 2022 PRC Court Action and the 2022 Hong Kong Court Action (the “**Overlapping Jurisdiction Judgement**”).

On 20 June 2023, the Group submitted an amendment on its Statement of Claim to the Court for (i) rescinding the 2019 Advertising License Rights Agreement; (ii) refund of overcharged license fees of RMB12,468,000 (equivalent to approximately HK\$13,502,000); and (iii) other damages such as losses, interest and legal fees etc. (the “**2023 Hong Kong Court Action**”). Up to the date of the consolidated financial statements, the Court has not issued any judgement in relation to the 2023 Hong Kong Court Action. Up to the date of the consolidated financial statements, it is pending for the Group to lodge the application of schedule hearing to the Court.

On 13 July 2023, the Group lodged another legal proceeding against the Defendant in the Nansha Court in relation to the 2021 Advertising License Rights Agreement for (i) rescinding the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to approximately HK\$5,739,000); (iii) refund of over-charged license fees of RMB8,917,000 (equivalent to approximately HK\$9,656,000); and (iv) other damages such as losses, interest and legal fees etc. (the “**2023 PRC Court Action**”). In September 2023, the Group lodged an application in Nansha Court to freeze the bank balances or seize or detain other assets under the name of the Defendant (the “**Application**”). The Application had been approved by the Nansha Court and the value of seized bank balance or other assets was insignificant.

In response to the Overlapping Jurisdiction Judgement determined by the Nansha Court in June 2023, the Defendant and the Group have lodged objections on 26 September 2023, 12 October 2023 and 24 November 2023 respectively.

On 12 December 2023, the Nansha Court determined to dismiss the 2023 PRC Court Action. The Group lodged an appeal to Guangzhou Intermediate People’s Court (the “**Guangzhou Court**”) on 3 January 2024 (the “**Appeal**”). On 16 July 2024, the Guangzhou Court affirmed the judgement made by the Nansha Court on 12 December 2023 and determined to dismiss the Appeal.

In May 2025, the Group lodged another legal proceeding against the Defendant in the Luohe Municipal Yancheng District People’s Court (the “**Luohe Court**”) relevant to the 2021 Advertising License Rights Agreement with the same claim amounts as 2023 PRC Court Action (the “**2025 Luohe Court Action**”). On 27 October 2025, the Luohe Court determined to dismiss the 2025 Luohe Court Action. The Group lodged an appeal to the Luohe Intermediate People’s Court on 28 October 2025. On 6 November 2025, the Luohe Intermediate People’s Court affirmed on judgement made by the Luohe Court on 27 October 2025 and determined to dismiss the appeal.

On 28 April 2026, the Group lodged another legal proceeding against the Defendant in the Guangzhou Tianhe District People’s Court (the “**Tianhe Court**”) relevant to the 2021 Advertising License Rights Agreement with the same claim amounts as 2023 PRC Court Action (the “**2026 Tianhe Court Action**”) and was accepted by the Tianhe Court on 25 May 2026. Up to the date of these consolidated financial statements, the 2026 Tianhe Court Action is pending scheduling of a hearing by the Tianhe Court.

Save as disclosed above, there were no other material litigations expected to result in a significant adverse effect on the financial position of the Group, either collectively or individually. Management believes that adequate provisions have been made in respect of such litigations.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 March 2026 (2025: Nil).

## **CORPORATE GOVERNANCE**

Good corporate governance has always been recognised as vital to the Group’s success and sustainable development. The Company has committed itself to a high standard of corporate governance and has devoted considerable efforts in identifying and formulating corporate governance practices appropriate to the Company’s needs.

The Company has put in place corporate governance practices to meet the code provisions (the “**Code Provision(s)**”) as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing**

**Rules**”) (the “**CG Code**”), that are considered to be relevant to the Group, and has complied with all of the Code Provisions for the time being in force throughout the year under review, except the following deviation. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

During the year ended 31 March 2026, the Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “**Model Code**”).

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions throughout the year under review and up to the date of this announcement.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the year ended 31 March 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

### **AUDIT COMMITTEE**

The Company has an audit committee (the “**Audit Committee**”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. Chan Kee Huen, Michael (Chairman), Mr. Chan Fong Kong, Francis and Mr. Feng Man.

The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 March 2026 with the Group’s management and the Company’s external auditor.

### **SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position as at 31 March 2026, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year then ended as set out in the preliminary result announcement have been agreed by the Group’s auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 March 2026. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong

Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars CPA Limited on the preliminary result announcement.

## **PUBLICATION OF FINAL RESULTS AND 2025/26 ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange and the Company. The Company's 2025/26 annual report containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company who have already provided instructions indicating the preference to receive hard copies and will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**China Baoli Technologies Holdings Limited**  
**Chu Wei Ning**  
*Executive Director and Chief Executive Officer*

Hong Kong, 30 June 2026

*As at the date of this announcement, the executive Directors are Mr. Wang Bin (Chairman), Mr. Zhang Yi (Vice Chairman), Ms. Chu Wei Ning (Chief Executive Officer) and Ms. Lam Sze Man; and the independent non-executive Directors are Mr. Chan Fong Kong, Francis, Mr. Chan Kee Huen, Michael and Mr. Feng Man.*

\* *For identification purpose only.*