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PROSPERITY GROUP INTERNATIONAL LIMITED

恒昌集團國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1421)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

The board (the “**Board**”) of directors (the “**Directors**”) of Prosperity Group International Limited (the “**Company**”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 June 2026, together with comparative figures for the year ended 30 June 2025, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

		2026	2025
	Notes	HK\$'000	HK\$'000
REVENUE	5	154,227	142,910
Cost of sales	7(b)	(142,940)	(133,135)
Gross profit		11,287	9,775
Other (losses) and gains, net	6	(1,120)	230
Administrative expenses		(17,868)	(21,663)
Change in fair value of financial assets at fair value through profit or loss (“ FVTPL ”), net	7(d)	1	(3)
Change in fair value of financial liabilities at FVTPL	7(e)	264	–
Provision for expected credit loss (“ ECL ”) recognised in respect of financial assets at amortised cost, net		(7,741)	(5,136)
Impairment losses recognised on property, plant and equipment and right-of-use assets		(3,162)	(1,120)
Share of results of an associate		184	(462)
Finance costs	7(f)	(589)	(402)
Other operating expenses		(231)	(680)
LOSS BEFORE TAXATION	7	(18,975)	(19,461)
Income tax credit	8	521	1,357
LOSS FOR THE YEAR		(18,454)	(18,104)

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
ATTRIBUTABLE TO:			
Owners of the Company		(18,774)	(21,761)
Non-controlling interests		320	3,657
		<u>(18,454)</u>	<u>(18,104)</u>
LOSS FOR THE YEAR		<u>(18,454)</u>	<u>(18,104)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		7,629	2,373
Share of other comprehensive income of an associate		51	19
		<u>7,680</u>	<u>2,392</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u>(10,774)</u>	<u>(15,712)</u>
ATTRIBUTABLE TO:			
Owners of the Company		(12,949)	(20,163)
Non-controlling interests		2,175	4,451
		<u>(10,774)</u>	<u>(15,712)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (HK cents)	9	<u>(10.4)</u>	<u>(15.5)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,279	6,399
Intangible assets	10	–	1,120
Interest in an associate		1,048	813
Right-of-use assets		–	430
Total non-current assets		2,327	8,762
CURRENT ASSETS			
Inventories		34,862	28,994
Trade receivables, deposits and other receivables	11	140,370	140,767
Contract assets	12	10,145	10,989
Prepayments	13	49,360	26,077
Financial assets at FVTPL		3	2
Cash and cash equivalents		14,187	5,317
Total current assets		248,927	212,146
CURRENT LIABILITIES			
Trade and other payables	14	52,620	48,938
Contract liabilities		4,645	151
Amount due to a director of the Company		7,211	1,167
Financial liabilities at FVTPL		11,268	–
Lease liabilities		787	733
Other borrowings	15	13,000	8,000
Income tax payable		16,264	15,633
Total current liabilities		105,795	74,622
NET CURRENT ASSETS			
NET CURRENT ASSETS		143,132	137,524
TOTAL ASSETS LESS CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		145,459	146,286

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		557	616
Deferred tax liabilities		<u>–</u>	<u>632</u>
Total non-current liabilities		<u>557</u>	<u>1,248</u>
NET ASSETS		<u>144,902</u>	<u>145,038</u>
EQUITY			
Share capital		40,039	33,366
Reserves		<u>65,927</u>	<u>74,767</u>
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		105,966	108,133
Non-controlling interests		<u>38,936</u>	<u>36,905</u>
Total equity		<u>144,902</u>	<u>145,038</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. CORPORATE AND GROUP INFORMATION

Prosperity Group International Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 June 2013 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The Company’s registered office address is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company is registered with the Companies Registry in Hong Kong as a non-Hong Kong company under the Companies Ordinance (Chapter 622 of the laws of Hong Kong) on 5 September 2013. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s principal place of business in Hong Kong registered is at Unit 903A, 9th Floor, Mirror Tower, No. 61 Mody Road, Tsim Sha Tsui East, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in supply of solar photovoltaic parts and equipment, electrical distribution system business and trading of beauty and health products in the PRC.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (HK\$’000) except where otherwise indicated.

Certain comparative figures have been re-presented to conform with current year’s presentation. These reclassifications have no effect on financial position, results for the year or cash flows of the Group.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”). 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 of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, and financial liabilities at fair value through profit or loss which have been measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has 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 IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7

Amendments to the Classification and Measurement of Financial Instruments²

Amendments to IFRS 9 and IFRS 7

Contracts Referencing Nature-dependent Electricity²

Amendments to IFRS 10 and IAS 28

Sale or Contribution of Assets between an Investor and its Associate and Joint Venture¹

Amendments to IAS 21

Translation to a Hyperinflationary Presentation Currency³

Amendments to IAS 28

Amendments to the Fair Value Option for Investments in Associate and Joint Ventures³

Amendments to IFRS Accounting Standards

Annual Improvements to IFRS Accounting Standards – Volume 11²

IFRS 18

Presentation and Disclosure in Financial Statements³

IFRS 20

Regulatory Assets and Regulatory Liabilities⁴

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.

⁴ Effective for annual periods beginning on or after 1 January 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and position 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.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) supply of solar photovoltaic parts and equipment (the “**Solar power business**”);
- (b) provision of electrical distribution system (“**Electrical distribution system business**”); and
- (c) trading of beauty and health products (“**Beauty & Health business**”).

Management of the Group, being the Chief Operating Decision Maker, considers the business from a product type perspective. Management of the Group monitors the results of Solar power business, Electrical distribution system business and Beauty & Health business separately for the purpose of making decisions about resource allocation and performance assessment. Management of the Group was of the view that these three segments were mutually exclusive and distinguished from each other.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before taxation. The adjusted profit/loss before taxation is measured consistently with the Group’s loss before taxation except that unallocated gains/losses, change in fair value of financial assets at FVTPL, finance costs, as well as head office and corporate expenses are excluded from such measurement.

There were no inter-segment sales in the two financial years ended 30 June 2026 and 30 June 2025.

Segment assets exclude unallocated head office and corporate assets such as certain property, plant and equipment, right-of-use assets, financial assets at FVTPL, certain prepayments, deposits and other receivables and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities such as certain other payables and lease liabilities as these liabilities were managed on a group basis.

Year ended 30 June 2026	Solar power business HK\$'000	Electrical distribution system business HK\$'000	Beauty & Health business HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	<u>61,409</u>	<u>88,726</u>	<u>4,092</u>	<u>154,227</u>
Results:				
Segment results before (provision for) reversal of ECL	(1,226)	5,863	(3,620)	1,017
(Provision for) reversal of ECL	<u>(19,608)</u>	<u>11,876</u>	<u>(9)</u>	<u>(7,741)</u>
Segment results	(20,834)	17,739	(3,629)	(6,724)
Unallocated gains				45
Corporate and other unallocated expenses				<u>(12,296)</u>
Loss before taxation				<u>(18,975)</u>
Segment assets	88,972	150,701	10,569	250,242
Corporate and other unallocated assets				<u>1,012</u>
Total assets				<u>251,254</u>
Segment liabilities	38,443	22,963	6,817	68,223
Corporate and other unallocated liabilities				<u>38,129</u>
Total liabilities				<u>106,352</u>

Year ended 30 June 2025	Solar power business <i>HK\$'000</i>	Electrical distribution system business <i>HK\$'000</i>	Beauty & Health business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	<u>52,585</u>	<u>88,730</u>	<u>1,595</u>	<u>142,910</u>
Results:				
Segment results before reversal of (provision for) ECL	3,506	5,408	(8,863)	51
Reversal of (provision for) ECL	<u>861</u>	<u>(5,997)</u>	<u>–</u>	<u>(5,136)</u>
Segment results	4,367	(589)	(8,863)	(5,085)
Unallocated losses				(946)
Corporate and other unallocated expenses				<u>(13,430)</u>
Loss before taxation				<u>(19,461)</u>
Segment assets	68,605	138,635	10,737	217,977
Corporate and other unallocated assets				<u>2,931</u>
Total assets				<u>220,908</u>
Segment liabilities	12,878	33,403	3,242	49,523
Corporate and other unallocated liabilities				<u>26,347</u>
Total liabilities				<u>75,870</u>

Other segment information

	Solar power business HK\$'000	Electrical distribution system business HK\$'000	Beauty & Health business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Year ended 30 June 2026					
Amortisation of intangible assets	–	–	(1,120)	–	(1,120)
Depreciation of property, plant and equipment	(162)	–	(1,555)	(57)	(1,774)
Loss on disposal of property, plant and equipment	(1,164)	–	–	–	(1,164)
Depreciation of right-of-use assets	(169)	–	–	(430)	(599)
Addition of right-of-use assets	(868)	–	–	–	(868)
Additions of property, plant and equipment	3,176	–	–	–	3,176
Impairment losses recognised on property, plant and equipment and right-of-use assets	(3,162)	–	–	–	(3,162)
(Provision for) reversal of ECL recognised in respect of trade and other receivables, net	(18,451)	11,644	(9)	–	(6,816)
(Provision for) reversal of ECL recognised in respect of contract assets, net	(1,157)	232	–	–	(925)
Year ended 30 June 2025					
Amortisation of intangible assets	–	–	(950)	–	(950)
Depreciation of property, plant and equipment	–	–	(1,104)	(360)	(1,464)
Gain on disposal of property, plant and equipment	–	–	–	50	50
Depreciation of right-of-use assets	–	–	–	(805)	(805)
Addition of intangible assets	–	–	(2,070)	–	(2,070)
Addition of right-of-use assets	–	–	–	(802)	(802)
Additions of property, plant and equipment	–	–	(620)	(907)	(1,527)
Impairment losses recognised on property, plant and equipment and right-of-use assets	–	–	–	(1,120)	(1,120)
Reversal of (provision for) ECL recognised in respect of trade and other receivables, net	1,536	(4,581)	–	–	(3,045)
Provision for ECL recognised in respect of contract assets, net	(675)	(1,416)	–	–	(2,091)

Geographical information

(a) Revenue from external customers

	2026 HK\$'000	2025 HK\$'000
The PRC	154,227	142,469
Hong Kong	–	441
	154,227	142,910

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2026 HK\$'000	2025 HK\$'000
The PRC	2,241	7,212
Hong Kong	86	1,550
	<u>2,327</u>	<u>8,762</u>

The non-current assets information is presented based on the geographical location of the assets.

5. **REVENUE**

Revenue represents the value of goods sold during the year.

	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers		
At a point in time:		
– Supply of solar photovoltaic parts and equipment	61,409	52,585
– Provision of electrical distribution system	88,726	88,730
– Trading of beauty and health products	4,092	1,595
	<u>154,227</u>	<u>142,910</u>

Disaggregation of revenue from contracts with customers

Year ended 30 June 2026	Solar power business HK\$'000	Electrical distribution system business HK\$'000	Beauty & Health business HK\$'000	Total HK\$'000
Segment revenue:				
Revenue from supply of solar photovoltaic parts and equipment	61,409	–	–	61,409
Revenue from provision of electrical distribution system	–	88,726	–	88,726
Revenue from trading of beauty and health products	–	–	4,092	4,092
Total	<u>61,409</u>	<u>88,726</u>	<u>4,092</u>	<u>154,227</u>

Year ended 30 June 2025	Solar power business <i>HK\$'000</i>	Electrical distribution system business <i>HK\$'000</i>	Beauty & Health business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Revenue from supply of solar photovoltaic parts and equipment	52,585	–	–	52,585
Revenue from provision of electrical distribution system	–	88,730	–	88,730
Revenue from trading of beauty and health products	–	–	1,595	1,595
Total	<u>52,585</u>	<u>88,730</u>	<u>1,595</u>	<u>142,910</u>

All the Group's sales contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OTHER (LOSSES) AND GAINS, NET

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Sample sales	–	52
Gain on disposal of a subsidiary	94	–
(Loss) gain on disposal of property, plant and equipment	(1,164)	50
Bank interest income	1	12
Foreign exchange (loss) gain	(46)	1
Others	(5)	115
	<u>(1,120)</u>	<u>230</u>

7. LOSS BEFORE TAXATION

The Group's loss before tax is arrived at after charging (crediting):

	2026 HK\$'000	2025 HK\$'000
(a) Cost of sales (Refer to (b) below)	142,940	133,135
Auditors' remuneration		
– Audit service	900	850
– Non-audit service	80	90
Amortisation of intangible assets (included in cost of sales)	1,120	950
Depreciation of property, plant and equipment	1,774	1,464
Depreciation of right-of-use asset	599	805
Expenses relating to short-term leases	400	1,544
Legal and professional expenses	1,074	1,740
Employee benefits (Refer to (c) below)	12,167	13,565
Change in fair value of financial assets at FVTPL (Refer to (d) below)	(1)	3
Change in fair value of financial liabilities at FVTPL (Refer to (e) below)	(264)	–
(b) Cost of sales:		
– Contract cost from provision of solar power business	55,891	48,679
– Contract cost from provision of electrical distribution system	83,100	82,712
– Cost from trading of beauty and health products	3,949	1,744
	142,940	133,135
(c) Employee benefits:		
– Directors' emoluments	2,758	2,652
– Other staff salaries, wages and bonuses	8,758	9,963
– Other staff equity-settled share-based expense	74	158
– Retirement benefits, excluding directors' emoluments	577	792
	12,167	13,565
(d) Change in fair value of financial assets at FVTPL:		
– Unrealised (gain) loss on fair value of financial assets at FVTPL	(1)	3
(e) Change in fair value of financial liabilities at FVTPL:		
– Unrealised gain on fair value of financial liabilities at FVTPL	(264)	–
(f) Finance costs:		
– Interest on interest-bearing other borrowings	480	257
– Interest on lease liabilities	87	113
– Bank charges	22	32
	589	402

8. INCOME TAX CREDIT

	2026 HK\$'000	2025 HK\$'000
Current tax – The PRC		
– Charge for the year	1,509	2,227
Overprovision in prior years – The PRC	(1,383)	(3,551)
Deferred tax	(647)	(33)
	<u>(521)</u>	<u>(1,357)</u>
Total tax credit for the year	<u>(521)</u>	<u>(1,357)</u>

The tax rate for Singapore subsidiary is based on Singapore corporate income tax (“CIT”) rate at 17% for both years.

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 is 25% for both years. Withholding tax was provided for dividend distributed and undistributed profits of certain subsidiaries in Mainland China at a rate of 10% (2025: 10%).

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

9. LOSS PER SHARE

The weighted average number of equity shares refers to weighted average number of shares in issue during the year. The basic loss per share is based on the weighted average number of ordinary shares outstanding during the year.

The calculation of basic loss per share is based on:

	2026 HK\$'000	2025 HK\$'000
Loss		
Loss attributable to owners of the Company, used in the basic loss per share calculation	<u>(18,774)</u>	<u>(21,761)</u>
	2026 '000	2025 '000
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	180,907	140,093
Basic loss per share (HK cents)	<u>(10.4)</u>	<u>(15.5)</u>

The computation of diluted loss per share for both years does not assume the exercise of the Company's outstanding share options as the relevant exercise price of those options is higher than the average market price for the both years.

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the year ended 30 June 2026, the Group has made approximately HK\$3,176,000 additions in property, plant and equipment (2025: HK\$1,527,000).

During the year ended 30 June 2025, the additions to intangible assets include HK\$2,070,000 attributable to trade mark for Beauty and Health business (2026: nil) from a third party.

11. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
<i>Trade receivables:</i>		
Third parties		
– Gross amount	244,894	233,538
– Less: allowance for ECL	(106,171)	(94,040)
	<u>138,723</u>	<u>139,498</u>
<i>Deposits and other receivables:</i>		
Deposits	686	822
Others	961	447
	<u>1,647</u>	<u>1,269</u>
Total trade receivables, deposits and other receivables	<u>140,370</u>	<u>140,767</u>

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 180 to 360 days.

As at 1 July 2024, trade receivables amounted to HK\$134,550,000 (net of allowance for credit losses of approximately HK\$89,351,000).

An ageing analysis of the trade receivables as at the end of the year, based on the invoice date/delivery date (net of allowance for ECL), is as follows:

	2026 HK\$'000	2025 HK\$'000
Less than 30 days	23,461	57,746
31 to 60 days	10,850	–
61 to 90 days	11,884	10,262
91 to 180 days	13,050	6,923
181 to 365 days	55,356	25,210
Over 365 days	24,122	39,357
	<u>138,723</u>	<u>139,498</u>

The gross carrying amount of trade receivables that were past due of HK\$194,754,000 (2025: HK\$159,529,000) relate to a number of customers that have a good track record with the Group. The Group does not hold any collateral or other credit enhancements over these balances. Up to the date of issuance of these consolidated financial statements, there are subsequent settlement received from the trade debtors of RMB37,009,000 (equivalent to approximately HK\$41,572,000).

12. CONTRACT ASSETS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Contract assets (<i>Note (a)</i>)	15,841	15,490
Less: allowance for ECL (<i>Note (b)</i>)	<u>(5,696)</u>	<u>(4,501)</u>
	<u>10,145</u>	<u>10,989</u>

As at 1 July 2024, contract assets amounted to HK\$4,733,000 (net of loss allowance of HK\$2,347,000).

Notes:

- (a) Contract assets primarily related to retention receivable arising in the subsidiaries, i) retention receivable of provision of electrical distribution system of HK\$11,478,000 (2025: HK\$10,117,000); and ii) retention receivable of supply of solar photovoltaic parts of HK\$4,363,000 (2025: HK\$5,373,000).

Contract assets that brought forward from prior years of HK\$15,490,000 (2025: HK\$7,080,000) are transferred to receivables when the rights become unconditional.

- (b) Net allowance for ECL of approximately HK\$925,000 (2025: HK\$2,091,000) was recognised in profit or loss during the year ended 30 June 2026.

13. PREPAYMENTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Prepayments		
– Advance payments made to suppliers (<i>Note</i>)	49,225	25,838
– Other	<u>135</u>	<u>239</u>
	<u>49,360</u>	<u>26,077</u>

Note: For the Group's business operations, advance payments are required when suppliers request partial or full payment for products prior to the delivery or provision of the relevant goods or services.

As at 30 June 2026, the advance payment is required when the supplier requires partial or certain percentage of the payment for the products prior to the delivery/provision of the relevant goods or services, mainly representing of HK\$12,328,000 (2025: Nil) for prepayment to supplier for photovoltaics parts and equipment, and approximately HK\$35,270,000 (2025: HK\$22,022,000) for prepayment to electrical distribution system. These prepayments are made in accordance with the terms specified in the purchase contract, and the Group has also entered into corresponding sales contracts with customers. Subsequent to the end of the reporting period, prepayments amounted to HK\$13,922,000 were utilised.

The remaining balances mainly represent advances to suppliers of HK\$11,000 (2025: HK\$2,240,000) for goods and services, and prepaid licence fee of HK\$1,616,000 (2025: HK\$1,576,000), both related to the beauty and health business.

14. TRADE AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
<i>Trade payables:</i>		
Third parties	11,187	17,522
<i>Other payables:</i>		
Accrued liabilities (<i>Note (a)</i>)	5,893	3,874
VAT and other tax payables	21,077	20,954
Warranty provision (<i>Note (b)</i>)	3,061	3,565
Amount due to a non-controlling interest's shareholder (<i>Note (c)</i>)	10,478	–
Others	924	3,023
	41,433	31,416
Total	52,620	48,938

Notes:

- (a) Accrued liabilities refer mainly to accrual for professional fees and employee benefits.
- (b) The Group has adopted the estimation where the warranty obligation is the equivalent of 2.5% of revenues of provision of electrical distribution system and solar power business, which is consistent with the practice of the relevant industry. The accrual basis stays at 2.5% based on the best estimation, the Group derives its estimates from results from historical data and other assumptions that the Group believes to be reasonable under the circumstances.
- (c) Amount due to a non-controlling interest's shareholder is non-trade nature, unsecured, interest-free and repayable on demand.

Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on terms of 30 to 90 days.

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	2026 HK\$'000	2025 HK\$'000
Less than 90 days	9,688	13,330
91 to 180 days	13	–
181 to 365 days	1,486	4,192
	11,187	17,522

15. OTHER BORROWINGS

	2026 HK\$'000	2025 HK\$'000
Unsecured other borrowings	13,000	8,000
Represented by:		
Carrying amount repayable within one year	13,000	8,000

The other borrowings are denominated in HK\$, unsecured and unguaranteed and bear a fixed interest rate of 6% per annum as at 30 June 2026 and 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the financial year ended 30 June 2026, the performance of the Group in different business segments were as follows:

Solar Power Business

The Group's solar power business mainly engaged in the supply of solar PV parts and equipment and perovskite equipment. The Group has recognised a revenue of approximately HK\$61.4 million from the solar power business for the financial year ended 30 June 2026, which is at a higher revenue level compared to the financial year ended 30 June 2025 of approximately HK\$52.6 million.

Electrical Distribution System

The Group's electrical distribution system business refers to the supply of electrical distribution system (including distribution board, junction box, cables and switches etc.) and energy storage power system. The Group had recognised a revenue of approximately HK\$88.7 million for the financial year ended 30 June 2026, and this remains stable compared to the revenue of approximately HK\$88.7 million for the financial year ended 30 June 2025.

Beauty and Health Business

The Group started beauty and health business during the year and recorded a revenue of approximately HK\$4.1 million, and this result in an increase compared to the revenue of approximately HK\$1.6 million for the financial year ended 30 June 2025.

BUSINESS PROSPECT

The Group remains firmly confident in the long-term development prospects of its overall business and will continue to select projects that offer both stable returns and high growth potential, with a view to steadily and continuously enhancing shareholder value. Currently, the Group has conducted in-depth research into advanced materials industries and high-tech industries, such as semiconductors. While ensuring the stability of its existing operations, the Group will actively pursue development in the sectors that further optimise its business portfolio, with the aim of creating longer-term and more substantial value returns for all shareholders.

FINANCIAL REVIEW

The Group's revenue has increased by 7.9% from approximately HK\$142.9 million for the financial year ended 30 June 2025 to approximately HK\$154.2 million for the financial year ended 30 June 2026. Loss attributable to owners of the Company and loss per share attributable to ordinary equity holders of the Company for the financial year ended 30 June 2026 amounted to approximately HK\$18.8 million and HK10.4 cents respectively, compared to approximately HK\$21.8 million and HK15.5 cents respectively for the financial year ended 30 June 2025.

Financial Results

Revenue

For the financial year ended 30 June 2026, revenue of the Group mainly comprises of revenue generated from the following three business segments of the Group:

Solar Power Business

The Group has recognised revenue of approximately HK\$61.4 million from the solar power business for the financial year ended 30 June 2026, which is an increase of 16.8% compared to approximately HK\$52.6 million from that of last year.

Electrical Distribution System

The Group has recognised revenue of approximately HK\$88.7 million for the financial year ended 30 June 2026, which remains stable compared to approximately HK\$88.7 million for the financial year ended 30 June 2025.

Beauty and Health Business

The Group has recognised revenue of approximately HK\$4.1 million from beauty and health business for the financial year ended 30 June 2026, which is an increase of 156.6% compared to approximately HK\$1.6 million for the financial year ended 30 June 2025.

Operating Results

Gross profit margin of the Group has increased by 7.0% from 6.8% for the financial year ended 30 June 2025 to 7.3% for the financial year ended 30 June 2026. This is mainly attributable to a general increase in pricing.

The operating results of the Group has recorded an increase of loss from approximately HK\$18.1 million for the financial year ended 30 June 2025 to approximately HK\$18.5 million for the financial year ended 30 June 2026. The increase in loss is primarily attributable to the combined effect of the increase in gross profit from approximately HK\$9.8 million to approximately HK\$11.3 million, increase in expected credit loss recognised in respect of financial assets at amortised cost from approximately HK\$5.1 million to approximately HK\$7.7 million and decrease in administrative expenses from approximately HK\$21.7 million to HK\$17.9 million.

Other Losses and Gains, Net

Other losses and gains had decreased from a net gain of approximately HK\$0.2 million for the year ended 30 June 2025 to a net loss of approximately HK\$1.1 million for the financial year ended 30 June 2026. The decrease was mainly due to loss on disposal of property, plant and equipments during the year ended 30 June 2026.

Change in Fair Value of Financial Assets at Fair Value through Profit or Loss, net

The increase in fair value gains on financial assets is attributable to the shift of financial assets at fair value through profit or loss from a loss of HK\$3,000 for the year ended 30 June 2025 to a gain of approximately HK\$1,000 for the year ended 30 June 2026.

Administrative Expenses

Administrative expenses for the financial year ended 30 June 2026 have decreased by 17.5% to approximately HK\$17.9 million (2025: HK\$21.7 million).

Impairment losses recognised on property, plant and equipment and right-of-use assets

Impairment losses recognised on property, plant and equipment and right-of-use assets of the Group is approximately HK\$3.2 million for the year ended 30 June 2026 (2025: HK\$1.1 million).

Other Operating Expenses

Other operating expenses of the Group have decreased to approximately HK\$0.2 million for the year ended 30 June 2026 (2025: HK\$0.7 million).

Income Tax Credit

There was a net income tax credit of approximately HK\$0.5 million for the financial year ended 30 June 2026 compared to net income tax credit of approximately HK\$1.3 million for the financial year ended 30 June 2025. This is primarily attributable to overprovision of tax expenses in prior years in PRC.

Employment and Remuneration Policy

As at 30 June 2026, total number of employees of the Group was 55 (2025: 35). During the financial year ended 30 June 2026, employees costs (including Directors' emoluments) amounted to approximately HK\$12.2 million (2025: HK\$13.6 million). Remuneration of the employees which included salaries, discretionary bonuses and share-based incentives was based on the Group's results and individual performances. Medical and retirement benefits schemes were made available to qualified individuals.

The Group joined the Mandatory Provident Fund Scheme ("MPF"), and Central Pension Scheme (the "CPS") in Hong Kong and the PRC, respectively.

Under the MPF scheme, the Group and its employees in Hong Kong make monthly contributions at 5% of the employee's earning capped at HK\$1,500 per month to the scheme. Contributions to the scheme vests immediately. No forfeited contributions are available to reduce the contribution payable in future years as at 30 June 2026 and 30 June 2025.

Financial Position

As at 30 June 2026, total assets of the Group were approximately HK\$251.3 million (30 June 2025: HK\$220.9 million), representing an increase of 13.7% as compared with that of 2025, among which current assets increase by 17.3% to approximately HK\$248.9 million (30 June 2025: HK\$212.1 million).

The increase in current assets of the Group was mainly attributed to the combined effect of increase in inventories of approximately HK\$5.8 million, decrease in trade receivables, deposits and other receivables of approximately HK\$0.4 million, decrease in contract assets of approximately HK\$0.8 million, increase in prepayment of approximately HK\$23.3 million, and increase in cash and cash equivalent of approximately HK\$8.9 million.

As at 30 June 2026, total liabilities of the Group amounted to approximately HK\$106.4 million (30 June 2025: HK\$75.9 million), which is an increase of 40.2% as compared with that of 2025, among which current liabilities increased by 41.8% to HK\$105.8 million (30 June 2025: HK\$74.6 million), whereas non-current liabilities decrease by HK\$0.7 million compared with the financial year ended 30 June 2025. The increase in current liabilities is mainly due to the combined effect of increase in trade and other payables, increase in bank and other borrowings, increase in amount due to a director and increase in financial liabilities at fair value through profit or loss. The decrease in non-current liabilities was mainly attributable to the decrease in deferred tax liabilities.

Total equity of the Company has decreased by 0.1% to approximately HK\$144.9 million as at 30 June 2026 (30 June 2025: HK\$145.0 million). This is mainly due to the combined effect of the total comprehensive expense of approximately HK\$10.8 million and the net proceeds from issue of share of the Company of approximately HK\$10.5 million.

Liquidity, Financial Resources and Gearing

As at 30 June 2026, the Group maintained net current assets of approximately HK\$143.1 million (30 June 2025: HK\$137.5 million). Besides, the Group maintained cash and cash equivalents of approximately HK\$14.2 million, of which 3.65% were denominated in Hong Kong dollars (30 June 2025: HK\$5.3 million, of which 33.4% were denominated in Hong Kong dollars).

The Group's gearing ratio was 0.55 (30 June 2025: 0.49), which was calculated on the basis of net debt over equity attributable to owners of the Company. Net debt is calculated as total borrowings plus amount due to a director plus trade and other payables less cash and cash equivalents.

Charge on Assets

As at 30 June 2026, the Group had no charge on its assets (30 June 2025: Nil).

Capital Structure

Placing

On 6 January 2026, the Company entered into a placing agreement (the “**Placing Agreement**”) with Advent Securities (Hong Kong) Limited, pursuant to which Advent Securities (Hong Kong) Limited agreed to place up to 33,365,000 new shares of the Company to not less than six placees on a best effort basis at a placing price of HK\$0.34 per placing share (the “**Placing**”). The Placing was completed on 28 January 2026 and 33,365,000 new shares of the Company with an aggregate nominal value of HK\$6,673,000 were allotted and issued by the Company to not less than six placees who were independent individuals, corporations and/or institutional investors, who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons.

The Placing Price is HK\$0.34 per Placing Share and represents: (i) a discount of approximately 19.05% to the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 17.07% to the average closing price per Share of approximately HK\$0.41 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net placing price (after deducting the costs and expenses of the Placing) is approximately HK\$0.32 per placing share.

The Placing was conducted by the Company to raise additional funding for the business operations of the Group and strengthen the financial position of the Group for future development.

The net proceeds amounting to approximately HK\$10.54 million arising from the Placing shall be fully applied as general working capital of the Group. As at 30 June 2026, the Group had utilised the net proceeds of the Placing as follows:

	Intended use of net proceeds <i>HK\$ (million)</i>	Utilisation up to the financial year ended 30 June 2026 <i>HK\$ (million)</i>
Intended use of net proceeds		
General working capital of the Group	10.54	10.54

The utilisation of net proceeds was in accordance with the original intention disclosed in the announcement of the Company dated 28 January 2026 in relation to the Placing.

Capital Expenditure and Commitments

During the financial year ended 30 June 2026, the Group had capital expenditure of approximately HK\$3.2 million (2025: HK\$3.6 million).

As at 30 June 2026, the Group has capital commitments contracted for but not provided in the consolidated financial statements of approximately HK\$0.4 million (30 June 2025: HK\$0.6 million).

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 June 2026 (2025: Nil).

Significant Investments

As at 30 June 2026, the Group held certain listed securities as financial assets at fair value through profit or loss. There were no other significant investments held. Nor were there any material acquisitions or disposals during the year.

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions or disposals of subsidiaries, joint ventures and associated companies during the financial year ended 30 June 2026.

Cash Flow

The Group reported net cash flows used in operating activities of approximately HK\$34.2 million (2025: HK\$15.1 million) for the financial year ended 30 June 2026. The increase in net cash flow used in operating activities is primarily due to the increase in the trade and other receivables and prepayments during the year.

Net cash from investing activities is approximately HK\$0.2 million for the financial year ended 30 June 2026 (2025: net cash flows used in HK\$4.8 million). This is mainly attributable to the combine effect of proceeds from disposal of property, plant and equipment and purchase of property plant and equipment.

Net cash flows from financing activities mainly attributed to approximately HK\$42.5 million for the financial year ended 30 June 2026 (2025: HK\$0.8 million). The increase in net cash flow from financing activities is primarily due to advance from a director of Company, advance from a non-controlling interest's shareholder and the proceeds from rights issue of shares.

Financial Ratios

The following table shows the key financial ratios indicating the performance of the Group for the last five financial years:

Financial year ended 30 June	2026	2025	2024	2023	2022
Gross profit margin (%) ¹	7.3	6.8	3.7	6.7	10.6
Net profit margin (%) ²	N/A⁸	N/A ⁸	N/A ⁸	N/A ⁸	N/A ⁸
Return on assets (%) ³	N/A⁸	N/A ⁸	N/A ⁸	N/A ⁸	N/A ⁸
As at 30 June	2026	2025	2024	2023	2022
Gearing ratio ⁴	0.55	0.49	0.27	0.25	0.03
Current ratio ⁵	2.4	2.8	3.0	3.7	5.0
Average trade receivables collection period (days) ⁶	329.2	350.0	275.1	684.5	431.6
Average trade payables repayment period (days) ⁷	36.65	36.27	11.5	31.7	35.2

Notes:

¹ Gross profit margin = Gross profit/Revenue x 100%

² Net profit margin = Net profit/Revenue x 100%

³ Return on assets = Net profit before tax/Total assets

⁴ Gearing ratio = Net debt/Equity attributable to owners of the Company

⁵ Current ratio = Current assets/Current liabilities

⁶ Average trade receivables collection period = (Average trade receivables + Bill receivables/Revenue) x 365

⁷ Average trade payables repayment period = (Average trade payables/Purchases) x 365

⁸ The ratio is not applicable as the Group suffered a net loss for the financial year

The increase in gross profit margin for the financial year ended 30 June 2026 was attributed to a general increase in pricing.

The decrease in average trade receivables collection period of 20.8 days for the financial year ended 30 June 2026 is primarily attributable to the combined effect of decrease in trade receivables for the financial year ended 30 June 2026.

The Group always maintains good and prompt payment relationships with the suppliers to achieve overall benefit for the ongoing and future purchase pricing. The increase in repayment period was mainly due to the increase in average purchase for the financial year ended 30 June 2026.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2026, the Company has applied and complied with the principles in the Corporate Governance Code (the “**Code**”) set out in Appendix C1 to the Listing Rules, except for the following deviation.

Chairman and Chief Executive Officer

The Company does not have any officer with the title of “chief executive officer”.

For the financial year ended 30 June 2026, the Chairman was responsible for the general operations of the Board and the overall strategy of the Group. The Board considers that this structure would not impair the balance of power and authority between the directors and the management of Company.

The Board understands the importance of complying with the code provision C.2.1 of the CG Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate persons will be nominated to take up the different roles of the Chairman and the Managing Director.

Code provision C.1.8

According to Code C.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Board believes that with the current risk management and internal control systems and the close supervision of the management, the Directors’ risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. Benefits to be derived from taking out insurance may not outweigh the cost. As such, the Company currently does not have insurance cover for legal action against its directors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the financial year ended 30 June 2026.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the financial year ended 30 June 2026.

DIVIDEND POLICY

Code provision F.1.1 of the CG Code relates to disclosure of dividend policy. The Company does not have a dividend policy and the Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, the Group's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions (if any) and other factors which our Directors deem relevant, and other factors that the Board considers relevant.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established with written terms of reference in compliance with the code provisions of the Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

As at 30 June 2026, the Audit Committee consists of three non-executive Directors, of whom three are independent, namely, Mr. Chen Yeung Tak, Ms. Chan Sheung Yu, and Mr. Wang Haoyuan.

The Group's final results for the financial year ended 30 June 2026 and this announcement have been reviewed with no disagreement by the Audit Committee before submission to the Board for approval.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 28 September 2026. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

PROPOSED FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the financial year ended 30 June 2026.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This preliminary final results announcement is published on the websites of the Company (<https://prosperityhc.com>) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the financial year ended 30 June 2026 will be despatched to the Company's shareholders and available on the abovementioned websites in due course.

By Order of the Board

Liu Yancheng

Chairman and Executive Director

Hong Kong, 28 September 2026

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Liu Yancheng (*Chairman*)

Mr. Yao Runxiong

Mr. Wu Yifeng

Independent non-executive Directors

Mr. Chen Yeung Tak

Mr. Wang Haoyuan

Ms. Chan Sheung Yu