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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2026

The board of directors (the “**Board**”) of Huiyuan Cowins Technology Group Limited (the “**Company**”) is pleased to present the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 June 2026 (the “**Year**”), which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), together with the comparative figures for the year ended 30 June 2025 (the “**Year 2025**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For year ended 30 June 2026

		2026	2025
	Notes	RMB'000	RMB'000
Revenue	3	854,334	760,063
Cost of sales		<u>(750,616)</u>	<u>(677,461)</u>
Gross profit		103,718	82,602
Other income	4	16,867	14,933
Other gain and loss, net		(27,883)	(6,016)
Distribution costs		(45,811)	(58,460)
Administrative expenses		(65,775)	(53,135)
Share-based payments		–	(27,536)
Other operating expenses		<u>(103)</u>	<u>(845)</u>
Loss from operations		(18,987)	(48,457)
Finance costs	6	(4,988)	(5,290)
Loss on disposal of subsidiaries		<u>–</u>	<u>(4,548)</u>
Loss before taxation		(23,975)	(58,295)
Income tax expense	7	<u>(1,844)</u>	<u>(1,164)</u>
Loss for the year	8	<u>(25,819)</u>	<u>(59,459)</u>
Loss per share			
– Basic and diluted (RMB cents)	10	<u>(0.68)</u>	<u>(2.67)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For year ended 30 June 2026

	2026 RMB'000	2025 RMB'000
Loss for the year	<u>(25,819)</u>	<u>(59,459)</u>
Other comprehensive (expense)/income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	10,028	(6,499)
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>(10,348)</u>	<u>14,977</u>
Other comprehensive (expense)/income for the year, net of tax	<u>(320)</u>	<u>8,478</u>
Total comprehensive expense for the year	<u><u>(26,139)</u></u>	<u><u>(50,981)</u></u>
Loss for the year attributable to:		
Owners of the Company	(14,571)	(57,683)
Non-controlling interests	<u>(11,248)</u>	<u>(1,776)</u>
	<u>(25,819)</u>	<u>(59,459)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(15,076)	(49,205)
Non-controlling interests	<u>(11,063)</u>	<u>(1,776)</u>
	<u><u>(26,139)</u></u>	<u><u>(50,981)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As 30 June 2026

		2026	2025
	Notes	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		74,963	87,510
Right-of-use assets		5,875	6,947
Interest in joint ventures		—	—
		<u>80,838</u>	<u>94,457</u>
Current assets			
Inventories		122,097	84,222
Trade and other receivables	11	293,128	305,721
Cash and cash equivalents		62,410	51,649
		<u>477,635</u>	<u>441,592</u>
Current liabilities			
Trade and other payables	12	142,924	114,023
Current tax payables		1,307	7,817
Lease liabilities		1,008	1,135
Borrowings		186,874	159,578
		<u>332,113</u>	<u>282,553</u>
Net current assets		<u>145,522</u>	<u>159,039</u>
Total assets less current liabilities		<u>226,360</u>	<u>253,496</u>

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Non-current liabilities		
Lease liabilities	<u>779</u>	<u>1,776</u>
	<u>779</u>	<u>1,776</u>
NET ASSETS	<u>225,581</u>	<u>251,720</u>
Capital and reserves		
Share capital	391,760	391,760
Reserves	<u>(213,435)</u>	<u>(198,359)</u>
Equity attributable to owners of the Company	178,325	193,401
Non-controlling interests	<u>47,256</u>	<u>58,319</u>
TOTAL EQUITY	<u>225,581</u>	<u>251,720</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For year ended 30 June 2026

1. GENERAL INFORMATION

Huiyuan Cowins Technology Group Limited (the “**Company**”) is an exempted company with limited liability incorporated in Cayman Islands and its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is located at Flat 2106, 21/F, The World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The principal activities of the Company’s subsidiaries are set out in notes to the consolidated financial statements.

In the opinion of the directors, the Company has no controlling shareholder.

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting standards that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (collectively the “**Group**”) has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 July 2025.

Amendments to HKAS 21

Lack of Exchangeability

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

New and amendments to HKFRS Accounting Standards issued 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 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

The directors anticipate that, except as described below, the application of the above new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions.

The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE

An analysis of the Group's revenue for the year are as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Production and sale of steel products, and provision of piped potable water solutions	854,334	760,063

Disaggregation of revenue from contracts with customers:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Production and sale of steel products, and provision of piped potable water solutions		
Indirect export sales	58,826	18,264
Domestic sales	665,865	681,875
Direct export sales	129,643	59,924
Total	854,334	760,063

Timing of recognition of revenue from contracts with customers:

At a point in time	854,334	760,063
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Production and sale of steel products, and provision of piped potable water solutions

The Group manufactures and sells steel pipes, steel sheets and other steel products and provides piped potable water solutions to its customers. Revenue are recognised when control of the products has transferred, being when the products are delivered to a customer or services has provided, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 60 to 180 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered or services are provided to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4. OTHER INCOME

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Interest income	206	975
Government subsidy [#]	6,013	4,695
Scrap sales	8,530	7,663
Sundry income	2,118	1,600
	<u>16,867</u>	<u>14,933</u>

[#] *The government subsidy was received from local government authorities for supporting the Group's operation and encouraging innovation of production technology, of which the entitlement was unconditional.*

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment. The Group has two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Steel – the People's Republic of China (“**PRC**”): the production and sale of steel pipes, steel sheets and other steel products and provision of piped potable water solutions. These products are manufactured in the Group's manufacturing facilities located in PRC (“**Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions**”).
- Service – PRC: development and application of energy storage and conservation of PCM technologies, alongside technology integration for facility farming (the “**PCMs and Facility Farming Operations**”).

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of corporate assets. Segment liabilities include all liabilities including trade and other payables and borrowings managed directly by the segments with the exception of corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The accounting policies of the reportable segments are the same as the Group's accounting policies described in notes to the consolidated financial statements. The measure used for reporting segment profit is "EBIT" i.e. "earnings before interest and taxation".

In addition to receiving segment information concerning EBIT, management is provided with segment information concerning revenue, interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation and amortisation, impairment loss on trade and other receivables, income tax expense and additions to segment non-current assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 30 June 2026 and 2025 is set out below:

Information about reportable segment profit or loss, assets and liabilities:

	PCMs and Facility Farming Operations RMB'000	Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions RMB'000	Total RMB'000
Year ended 30 June 2026:			
Revenue	–	854,334	854,334
Segment (loss)/profit	(38,443)	40,239	1,796
Finance costs	–	(4,907)	(4,907)
Interest income	1	205	206
Depreciation	(1,381)	(6,250)	(7,631)
Amortisation	–	(22)	(22)
Income tax expense	–	(1,844)	(1,844)
Other material non-cash items:			
Impairment loss on trade and other receivables, net	–	(2,122)	(2,122)
Impairment loss on property, plant and equipment	(23,357)	–	(23,357)
Additions to segment non-current assets	<u>11,653</u>	<u>6,528</u>	<u>18,181</u>
At 30 June 2026			
Segment assets	8,758	506,285	515,043
Segment liabilities	<u>4,862</u>	<u>306,566</u>	<u>311,428</u>

	PCMs and Facility Farming Operations <i>RMB'000</i>	Production and Sale of Steel Products, and Provision of Piped Potable Water Solutions <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 30 June 2025:			
Revenue	–	760,063	760,063
Segment (loss)/profit	(14,219)	10,773	(3,446)
Finance costs	(95)	(5,157)	(5,252)
Interest income	1	973	974
Depreciation	(200)	(5,885)	(6,085)
Amortisation	–	(422)	(422)
Income tax expense	–	(1,164)	(1,164)
Other material non-cash items:			
Impairment on trade and other receivables, net	–	(5,707)	(5,707)
Additions to segment non-current assets	<u>6,462</u>	<u>5,769</u>	<u>12,231</u>
At 30 June 2025			
Segment assets	16,655	428,859	445,514
Segment liabilities	<u>2,144</u>	<u>275,059</u>	<u>277,203</u>

Reconciliations of reportable segment revenue, profit or loss, and assets and liabilities:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Profit or loss:		
Total profit/(loss) of reportable segments	1,796	(3,446)
Corporate and unallocated loss	<u>(25,771)</u>	<u>(54,849)</u>
Consolidated loss before taxation	<u><u>(23,975)</u></u>	<u><u>(58,295)</u></u>
Assets		
Total assets of reportable segments	515,043	445,514
Corporate and unallocated assets	<u>43,430</u>	<u>90,535</u>
Consolidated total assets	<u><u>558,473</u></u>	<u><u>536,049</u></u>
Liabilities		
Total liabilities of reportable segments	311,428	277,203
Corporate and unallocated liabilities	<u>21,464</u>	<u>7,126</u>
Consolidated total liabilities	<u><u>332,892</u></u>	<u><u>284,329</u></u>

Geographical information:

Since the Group's revenue and assets are derived from customers and operations based in PRC and accordingly, no further analysis of the Group's geographical information is disclosed.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Customer A	<u><u>135,706</u></u>	<u><u>114,354</u></u>

6. FINANCE COSTS

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Interest expense on borrowings	4,907	5,252
Interest expense on lease liabilities	<u>81</u>	<u>38</u>
	<u>4,988</u>	<u>5,290</u>

7. INCOME TAX EXPENSE

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Current tax		
PRC enterprise income tax		
– Current	1,844	–
– Overprovision	–	(252)
Withholding tax	<u>–</u>	<u>1,416</u>
	<u>1,844</u>	<u>1,164</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the years ended 30 June 2026 and 2025. No provision for Hong Kong Profits Tax has been made for the years ended 30 June 2026 and 2025 as the Group did not generate any assessable profits arising in Hong Kong.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are liable to PRC enterprise income tax at a rate of 25% (2025: 25%) during the year.

During the year, one of subsidiary of the Company, Guangzhou Mayer Corporation Limited, is accredited as a High and New Tech Enterprise. As being a High and New Tech Enterprise, it was entitled to a reduced corporate income tax rate of 15% for both years.

Additionally, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and jurisdiction of the foreign investors.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

8. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Auditor's remuneration		
– audit services	895	927
– other services	179	185
Cost of inventories sold [#]	750,616	677,461
Depreciation of property, plant and equipment	7,631	6,106
Depreciation of right-of-use assets	967	997
Net exchange loss	2,406	309
Loss on disposal of property, plant and equipment	34	424
Loss on disposal of subsidiaries	–	4,548
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	51,084	34,263
– Retirement benefits scheme contributions	8,825	4,577
– Share-based payments	–	27,536
	59,909	66,376

[#] *Cost of inventories sold includes the followings which are also included in the amounts disclosed separately above.*

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Depreciation	3,095	4,032
Staff costs	26,644	17,402

9. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 30 June 2026 and 2025.

10. LOSS PER SHARE

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

	2026 RMB'000	2025 <i>RMB'000</i>
Loss		
Loss for the year attributable to owners of the Company	<u>(14,571)</u>	<u>(57,683)</u>
Number of shares	2026 '000	2025 '000
Weighted average number of ordinary shares	<u>2,158,000</u>	<u>2,158,000</u>
	2026	2025
Loss per share		
– Basic and diluted (<i>RMB cents</i>)	<u>(0.68)</u>	<u>(2.67)</u>

The computation of diluted loss per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the years 2026 and 2025.

11. TRADE AND OTHER RECEIVABLES

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Trade receivables	222,808	250,012
Less: allowance for doubtful debts	<u>(6,626)</u>	<u>(8,143)</u>
	216,182	241,869
Bills receivables	23,762	7,053
Prepayment and other deposit	37,508	42,967
Other receivables	22,278	16,795
Less: allowance for doubtful debts	<u>(6,602)</u>	<u>(2,963)</u>
	<u>293,128</u>	<u>305,721</u>

Trade receivables are due within 60 to 180 days from the date of billing and may be extended to selected customers depending on their trade volumes and settlement with the Group. The Group does not obtain collateral from customers.

The aging analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
0 to 30 days	57,099	61,748
31 to 60 days	48,506	49,564
61 to 90 days	32,529	45,195
91 to 180 days	29,337	37,985
Over 180 days	<u>48,711</u>	<u>47,377</u>
	<u>216,182</u>	<u>241,869</u>

12. TRADE AND OTHER PAYABLES

	Notes	2026 RMB'000	2025 RMB'000
Trade payables	(a)	65,694	62,264
Bills payable		5,000	–
Other payables		53,209	37,404
Receipt in advance related to energy conservation service		–	99
Dividend payable		555	586
Contract liabilities	(b)	18,466	13,670
		<u>142,924</u>	<u>114,023</u>

(a) Trade payables

The aging analysis of the trade payables, based on invoice date, is as follows:

	2026 RMB'000	2025 RMB'000
0 to 30 days	49,763	22,109
31 to 60 days	1,585	11,203
61 to 90 days	406	13,283
91 to 180 days	6,599	9,053
Over 180 days	7,341	6,616
	<u>65,694</u>	<u>62,264</u>

(b) Contract liabilities

	2026 RMB'000	2025 RMB'000
Production and sale of steel products, and provision of piped portable water solutions	<u>18,466</u>	<u>13,670</u>
	2026 RMB'000	2025 RMB'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	<u>10,097</u>	<u>17,859</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Board presents the audited consolidated results of the Group for the Year, which have been reviewed by the Audit Committee, together with the comparative figures and the percentage changes for the Year as follows.

REVIEW OF RESULTS

For the Year, the Group recorded consolidated revenue of approximately RMB854,334,000, an increase of 12.4% compared to approximately RMB760,063,000 for Year 2025. The gross profit margin was approximately 12.1% for the Year, compared to 10.9% for Year 2025.

The Group recorded a loss for the Year of approximately RMB25,819,000, compared to a loss of approximately RMB59,459,000 for Year 2025. The loss attributable to owners of the Company was approximately RMB14,571,000 for the Year, compared to a loss attributable to owners of approximately RMB57,683,000 for Year 2025. The loss per share for the Year was approximately RMB0.68 cents, compared to an earnings per share of RMB2.67 cents for Year 2025.

For the Year, the Group's revenue increase was primarily driven by a rise in domestic sales of steel products, with a loss of approximately RMB25,819,000 for the Year compared to a loss of approximately RMB59,459,000 for Year 2025.

BUSINESS REVIEW

I. Carbon Steel Business Segment

(I) Industry background and market environment

During the Year, the steel industry was an in-depth adjustment phase characterized by “production cuts and output controls, with strong supply and weak demand.” On the supply side, crude steel output continued to contract under industry self-discipline for production control and policy guidance. On the demand side, overall downstream demand remained sluggish. The market maintained a supply surplus, with steel prices generally trading at a lower range compared to the recent years. The industry profitability declined significantly year-on-year, and operational performance diverged more sharply among enterprises. Regarding exports, steel exports retreated from previous high levels. Coupled with the European Union’s Carbon Border Adjustment Mechanism (CBAM) officially entering its levy phase and the intensification of overseas trade barriers, this further compressed export margins.

Against the backdrop of pressure on total output, the industry’s demand structure continues to optimize. As steel consumption in the manufacturing sector surpassed that of the construction sector for the first time, and emerging sectors such as new energy, shipbuilding, energy equipment, and computing infrastructure unleashed structural demand, the industry’s growth logic has shifted from “total expansion” to “structural optimization and value enhancement,” providing a new window of opportunity for carbon steel processing enterprises with differentiated service capabilities and green transformation capabilities.

(II) The Company’s business positioning and core competencies

Faced with industry supply-demand imbalances and profit pressures, the Company’s carbon steel business promptly adjusted its marketing strategies, optimized its product mix and regional footprint, and focused on advancing structural upgrades in three key areas—sheet metal for computing infrastructure, green and low-carbon steel, and overseas markets—while simultaneously building presence in emerging application scenarios.

1. **High-end sheet metal for computing infrastructure.** The Company entered into strategic cooperation agreements with leading steel enterprises such as Baosteel and Sinosteel Group, focusing on promoting high-end hot-dip galvanized steel sheet products to serve supporting sectors such as AI server chassis and other computing infrastructure applications. During the Year, thanks to the rapid advancement of computing center construction, the Company's high-end hot-dip galvanized steel sheet business grew in scale. These products account for a significant share of materials used in AI server enclosures and have become an important profit growth driver for the carbon steel segment.
2. **Green, low-carbon steel.** In response to the low-carbon transition requirements brought about by the formal implementation of the EU's CBAM, the Company actively increased the proportion of green recycled steel in its sales. During the Year, this business achieved significant breakthrough, with monthly sales volumes rising steadily, thereby strengthening the Company's green and low-carbon competitiveness in its export operations.
3. **Overseas market expansion.** Leveraging its geographical advantage of proximity to Southeast Asia, the Company has simultaneously expanded its overseas sales channels. During the Year, overseas operations achieved stable shipments, with continuous improvements in export scale and customer structure.
4. **Presence in emerging sectors.** Facing the rapid development of the energy storage industry and data centers, the Company leveraged its scale advantages, management strengths, and comprehensive production, supply, and sales infrastructure to lay the groundwork for business transformation in emerging application scenarios such as AI server cabinets, energy storage cabinets, and new energy equipment, thereby securing production capacity and customer resources for medium- to long-term growth.

II. Stainless Steel Tooling Business Segment

(I) Industry background and market environment

During the Year, the stainless steel industry remained under pressure as a whole. Demand in the real estate market stayed sluggish, with the number of new starts for residential and commercial & industrial projects declining year-on-year, which weighed on overall demand for stainless steel pipes; affected by pressures on local government fiscal revenues and expenditures, the pace of investment in public buildings and municipal infrastructure projects slowed, further weakening support for downstream demand.

Against this backdrop, the stainless steel tube processing industry accelerated its consolidation. To keep production capacity operational, some players adopted low-price strategies in project bidding, significantly compressing the industry's overall profit margins, and competition continued to intensify. At the same time, the industry has witnessed clear divergence: small and medium-sized processing enterprises lacking full-chain manufacturing capabilities and quality assurance systems faced significant operational pressure, while enterprises with scale advantages, quality control capabilities, and the ability to develop differentiated products retained room for growth amid industry consolidation, and industry concentration is expected to gradually rise.

(II) The Company's business positioning and core competencies

Faced with low-price competition in the domestic market, the Company actively expanded into diversified application areas, while consolidating its existing partnerships with water utility clients and key projects. Its business structure evolved from a single focus on water engineering support to high-end niche markets such as industrial fluid conveyance, sanitary-grade pipe for food and beverage, liquid-cooled heat dissipation pipes, and HVAC heat exchange pipes, forming a business landscape characterized by "water utilities as the foundation and high-end manufacturing as the growth engine."

1. **Industrial fluid and food & beverage sectors.** The Company continued to expand the application of stainless steel pipes in industries such as papermaking, chemicals, food processing, beverage production, high-end catering, brewing, and wastewater treatment. Thanks to their corrosion resistance, hygiene and safety, and long service life, stainless steel materials offer distinct advantages in food-grade sanitary piping and industrial fluid transportation applications. During the Year, the Company supplied stainless steel pipe products to well-known enterprises such as Nongfu Spring, Dongpeng Beverages, Haidilao, and Diandoude, achieving rapid revenue growth in its food-grade and industrial fluid tubing businesses.
2. **Liquid-cooling sector.** As power density per cabinet in data centers continues to rise, demand for liquid-cooling systems is rapidly increasing. Thanks to their sealing performance, durability, and compatibility with various media, stainless steel piping has become an important technical route for fluid transport in liquid-cooling systems. During the Year, the Company established partnerships with customers such as Guangdong Fengfuzhi Cooling* (廣東豐複智冷), Hangzhou Yingke Intelligent Technology* (杭州英柯智能科技), and Kelamayi Carbon Neutral Network Technology* (克拉瑪依碳和網路科技) to develop and supply stainless steel pipes for liquid-cooling applications.
3. **“Replacing copper with steel” product development.** Driven by factors such as the international political landscape and growing cooling demand fueled by the AI industry, copper prices remained at high levels, leading to a significant increase in procurement costs for traditional copper pipes in the HVAC sector. Stainless steel pipes offer comparative advantages in terms of corrosion resistance, service life, and leak resistance. The Company actively advanced product development in replacing copper pipes with stainless steel pipes in HVAC cooling water piping systems and in welded fittings that combine stainless steel and copper, among others, to enter the HVAC application market and cultivate new business growth drivers.

III. Piped Potable Water Business Segment

(I) Industry background and market environment

During the Year, the piped potable water industry experienced a relatively favorable policy window. The State Council's "Regulations on Water Supply" came into force, further solidifying the legal foundation for regulatory oversight in the water supply sector; four government departments, including the Ministry of Education, issued a document establishing minimum standards for primary and secondary school facilities, clearly defining requirements for on-campus potable water supply and providing policy support for the release of industry demand. Driven by policies such as urban renewal and the upgrading of public buildings, the application of piped potable water has gradually expanded across various scenarios including schools, hospitals, and residential buildings.

Driven by both policy support and rising consumer awareness of health-related consumption, the piped potable water industry has entered a phase of rapid development. However, the sector has a large number of participants, cut-throat price competition and inconsistent standards prevail in some regions, end-user awareness is still in cultivation stage; and market order and the industry standards system are yet to be further refined.

(II) The Company's business positioning and core competencies

Leverages its technical expertise and manufacturing foundation in the deep processing of stainless steel, the Company's piped potable water business provides a full suite of solutions covering water purification process design, in-house manufacturing of food-grade stainless steel pipes, pipeline network installation, smart water quality monitoring, and long-term operation and maintenance. Unlike integrators who assemble projects using outsourced pipes, the Company's core advantage lies in its independent production across the entire industrial chain. It maintains full control over every stage from raw material intake to the formation and shipment of pipes, thereby establishing a competitive edge in both quality assurance and overall cost efficiency.

During the Year, the business entered a new phase characterized by the simultaneous expansion of application scenarios and channel development. In terms of project implementation, a benchmark campus potable water project was completed and put into operation, establishing replicable implementation experience; the Company successfully won a bid for a piped potable water project with a listed company, effectively extending its customer base from the government sector to the corporate sector; and it continued to deepen its presence in the government and public institution sectors, with the Guangdong Radio and Television Station project successfully completed and a contract signed for the Guangzhou Municipal Bureau of Forestry and Landscaping. The Company adopted three cooperation models including BOT, EPC and technology export in an integrated manner, to deliver differentiated solutions for customers across diverse scenarios.

In terms of channel development, the Company has established a three-party coordinating sales system among residential renovation, commercial construction, and international trade. The residential renovation channel collaborates with the Group's dealer network to integrate potable water systems into supporting works for residential renovation; the commercial channel leverages the customer resources accumulated from stainless steel piping projects to jointly promote potable water systems and piping products for public building settings; and the international trade channel capitalizes on the international market foundation of stainless steel piping to promote piped potable water products and integrated solutions in regions such as Africa and the Middle East. These three channels share resources and drive mutual traffic, forming a sales network that covers high-end residential properties, public buildings, and overseas markets.

In terms of building industry influence, during the Year, the Company actively participated in industry associations and attended technical exchange events within the sector. By leveraging association platforms to connect with upstream and downstream resources, the Company continuously enhanced its technical reputation and industry engagement in the potable water sector.

During the Year, the Company carried out a systematic standardization upgrade of its potable water product system. Core equipment adopted a modular design, with key components standardized and made interchangeable; meanwhile, the Company streamlined and optimized its supplier channels, effectively reducing procurement costs and shortening supply cycles, thereby supporting rapid project delivery and large-scale replication.

IV. Phase Change Energy Storage Business Segment

(I) Industry background and market environment

Phase-change energy storage is a technology that utilizes the property of composite phase-change materials to absorb or release substantial latent heat during the phase-change process, thereby enabling the storage and controlled release of thermal and cooling energy. It is an important branch of thermal energy storage (latent heat storage). With the global energy transition and the continued advancement of China's "Dual Carbon" strategy, the regulatory role of energy storage technology in energy systems is becoming increasingly prominent. Compared to electrochemical energy storage, phase-change energy storage offers advantages such as high safety, long service life, high energy storage density per unit, stable temperature output, and low operation and maintenance costs. It has broad application potential in fields such as central air conditioning, cold chain warehouses, controlled-environment agriculture, building heating, and industrial waste heat recovery.

Currently, China's phase-change energy storage industry as a whole is transitioning from demonstration applications to commercialization and large-scale deployment, exhibiting the following trends:

1. **Policy drivers continue to strengthen.** At both the national and local levels, policies have been successively introduced to support new energy storage, thermal energy storage, building energy efficiency retrofits, high-quality development of cold-chain logistics, modernization of controlled-environment agriculture, and clean heating. Top-level documents such as the "Special Action Plan for the Large-Scale Construction of New Energy Storage (2025-2027)" position new energy storage as a key pillar for building a new power system. As market-based mechanisms, such as peak-valley time-of-use electricity pricing and energy storage capacity compensation, gradually improve, business models for user-side energy storage and integrated energy services are maturing, accelerating the transition of phase-change energy storage technology from demonstration applications to large-scale deployment.

2. **Application scenarios continue to expand.** Phase-change energy storage technology, which initially focused primarily on clean heating and industrial waste heat recovery, is rapidly extending into specialized scenarios such as central air conditioning, cold chain warehouses, controlled-environment agriculture, and building heating, continuously broadening the industry's scope.
3. **A clear trend toward technological integration and system-level solutions is emerging.** As customers demand higher standards for overall energy savings, system stability, temperature compatibility, and cycle life, standalone products can no longer meet end-users' comprehensive energy management needs, leading industry solutions to gradually evolve toward system-level and integrated approaches.
4. **The competitive market landscape has not yet solidified.** There are still relatively few companies in the industry that possess core material technologies and are capable of effectively integrating equipment manufacturing, system integration, and project implementation resources; structural development opportunities exist in specific application segments.

(II) The Company's business positioning and core competencies

The Company has designated the phase-change energy storage business as a strategic emerging business to be prioritized for development. It focuses on three core areas: the iterative upgrading of energy storage materials, the R&D of energy storage equipment, and intelligent system control. Leveraging proprietary core technologies and collaborating with high-quality partners in fields such as photovoltaics, wind power, and high-efficiency plant rooms, the Company is building an ecosystem-based cooperation system to provide customers with one-stop comprehensive energy solutions that integrate energy storage, energy supply, and energy consumption optimization.

1. Focusing on four core sectors and precisely targeting niche markets

By integrating industry trends, policy directions, market capacity, and its own technological strengths, the Company has precisely targeted four high-potential core application scenarios, forming a specialized, scenario-based business layout.

First, the energy storage and energy-saving sector for high-efficiency central air conditioning plant rooms. Targeting central air conditioning systems in commercial buildings, industrial parks, and public buildings, the Company provides customized solutions for phase-change energy storage to balance peak and off-peak loads, equipment cooling, and overall energy consumption optimization, helping reduce energy costs and improve efficiency in buildings.

Second, constant-temperature thermal energy storage for cold chain warehouses. For scenarios such as fresh produce cold chain storage and distribution, as well as low-temperature processing workshops, the Company utilizes off-peak electricity rates to store cold energy and releases it during peak hours, significantly reducing customers' electricity costs while enhancing cold storage temperature control stability and overall operational reliability.

Third, constant-temperature control for controlled-environment agriculture. For applications such as flower greenhouses, fruit and vegetable cultivation greenhouses, and specialized animal husbandry facilities, the Company provides dedicated phase-change thermal energy storage solutions to address the pain points of significant temperature fluctuations and high energy consumption in agricultural cultivation and animal husbandry.

Fourth, clean heating for buildings. Targeting at civil, public, and industrial buildings, the Company promoted the coupled application of phase-change thermal storage devices with heat source equipment such as electric boilers and air-source heat pumps, thereby achieving clean, efficient, and low-cost heating.

2. Establishing a professional marketing system to continuously expand customer resources

The Company has established a specialized sales team for phase-change thermal energy storage and built a multi-dimensional marketing network covering key regions and core industries. Meanwhile, it has conducted specialized training in technical solution design, end-to-end project management, commercial negotiations, and product/technical knowledge to comprehensively enhance the team's market-oriented service capabilities.

During the Year, the Company added 28 new registered partner customers through diverse channels, including customer referrals, independent market development, and the infusion of corporate resources. These customers primarily operated in core sectors such as HVAC, energy investment, cold-chain logistics, and cold-chain equipment manufacturing.

At the same time, the Company actively expanded cooperation with specialized industry channel partners, forming a “self-operating direct sales + channel empowerment” dual-drive marketing system to lay a solid channel foundation for large-scale market expansion.

3. *Deepening technical and product iteration to advance standardization and modularization*

The Company focuses on addressing core technical pain points through continuous R&D efforts and carries out iterative upgrades across key dimensions such as the optimization of phase-change material formulation, precise temperature control range matching, enhancement of latent heat storage capacity, improvement of thermal conductivity efficiency, equipment cycle stability, and packaging reliability. Currently, the Company has completed the research, development, and optimization of a series of energy storage units, energy storage tanks, specialized cold/heat storage modules, and supporting intelligent control terminals, forming a comprehensive product matrix.

At the same time, the Company is comprehensively advancing standardized and modular product design, developing standardized solutions and standardized installation and construction processes tailored to different application scenarios. This initiative not only significantly improves project delivery efficiency and ensures product quality consistency, but also effectively reduces costs associated with raw material procurement, equipment production, and on-site construction, further strengthening the products’ market competitiveness.

4. *Implementing benchmark pilot projects to create a reproducible business model*

Focusing on core tracks such as high-efficiency central air conditioning plant rooms, cold chain warehouses, and facility agriculture, the Company has implemented multiple benchmark projects, with business operations covering the entire process from solution customization and equipment supply to installation, commissioning, operation monitoring, and post-installation maintenance. Through the actual operation of these projects, the Company has continuously accumulated real-world operational data, optimizes intelligent system control strategies, and validates the projects' energy-saving and cost-reduction effects. This process refines business models and scenario-based technical solutions that are technically mature, deliver stable returns, and are both replicable and scalable, laying a solid foundation for subsequent nationwide market expansion and the large-scale implementation of projects.

5. *Deepening industry-academia-research collaboration to enhance brand influence*

The Company actively collaborates with authoritative industry organizations such as the HVAC Industry Association and the Guangdong Manufacturing Association, and engages in in-depth cooperation with design institutes, universities, research institutions, and government regulatory authorities. It regularly carries out promotional activities, including technical exchanges, product presentations, and industry seminars, to continuously enhance the visibility, recognition, and brand influence of its phase-change energy storage technology and products within core target industries, thereby fostering a favorable industry ecosystem for the commercialization and large-scale development of its businesses.

(III) Technology Consultancy Agreement

On 30 August 2023, Guangzhou Mayer and the Center of Engineering and Construction Service, Ministry of Agriculture and Rural Affairs of the PRC (農業農村部工程建設服務中心) (the “**Consultant**”) entered into a technology consultancy agreement (the “**Technology Consultancy Agreement**”), pursuant to which the Consultant shall provide the following consultancy services to Guangzhou Mayer in relation to the application of the Nano PCMs in the agricultural industry in the PRC for a year from 30 August 2023 to 29 August 2024, both days inclusive:

- (i) assisting in contacting the Ministry of Agriculture and Rural Affairs in Pinggu District of Beijing, PRC so as to promote the application and testing of the Nano PCMs in agricultural facilities;
- (ii) organising and arranging technical demonstrations and research discussions among authorised experts in relation to the agricultural applications of the Nano PCMs (such as facility agriculture and agricultural product storage cold chain);
- (iii) providing guidance and assistance in promoting the Nano PCMs and their technology in the agriculture field and rural areas based on the satisfactory results of the application testing of the Nano PCMs; and
- (iv) providing full support in establishing a research institute of Guangzhou Mayer in Beijing in relation to the application of the Nano PCMs in the agricultural industry.

The Consultant is a PRC governmental institution which is responsible for, among other things, enhancing the overall performance and the technology of the agricultural industry in the PRC.

The Board is of the view that the Consultant, given its governmental authority in the agricultural field in the PRC, is able to effectively promote and enhance the application and usage of the Nano PCMs in the agricultural industry, which allows the Group to capture market opportunities, expand its environmental technology related business in the PRC, further enhance its business portfolio and generate additional return for the Company and the Shareholders as a whole. Therefore, the Board considers that the entering into of the Technology Consultancy Agreement is in the interests of the Company and the Shareholders as a whole.

In October 2023, the Group started testing several projects and installed energy storage panels. In November 2023, the Group held a new energy storage product conference, which attracted the industry's attention. In January 2024, the Group carried out energy storage tanks, pipelines and system equipment at the Beijing Shunyi base of the Institute of Agricultural Environment and Sustainable Development of the Chinese Academy of Agricultural Sciences.

From April 2024 to September 2024, the Group continued to receive several nano phase change ice plate testing and automatic control system installation projects. In mid-November 2024, the Group put into operation the Huailai Cloud Data Center to provide winter heating services to a community.

Update of Capital Contribution

After negotiations between Guangzhou Mayer and Golden Way, the Capital Contribution would be postponed for one year to 26 July 2024. Accordingly, a supplemental agreement to the Equity Investment Agreement was entered into among Guangzhou Mayer, Golden Way and the Individual on 18 September 2023 (the **"EIA Supplemental Agreement"**).

However, Golden Way had not injected capital into Guangzhou Technology in accordance with the Equity Investment Agreement and the EIA Supplementary Agreement, and sent a letter to Guangzhou Mayer on 22 November 2024, indicating that it would not inject RMB6 million to Guangzhou Technology as the registered capital of Guangzhou Technology. On 25 November 2024, Guangzhou Mayer and Mayer Technology entered into a conversion of debts into registered capital agreement, pursuant to which an amount of RMB14 million from the debts owing by Guangzhou Technology to Guangzhou Mayer would be converted into an additional paid-up registered capital of Mayer Technology, and the relevant industrial and commercial registration and filing has been completed. Upon completion of the above conversion, the registered capital of Guangzhou Technology has been increased to RMB20,000,000 and Guangzhou Technology is still a wholly-owned subsidiary of Guangzhou Mayer.

On 22 August 2025, the Group, through its subsidiary Guangzhou Mayer, entered into a memorandum of understanding (“**MOU**”) with Environmental Process Systems Limited (“**EPS**”), a company incorporated in the United Kingdom. This cooperation marks a further enhanced technical leadership of the Group in the field of phase change energy storage technology. Leveraging China’s vast market demand for energy conservation and emission reduction, coupled with supportive government policies, the Group will make the best use of its industrial resources, customer channels, and policy alignment capabilities in China to align with the “dual carbon” policy and green energy conservation and emission reduction strategy. This cooperation will help expand application scenarios in central air conditioning, data centers, cold chain storage facilities, agricultural facilities, and other high energy consumption sectors, furthering the Group’s core competitiveness and delivering long-term, sustainable growth momentum for Shareholders.

For details, please refer to the Company’s announcements dated 25 September 2025.

V. **Unauthorised Disposal of a Subsidiary’s Equity Investment**

On 9 February 2022, a former Director who was also former directors of certain subsidiaries of the Company in the PRC using a suspected forgery seal entered into an agreement with other parties to dispose of a 51% equity interest of the Group in Hei Jing Photoelectric Technology Co., Limited (“**Hei Jing**”) at a cash consideration of RMB5.3 million (the “**Hei Jing Disposal**”). The consideration was received on 1 February 2022 and 31 March 2022 and the registration of the ownership of the equity interest was changed to the purchaser on 14 February 2022. After the removal of the former Director, the Board carried out a review of the transaction. The Directors considered that the consideration of the Hei Jing Disposal was too low and unfair and the Group would suffer a significant loss upon the Hei Jing Disposal. In the view of the Directors, the Hei Jing Disposal was unenforceable. Therefore, the Group instigated a legal action to rescind the agreement and resume the ownership of the 51% equity interest in Hei Jing.

On 2 January 2024, the Shenzhen Baoan District People’s Court issued a judgment to dismiss the Group’s claim. In order to protect the interests of the Group and after having sought legal advice, the Directors have decided to appeal against the judgement and filed an appeal with the Shenzhen Intermediate People’s Court in the PRC (the “**Shenzhen Court**”). On 13 November 2024, the Shenzhen Court rejected the Group’s appeal as the Equity Transfer Agreement detailed the reasons and pricing factors for the transfer of the equity interest, and there were also evidences, including the sealed resolutions of the board of directors of Guangzhou Mayer, which made it difficult to determine that the Hei Jing Disposal Consideration was low and the transferee had a malicious intent.

The Group has commenced legal actions against Mr. Xu by and other former directors of Guangzhou Mayer for damaging the interest of Guangzhou Mayer to the Huangpu District People’s Court of Guangzhou City, Guangdong Province in the PRC (the “**Huangpu Court**”) on 14 January 2025. The Huangpu Court has issued a case acceptance notice on 13 March 2025.

The Company will keep the Shareholders and the potential investors informed of any further material developments in connection with the above by way of further announcement(s) as and when appropriate.

VI. Urban Renewal Projects Planning and Consulting

During the Year, the Group's urban renewal projects planning and consulting services did not record any revenue (Year 2025: RMBNil).

In recent years, the PRC property sector has faced an adverse operating environment, and the Group's urban land renewal operations in Zhuhai witnessed stagnant progress and unsatisfactory results, despite the recovery of the COVID-19.

Further, as set out in the Company's announcement dated 6 October 2023, the Group has filed a lawsuit against the Mr. Zhou Shi Hao and Mr. Chen Zhirui in Hong Kong for breach of their respective Directors' duties concerning their management in the redevelopment project located in the PRC. These proceedings remain ongoing.

In November 2023, during a regular check on the Company's subsidiaries, it came to the Board's attention that Happy (Hong Kong) New City Group Limited (a company incorporated in Hong Kong, "**Happy HK**"), a wholly owned subsidiary of Happy (Hong Kong) New City Group Limited (a company incorporated in the BVI; "**Happy BVI**"), had completed the disposal of Zhuhai HuaFeng, being the assignment of the right to inject RMB14.7 million (equivalent to approximately HK\$15.8 million based on an exchange rate of RMB1 to HK\$1.0750) into the registered capital of Zhuhai HuaFeng at nil consideration to the purchaser on 23 October 2023 without authorization and/or approval from the Board (the "**Injection Right Disposal**"). Upon completion of the disposal of Zhuhai HuaFeng, the registered capital of the Zhuhai HuaFeng did not change but the right to inject 49% of the registered share capital of the Zhuhai HuaFeng was transferred to the purchaser. Details of the unauthorized disposal are set out in the Company's announcement dated 15 January 2024.

In light of the above circumstances, the Board considered that it is not commercially reasonable for the Company to continue to invest its time and resources in the PRC urban renewal business. Having considered (i) the poor financial performance of the Happy BVI and its subsidiaries (the "**Target Group**"); (ii) the limited asset value of the Target Group as compared to the Group as a whole; and (iii) the legal costs and management efforts in legal proceedings and the resumption of re-development of Yuetang Village of the Target Group, the Board is of the view that it is of benefit to dispose of the Target Group. Details regarding the disposal of the Target Group by Elate Ample Limited, a wholly-owned subsidiary of the Company (the "**Disposal**"), were disclosed in the Company's announcement dated 5 March 2025.

Upon completion of the Disposal, the Group can utilize its resources to re-focus on its existing steel business, which remains solid and brings a stable stream of revenue to the Group, as well as the development of the applications of nano phase change energy storage material(s) with nano-scale technologies.

Release of the Promissory Note and retrieval of consideration shares, etc.

References are made to (i) the announcements of the Company dated 11 June 2019, 26 November 2019, 11 March 2022, 29 July 2022, 30 June 2023, 5 March 2025 and 18 March 2025; and (ii) the circular of the Company dated 23 August 2019 (the “**2019 Circular**”) in relation to the acquisition of Happy BVI and its subsidiaries. Capitalized terms used herein shall have the same respective meanings as defined or adopted in the 2019 Circular unless otherwise stated.

Based on the audited consolidated financial statements of Happy BVI, Happy BVI has recorded an accumulated net profit of approximately HK\$14.4 million for the three financial years ended 31 December 2021, which is below the Target Profit Level. Accordingly, pursuant to the Sale and Purchase Agreement, the obligations under the Promissory Note, including but not limited to payment obligations shall cease and the Escrow Agent is not required to release any Consideration Shares to Harbour Prestige (as vendor).

Moreover, the Consideration Shares will be released to the Company in accordance with the Escrow Agreement, and the Company, Elate Ample (as purchaser) or their respective nominees may sell or dispose of the Consideration Shares (in a way which is unilaterally considered appropriate) without notifying Harbour Prestige or obtaining authorization from Harbour Prestige and are entitled to receive the relevant proceeds.

In light of the above, the Company is of the view that Elate Ample has no payment liability under the Promissory Note and is in the course of taking appropriate legal actions to, among other matters, retrieve all the 410,000,000 Consideration Shares which are currently held in escrow, and claim damages against Harbour Prestige and Mr. Zhou (as guarantor) for breaching the terms of the Sale and Purchase Agreement and/or guarantee obligations.

Unauthorized Disposal of Another Subsidiary's Equity Interest

On 29 November 2023, while during a regular check on the Company's subsidiaries, it came to the Board's attention that Happy (Hong Kong) New City Group Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company ("**Happy HK**") had completed the assignment of the right to inject RMB14.7 million (equivalent to approximately HK\$15.8 million based on an exchange rate of RMB1 to HK\$1.0750) into the registered capital of Zhuhai Mayer HuaFeng Development Co., Limited* (珠海美亞華豐發展有限公司 (formerly known as Zhuhai Zhongle HuaFeng Development Co., Limited* (珠海眾樂華豐發展有限公司)), a company incorporated in the PRC with limited liability ("**HuaFeng Development**") at nil consideration to 珠海豐社房地產策劃有限公司, a company incorporated in the PRC with limited liabilities ("**珠海豐社房**") on 23 October 2023 without authorization and/or approval from the Board (the "**Injection Right Disposal**"). The Board confirmed that none of the Directors had previously been aware of or participated in any of the negotiations and discussions of the Injection Right Disposal. Moreover, the Directors noted that according to the amended articles of association of HuaFeng Development, the passing of the resolution regarding the Injection Right Disposal required the approval from all of its shareholders.

Legal Actions Taken

On 6 December 2023, the Company had sought legal advice from a legal adviser of the Company in Hong Kong regarding the Injection Right Disposal based on the documents provided by the Company and available information obtained from public resources (the "**Disposal Advice**") and took steps to follow up on the matter. Pursuant to the Disposal Advice, the resolutions of the board of directors of HuaFeng Development approving, amongst others, the transfer of the 49% equity interest from Happy HK to 海豐社房 and the Injection Right Disposal might not be properly authorized and reliable and may, therefore, be considered ineffective.

Listing Rules Implication

As the highest applicable percentage ratio calculated for classification of the transactions in accordance with the Listing Rules in respect of the Injection Right Disposal exceeds 25% but is less than 75%, the Injection Right Disposal constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company considers the Injection Right Disposal to be ineffective as it was not properly authorized or approved by the Board and it is, therefore, inappropriate to have an EGM for the Shareholders to vote on any resolution in this regard. In light of the situation, a circular and a notice of EGM are not expected to be prepared and dispatched by the Company to the Shareholders and the Company will follow up on the relevant legal actions that have been/will be taken, and with the Disposal Advice, to alleviate and recover the loss suffered by the Group from the Injection Right Disposal.

Please refer to the Company's announcement dated 15 January 2024 for details.

Environmental Technology Related Business

It came to the Board's attention that environmental protection related issues in the PRC had been one of the topics being focused and mentioned in the 13th and 14th Five Year Plans for Economic and Social Development of the PRC, each of which aims to, including but not limited, contain carbon pollution and emission and promote and encourage the use of green building materials. Driven by the strengthening policies and the enforcement of environmental protection regulations made by the PRC government, the Board considered that there would be continuous substantial demand and opportunities for the integration and application of environmental technologies for the purposes of lowering operation and production costs and improving services quality and efficiency in the PRC to support and maintain its rapid urbanization and industrialization development.

The Board also considered that the Grantee (as defined below), a company principally engaged in the provision of business and consultancy services, might leverage on its expertise in investment advisory services and its business network to provide certain consultancy services to the Group to assist and facilitate the development of the Group's environmental technology related business (i.e. applying or provision of environmental technologies, products, equipment and systems in the production of steel compounds and other industrial compound materials) (the "**Environmental Technology Business**").

On 12 January 2022, the Company entered into a consultancy agreement with Sino Light Investment Advisory Limited (the “**Grantee**”) regarding the appointment of the Grantee as a consultant of the Company for the provision to the Group of, amongst others, the following services for or in relation to the development of the Environmental Technology Business (the “**Consultancy Services**”) for a term of two years (the “**Consultancy Agreement**”) from the completion date of the Consultancy Agreement:

- (i) the business and investment, consultation and advisory services;
- (ii) screening, identifying and introducing potential quality business partners to the Group, and assisting the Group in entering into joint venture agreement(s) and/or business cooperation agreement(s) with such partners; and
- (iii) proposing viable financial solutions to the Group for development of the Environmental Technology Business,

Pursuant to the Consultancy Agreement, the Board resolved to grant share options of the Company to the Grantee to subscribe for a total of 174,800,000 Shares at the exercise price of HK\$0.2 per Share (the “**Share Options**”) under the share option scheme adopted by the Company on 31 May 2019 (the “**Share Option Scheme**”) as consideration for the Consultancy Services. Completion of the Consultancy Agreement was conditional upon the passing of the necessary resolutions by the Shareholders at an EGM to be convened, approving the grant of Share Options to the Grantee and the transactions contemplated thereunder. An EGM was held on 22 April 2022 and the relevant resolutions were passed by the Shareholders thereat. The transactions contemplated under the Consultancy Agreement were completed on 25 April 2022.

Details of the Share Options

Grant Date:

12 January 2022

Exercise Price of Share Options Granted:

HK\$0.20 per Share

Closing Price immediately before Grant Date:

HK\$0.19 per Share as quoted on the Stock Exchange

Number of Share Options Granted:

174,800,000 Share Options (each Share Option shall entitle the holder thereof to subscribe for one Share)

Validity and Exercise Period of Share Options:

Subject to the Share Option Scheme, the Share Options are valid and exercisable in whole or in part for a period of ten years from the Grant Date.

Vesting Conditions:

- i) 50% of the Share Options shall be vested on the date of completion of the Joint Venture Agreement (as defined in the Consultancy Agreement) to be entered into between the Company and a Business Partner (as defined in the Consultancy Agreement), and shall be exercisable until the expiry date of the validity period; and
- ii) conditional upon completion of the Joint Venture Agreement, 50% of the Share Options shall be vested on the date of the completion of the Equity/Debt Financing (as defined in the Consultancy Agreement) by the Company successfully introduced and facilitated by the Grantee, and shall be exercisable until the expiry date of the validity period.

Please refer to the Company's announcement dated 12 January 2022, circular dated 30 March 2022 and announcement dated 22 April 2022 for details.

Cancellation of Share Options

As the vesting conditions under the Consultancy Agreement and the Share Option Scheme have not been fulfilled, the Options have not vested and therefore cannot be exercised. On 24 September 2025, the Board considers the cancellation to be in the best interests of the Company and shareholders to ensure compliance and proper administration of the Scheme. Please refer to the Company's announcement dated 30 September 2025 for details.

FINANCIAL REVIEW

Segment Revenue and Results

(i) Production and Sale of steel products, and Provision of Piped Potable Water Solutions

Revenue of the segment increased by 12.4% from approximately RMB760,063,000 for Year 2025 to approximately RMB854,334,000 for the Year.

For the Year, the segment recorded a profit of approximately RMB40,239,000, compared to RMB10,773,000 for Year 2025, representing a year-on-year increase of 273.5%.

(ii) PCMs and Facility Farming Operations

For the Year, management recognised the PCMs and Facility Farming Operations as a separate business segment of the Group, reflecting its growing operational scale. During the Year, as the Group's segment is still in its early stage of business development. It incurred a segment loss of approximately RMB38,443,000 (2025: approximately RMB14,219,000).

Consolidated Revenue and Gross Profit

For the Year, the Group recorded consolidated revenue of approximately RMB854,334,000, gross profit of approximately RMB103,718,000, and a gross profit margin of approximately 12.1%, compared to revenue of approximately RMB760,063,000, gross profit of approximately RMB82,602,000, and a gross profit margin of approximately 10.9% for Year 2025. The Group's revenue increase was primarily driven by a rise in high-end metal for computing infrastructure. The increase in gross profit margin was primarily due to higher margin of the carbon steel business.

Other Income

The Group's other income increased from approximately RMB14,933,000 for Year 2025 to approximately RMB16,867,000 for the Year. During the Year, the Group received subsidies from PRC local government authorities of approximately RMB6,013,000 (2025: approximately RMB4,695,000) to support operations and promote innovation in production technology, and recorded scrap sales of approximately RMB8,530,000 (2025: approximately RMB7,663,000) and sundry income of approximately RMB2,118,000 (2025: approximately RMB1,600,000).

Other Gain and Loss, Net

For the Year, the Group recorded an other gain and loss, net of approximately RMB27,883,000, compared to approximately RMB6,016,000 for Year 2025. This increase was primarily due to the recognition of impairment loss on property, plant and equipment amounted for approximately RMB23,357,000 (2025: Nil) and a partial offset by a drop in impairment loss on trade and other receivables from approximately RMB5,707,000 for Year 2025 to approximately RMB2,122,000 for the Year.

Operating Expenses

For the Year, the Group's total operating expenses amounted to approximately RMB111,689,000 (2025: approximately RMB112,440,000), comprising distribution costs of approximately RMB45,811,000, administrative expenses of approximately RMB65,775,000, and other operating expenses of approximately RMB103,000, representing approximately 5.4%, 7.7%, and 0.01% of revenue, respectively. For Year 2025, these were approximately RMB53,135,000, RMB27,536,000, and RMB845,000, representing approximately 7.7%, 7.0%, and 0.1% of revenue, respectively. The slight decrease in total operating expenses was due to the effectiveness of cost control.

Share-based payments

On 28 May 2025, the Group granted 215,800,000 Share Option to certain grantees and incurred share-based payments of approximately RMB27,536,000 (2026: Nil). All Shares comprising in the Share Options vested on 28 May 2025 to the Grantees.

Finance Costs

For the Year, the Group incurred finance costs of approximately RMB4,988,000 (2025: approximately RMB5,290,000), of which interest expense on borrowings amounted to approximately RMB4,907,000 (2025: approximately RMB5,252,000). The decrease was primarily attributable to a lower average borrowings balance for the Year.

Income Tax Expense

For the Year, the Group's income tax expense was approximately RMB1,844,000, a increase of approximately RMB680,000 or approximately 58.4% compared to approximately RMB1,164,000 for Year 2025, primarily attributable to growth in overall profitability.

Loss for the Year and Loss for the Year Attributable to Owners of the Company

As a result of the foregoing, the Group recorded a loss for the Year of approximately RMB25,819,000 (2025: loss of approximately RMB59,459,000). The loss for the Year attributable to owners of the Company was approximately RMB14,571,000 for the Year (2025: loss attributable to owners of the Company of approximately RMB57,683,000).

Property, Plant and Equipment

As at 30 June 2026, the Group's property, plant, and equipment totaled approximately RMB74,963,000, a decrease of approximately 14.3% compared to approximately RMB87,510,000 as at 30 June 2025, primarily due to the impairment loss of property, plant and equipment of approximately RMB23,357,000 was recognised during the Year.

Pledged Assets

As at 30 June 2026, the Group's land and buildings, leasehold improvements, and plant and machinery, with a carrying amount of approximately RMB11,053,000 (2025: approximately RMB11,381,000), RMB6,665,000 (2025: approximately RMB7,637,000) and RMB25,033,000 (2025: approximately RMB25,690,000), respectively, were pledged to secure bank borrowings.

Right-of-Use Assets and Lease Liability

As at 30 June 2026, the Group recognised right-of-use assets and lease liability of approximately RMB5,875,000 and RMB1,787,000, respectively, compared to approximately RMB6,947,000 and RMB2,911,000, respectively, as at 30 June 2025. The Group leases various land and buildings under agreements typically spanning two years. Right-of-use assets are depreciated on a straight-line basis over the lease term, with depreciation for the Year amounting to approximately RMB967,000 (2025: approximately RMB997,000).

Inventories

As at 30 June 2026, the Group's inventories totaled approximately RMB122,097,000 (2025: approximately RMB84,222,000), reflecting a 45.0% increase, primarily driven by growing operational scale.

Trade and Other Receivables

As at 30 June 2026, the Group's trade and other receivables totaled approximately RMB293,128,000, representing a decrease of 4.1% from approximately RMB305,721,000 as at 30 June 2025. This reduction was primarily attributable to a decline in the balance of trade receivables (net of allowance for doubtful debts) by approximately RMB25,687,000, driven by more efficient collections, as well as a decrease in prepayment and other deposit by approximately RMB5,459,000.

Trade and Other Payables

As at 30 June 2026, the Group's trade and other payables amounted to approximately RMB142,924,000, a increase of approximately 25.3% compared to approximately RMB114,023,000 as at 30 June 2025. The overall increase was primarily attributable to an increase in other payables.

Borrowings

As at 30 June 2026, the Group's outstanding borrowings totaled approximately RMB186,874,000, compared to approximately RMB159,578,000 as at 30 June 2025. The approximately RMB186,874,000 loan outstanding as at 30 June 2026, denominated in RMB from banks, fixed interest rates ranging from 2.1% to 4.3% per annum and is due to mature within one year (2025: RMB159,578,000 loan with interest rates of 2.2% to 4.3% per annum). Land and buildings, leasehold improvements, and plant and machinery with a total carrying amount of approximately RMB42,751,000 were pledged to secure the borrowings as at 30 June 2026 (2025: approximately RMB44,708,000).

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 30 June 2026 and 30 June 2025, the Company's authorised share capital was approximately RMB724,843,000 (HK\$800,000,000), divided into 4,000,000,000 Shares with a par value of HK\$0.2 each, and the issued share capital was approximately RMB391,760,000 (HK\$431,600,000), divided into 2,158,000,000 Shares.

During the Year, the Group financed its operations by (i) cash flow from operating activities; and (ii) borrowings from banks.

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

The Group had not used any financial instruments for hedging purposes for the Year and had no plans for material investments or capital assets in the coming Year.

The Group had net current assets of approximately RMB145,522,000 as at 30 June 2026 as compared with approximately RMB159,039,000 as at 30 June 2025. The current ratio (i.e. current assets divided by current liabilities) was approximately 1.44 times as at 30 June 2026, compared with that of approximately 1.56 times as at 30 June 2025.

As at 30 June 2026, the Group had a balance of RMB186,874,000 borrowings from banks to finance the Group's working capital and capital expenditures (30 June 2025: approximately RMB159,578,000).

During the Year, the Group recorded a net cash inflow from operating activities of approximately RMB9,298,000. This was primarily driven by a loss before taxation of approximately RMB23,975,000, adjusted for interest income of approximately RMB206,000, a impairment loss on property, plant and equipment of approximately RMB23,357,000, reversal of impairment loss on trade receivables of approximately RMB1,517,000, a impairment loss on other receivable of approximately RMB3,639,000, a net loss on disposal of property, plant, and equipment of approximately RMB34,000, finance costs of approximately RMB4,988,000, and depreciation of approximately RMB8,598,000. Working capital changes included an increase in trade and other payables of approximately RMB21,068,000 and an increase in inventories of approximately RMB37,875,000, offset by an increase in trade and other receivables of approximately RMB13,381,000. During the Year, the Group paid income tax of approximately RMB1,752,000.

Net cash outflow of approximately RMB18,290,000 was from investing activities for the Year, mainly caused by the payment for purchase of property, plant and equipment of approximately RMB18,529,000, partly offset by interest received of approximately RMB206,000.

Net cash inflow of approximately RMB21,649,000 from financing activities for the Year mainly resulted from the new borrowing from a bank of approximately RMB201,874,000, partly offset by repayment of borrowings of approximately RMB174,265,000. Bank deposits and cash balances as at 30 June 2026 amounted to approximately RMB62,410,000, which was mainly denominated in Renminbi and HK dollars (30 June 2025: approximately RMB51,649,000).

The gearing ratio (i.e. total borrowings divided by total equity) as at 30 June 2026 was approximately 82.8% while it was approximately 63.4% as at 30 June 2025. Current portion of borrowings accounted for approximately 33.5% and 29.8% of the total assets of the Group as at 30 June 2026 and 30 June 2025, respectively.

FOREIGN EXCHANGE EXPOSURES

As most of the Group's monetary assets and liabilities are denominated in RMB, US dollars and HK dollars and those currencies remained relatively stable during the Year, the Group was not exposed to any significant foreign exchange risk. In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk. As the impact from foreign exchange exposure was minimal, the Directors were of the view that no hedging against foreign currency exposure was necessary.

CHARGE ON GROUP ASSETS

As at 30 June 2026, land and buildings, leasehold improvements as well as plant and machinery of the Group with a total carrying value of approximately RMB42,751,000 were pledged to banks for securing financing facilities granted to the Group (30 June 2025: approximately RMB44,708,000).

CONTINGENT LIABILITIES

Writs of summons against the Company

On 29 March 2012, writs of summons were issued by Capital Wealth Finance Company Limited and Capital Wealth Corporation Limited against the Company to claim a sum of HK\$15,500,000 plus relevant legal costs incurred/to be incurred. The Company intends to contest the claim. In the Directors' opinion, the ultimate liability, if any, will not have a material impact on the Group's financial position.

Claims against the Company

On 14 April 2021, the Company received two writs of summons under action numbers HCA 548 of 2020 and HCA 213 of 2021 issued in the High Court of Hong Kong (the “**HK High Court**”) by the solicitors acting for plaintiffs against the Company (as defendant). The plaintiffs alleged that the Company had been indebted to them pursuant to convertible notes (principal amount of HK\$90,000,000 in aggregate) and a promissory note (principal amount of HK\$300,000,000) issued in May 2011 by the Company (the “**Claims**”).

After seeking professional advice from the legal advisor, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquires, the Board believes that the claimants are attempting to cause harm to the interests of the Company through the use of legal proceedings. Accordingly, the Company will strenuously defend the Claims in compliance with applicable laws and regulations, reserve the right to counterclaim against the claimants, and use its best endeavours to safeguard the overall interests of the Shareholders. In the Directors' opinion, the Claims, if any, will not have a material impact on the Group's financial position. Details of the Claims were set out in the announcements of the Company dated 14 April and 6 May 2021, respectively.

In the considered opinion of the Directors, acting in their capacity as officers of the Company, the Debt Claims, should they proceed, will not have a material adverse effect on the Group's financial position as defined under applicable accounting standards.

In the Directors' opinion, the Debt Claims, if any, will not have a material impact on the Group's financial position.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30 June 2026, the Group had a total of 325 employees (30 June 2025: 300), the vast majority of whom were in the PRC and seven Directors. Total staff costs, including Directors' emoluments for the Year were approximately RMB59,909,000 (Year 2025: approximately RMB38,840,000), including retirement benefits cost of approximately RMB8,825,000 (Year 2025: approximately RMB4,577,000). Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis. The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of its products and services.

The Share Option Scheme was approved and adopted by the Shareholders at the extraordinary general meeting of the Company held on 2 February 2026. The Board considers that the Share Option Scheme will incentivise more persons/entities to contribute positively to the Group, and facilitate the retention and the recruitment of high-calibre staff of the Group. In 28 May 2025, 215,800,000 Share Options were granted to ten grantees, with an exercise price of HK\$0.5 per Share. For details, please refer to the Company's announcement dated 28 May 2025.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Except as disclosed herein, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the Year and did not have any significant investments held as at 30 June 2026.

CAPITAL COMMITMENTS

The Group had no significant capital commitments outstanding at 30 June 2026 and 30 June 2025.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2025: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties affecting the Group are set out as below:

Global Economic and Macro-Economic Conditions

The impact of economic conditions on market price and customers' confidence would affect the revenues and results of the Group. The economic growth or decline in the Group's geographical markets that affect customers' demand would also affect the Group's business. The Group continues to implement its strategies to develop and explore in different markets, thereby reducing its dependency on specific markets.

Investment Risk

To balance the risk and return across investment types is a key consideration of investment framework. Risk assessment is one of important aspects of the investment decision process. Management would regularly review and monitor the progress of the investments of the Group and submit to the Board for further strategic adjustments.

Customers' Credit Risk

The maximum exposure to credit risk by the Group, which will cause a financial loss due to failure to discharge an obligation by the counterparties, arises from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the Group has policies in place to determine credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Liquidity Risk

In managing the liquidity risk, the Group monitors and maintains sufficient reserves of cash and cash equivalents deemed adequate by management to support the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with the relevant loan covenants.

Financial Risk

The Group's major financial instruments include available-for-sale investments, trade and other receivables, cash and bank balances, trade and other payables and bank borrowings. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

Compliance Risk

The Board monitors and ensures that the Group is in compliance with the applicable laws, rules, regulations and codes. The Group engages professionals from time to time to keep abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also implements a strict control in prohibiting any unauthorised use or dissemination of confidential or inside information.

OUTLOOK

During the Year, against a backdrop of cyclical fluctuations and structural divergence in the industry, the Group's business segments experienced varying development trajectories. The markets in which the carbon steel and stainless steel businesses operated faced pressure on overall volumes and intensifying competition. The Company proactively pushed ahead with product mix adjustments and accelerated its shift towards high-end niche scenarios such as computing power support, liquid cooling and heat dissipation, and industrial fluids, capturing structural growth opportunities in the existing market. The piped potable water business entered a favourable policy window and, leveraging its multi-model solutions and a three-pronged channel network spanning home decoration, commercial decoration and foreign trade, achieved dual breakthroughs in application scenarios and customer structure, while further consolidating its business foundation. As a strategic emerging business that the Group focuses on cultivating, the phase change energy storage business has completed product refinement, customer reserves development and pilot project validation, leveraging its strengths in core material technology and ecosystem partnerships. Conditions for commercialisation are increasingly mature, and growth momentum is gathering pace.

Looking ahead, centred around the strategy of “improving quality and efficiency in mature core businesses, and boosting revenue and expanding volume in emerging segments”, the Group will continuously optimise resource allocation and drive synergistic development across all segments. The carbon steel and stainless steel businesses will adhere to the direction of high-end and differentiated upgrades, continuing to deepen their presence in the aforementioned high-end niche scenarios to consolidate first-mover advantages. The piped potable water business will seize policy opportunities in schools, public infrastructure, urban renewal and other areas to further expand market coverage, and fully unlock the synergies between its multi-model solutions and multi-dimensional piping networks. The phase change energy storage business will fully accelerate commercialisation, leveraging its large-scale manufacturing and ecosystem synergy advantages to continue enhancing its standardised product system and integrated delivery capabilities, drive the conversion of its four core application areas from pilot demonstrations into large-scale orders, expanding market coverage through the replication of benchmark projects, and build a scalable and sustainable commercial return model.

The synergy and coordination between mature core businesses and emerging segments will provide strong support for the Group's steady development, and will also make positive contributions to achieving the “dual carbon” goals and green and sustainable development.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (Year 2025: nil). No dividend was paid during the Year (Year 2025: nil).

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

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

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. The Board is of the view that, for the Year, the Company complied with the code provisions on the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

During the Year, the Company made further progress with its corporate governance practices, designation of Mr. Lau Kwok Hung, an independent non-executive director, as the Lead Independent Non-executive Director on 12 February 2026. Please refer to the Company's announcement dated 12 February 2026 for details.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors confirmed that they had fully complied with the required standards set out in the Model Code and there is no event of non-compliance during the Year and up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2026 which would materially affect the Group's operating and financial performance as at the date of this announcement.

REVIEW OF AUDIT COMMITTEE

The Company has set up the Audit Committee with written terms of reference in compliance with the CG Code, which are available on the respective websites of the Company and the Stock Exchange. It is primarily responsible for reviewing the Group's financial reporting, risk management, internal controls and making relevant recommendations to the Board. The Audit Committee currently comprises three INEDs, namely Mr. Lau Kwok Hung (as the chairman of the committee), Mr. Du Ling and Mr. Lu Jianping.

The annual results of the Group for the Year have been reviewed by the Audit Committee.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated results and related notes to the consolidated financial statements for the Year as set out in this announcement have been agreed by the Group's independent auditor, CCTH CPA Limited ("CCTH"). The work performed by CCTH 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 CCTH on this announcement.

PUBLICATION OF RESULTS AND REPORT

This results announcement for the Year is available for viewing on the respective websites of the Stock Exchange at www.hkex.com.hk and the Company at www.hctechgp.com. The annual report of the Company for the Year will be dispatched to the Shareholders by the end of October 2026, and will be made available for viewing at the aforesaid websites.

By order of the Board
Huiyuan Cowins Technology Group Limited
Ip Yun Kit
Chairman and Executive Director

Hong Kong, 29 September 2026

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ip Yun Kit (Chairman), Ms. Zhang Yana (Chief Financial Officer) and Mr. Cheung Ka Yue; one Non-Executive Director, namely Mr. Shiu Ka Fai BBS, JP; and three Independent Non-Executive Directors, namely Mr. Lau Kwok Hung, Mr. Lu Jianping and Mr. Du Ning.