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UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED

環球實業科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1026)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2026

HIGHLIGHTS OF THE YEAR

- Revenue for the year ended 30 June 2026 amounted to HK\$315.86 million (Eighteen months ended 30 June 2025: HK\$451.30 million). For reference only, on a time-apportioned basis, the corresponding revenue for the last fiscal period would be approximately HK\$300.87 million ($\text{HK\$451.30 million} \times 12/18$), and the revenue for the year increased by approximately HK\$14.99 million or 5% compared with such basis. Such increase was mainly due to the increase in revenue of the Group's water supply business and rental income.
- Net loss attributable to shareholders of the Company for the year ended 30 June 2026 was HK\$159.14 million (Eighteen months ended 30 June 2025: HK\$161.36 million). For reference only, on a time-apportioned basis, the corresponding net loss attributable to shareholders of the Company for the last fiscal period would be approximately HK\$107.57 million ($\text{HK\$161.36 million} \times 12/18$), and the net loss attributable to shareholders of the Company for the year increased by approximately HK\$51.57 million compared with such basis. The increase in loss was mainly due to the increase in provision of cost of sales of the Group's water supply and related business, impairment loss on non-current assets, net impairment loss on deposits and receivables, changes in fair value of investment properties and the operating costs and administrative expenses.
- Basic and diluted loss per share for the year ended 30 June 2026 amounted to 2.92 HK cents (Eighteen months ended 30 June 2025: 2.93 HK cents) and 2.92 HK cents (Eighteen months ended 30 June 2025: 2.93 HK cents), respectively.
- The Board of Directors does not recommend the payment of any final dividend for the year ended 30 June 2026 (Eighteen months ended 30 June 2025: HK\$Nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

		For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
	Notes		
Revenue	4	315,857	451,301
Cost of revenue		<u>(323,018)</u>	<u>(478,064)</u>
Gross loss		(7,161)	(26,763)
Other income and gains, net	5	2,719	9,115
Impairment loss on non-current assets		(21,567)	–
Impairment loss on amount due from a joint venture		–	(13,865)
Net impairment loss on deposits and receivables		(30,920)	(10,651)
Changes in fair value of investment properties		(58,486)	(40,554)
General and administrative expenses		(91,749)	(112,915)
Share of loss of a joint venture		<u>(108)</u>	<u>(7,328)</u>
Loss from operations		(207,272)	(202,961)
Finance costs	6(a)	<u>(34,340)</u>	<u>(59,100)</u>
Loss before income tax	6(b)	(241,612)	(262,061)
Income tax (expense)/credit	8	<u>(4,585)</u>	<u>2,677</u>
Loss for the year/period		<u><u>(246,197)</u></u>	<u><u>(259,384)</u></u>
Attributable to: –			
Shareholders of the Company		(159,140)	(161,360)
Non-controlling interests		<u>(87,057)</u>	<u>(98,024)</u>
Loss for the year/period		<u><u>(246,197)</u></u>	<u><u>(259,384)</u></u>
Loss per share (in cents)	9		
– Basic		(2.92)	(2.93)
– Diluted		<u>(2.92)</u>	<u>(2.93)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
Loss for the year/period	<u>(246,197)</u>	<u>(259,384)</u>
Other comprehensive income/(loss):–		
Items that may be reclassified subsequently to profit or loss:–		
Exchange differences arising on translation of financial statements of overseas operations	879	(19,871)
Share of other comprehensive loss of a joint venture	<u>(650)</u>	<u>–</u>
Other comprehensive income/(loss) for the year/period	<u>229</u>	<u>(19,871)</u>
Total comprehensive loss for the year/period	<u><u>(245,968)</u></u>	<u><u>(279,255)</u></u>
Total comprehensive loss attributable to:–		
Shareholders of the Company	(140,212)	(179,278)
Non-controlling interests	<u>(105,756)</u>	<u>(99,977)</u>
	<u><u>(245,968)</u></u>	<u><u>(279,255)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

		30 June 2026 <i>HK\$'000</i>	30 June 2025 <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		269,921	292,275
Investment properties		520,242	562,360
Right-of-use assets		50,620	55,839
Interest in a joint venture		221,965	210,692
Intangible assets		9,112	55,464
Goodwill		–	–
Statutory deposits for financial service business		400	400
Deposits paid for acquisition of investment properties		249,642	154,609
Deposit paid for acquisition of a subsidiary		–	25,768
Deferred tax assets		42,921	36,496
		<u>1,364,823</u>	<u>1,393,903</u>
CURRENT ASSETS			
Properties under development		–	21,863
Properties held for sale		24,324	–
Inventories		2,137	3,896
Debtors	10	47,628	40,849
Deposits, prepayments and other receivables		62,881	128,852
Restricted bank deposits		137,839	–
Pledged time deposits		–	82,084
Fixed deposits		29,067	59,067
Cash and bank balances		60,279	172,624
		<u>364,155</u>	<u>509,235</u>

		30 June 2026 HK\$'000	30 June 2025 HK\$'000
	<i>Notes</i>		
DEDUCT:			
CURRENT LIABILITIES			
Trade payables	11	525,680	500,172
Payable to merchants		–	3,006
Deposits received, other payables and accruals		357,059	235,886
Contract liabilities		24,127	24,946
Lease liabilities		9,779	8,296
Bank borrowings		51,651	96,901
Tax payable		11,718	2,797
		<u>980,014</u>	<u>872,004</u>
NET CURRENT LIABILITIES		(615,859)	(362,769)
TOTAL ASSETS LESS CURRENT LIABILITIES		748,964	1,031,134
DEDUCT:			
NON-CURRENT LIABILITIES			
Bank borrowings		627,716	645,460
Lease liabilities		24,747	30,973
Deferred tax liabilities		13,323	24,910
		<u>665,786</u>	<u>701,343</u>
NET ASSETS		83,178	329,791
REPRESENTING:			
CAPITAL AND RESERVES			
Share capital		55,130	55,130
Reserves		419,492	560,349
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		474,622	615,479
NON-CONTROLLING INTERESTS		(391,444)	(285,688)
TOTAL EQUITY		83,178	329,791

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 27 March 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room A & B2, 11/F, Guangdong Investment Tower, No. 148 Connaught Road Central, Sheung Wan, Hong Kong.

Pursuant to the reorganisation to rationalise the structure of the Company and its subsidiaries (collectively, the “Group”) in the preparation for the listing of the Company’s shares on GEM operated by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in October 2001, the Company became the holding company of the companies now comprising the Group. The shares of the Company were listed on GEM on 26 October 2001.

On 22 June 2010, the listing of shares of the Company was transferred to the Main Board of the Stock Exchange.

These consolidated financial statements are presented in thousands of units of Hong Kong dollar (HK\$’000), unless otherwise stated.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied to HKAS 21 and HKFRS 1 Lack of Exchangeability of HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 July 2025 for the preparation of the Group’s consolidated financial statements.

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

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

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
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HK Int 5-Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKAS 28	Fair Value Option for Investments in Associates and Joint Ventures ³

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

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

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

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance presented in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group’s statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group may disclose certain MPMs in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the financial statements.
- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

In addition, the consolidated financial statements comply with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the disclosure requirements of the Hong Kong Companies Ordinance.

(b) Change of financial year end date

Pursuant to a resolution of the board (the “**Board**”) of directors (the “**Directors**”) of the Company passed on 30 December 2024, the Company’s financial year end date was changed from 31 December to 30 June to enable the Group to rationalise and mobilise its resources with higher efficiency in planning and executing its financial reporting and audit timetable, to avoid competition of resources with other listed companies with regard to audit services in the peak financial reporting season in the market, and to remove the workflow pressure due to Chinese New Year public holidays for the preparation of results announcement as well as annual report. Accordingly, the comparative figures cover a 18-month period from 1 January 2024 to 30 June 2025, which may not be comparable with amounts shown for the current period. The current financial period covers a 12-month period from 1 July 2025 to 30 June 2026.

(c) Going concern

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing the Group’s ability to continue as a going concern. The Group incurred a gross loss and a net loss of approximately HK\$7,161,000 and HK\$246,197,000 for the year ended 30 June 2026 and, as of that date, the Group’s net current liabilities amounted to approximately HK\$615,859,000 while its cash and bank balances, fixed deposits and restricted bank deposits amounted to approximately HK\$54,796,000, HK\$29,067,000 and HK\$137,839,000 respectively. In addition, as at 30 June 2026: (i) the Group had trade payables of approximately HK\$525,680,000, included in trade payables with carrying amounts of approximately HK\$114,860,000 in respect of which the Group has failed to repay the overdue balance and legal actions were commenced against the Group for the estimated balance of approximately HK\$387,852,000 and (ii) included in deposits received, other payable and accruals with carrying amounts of approximately HK\$13,407,000 was compensation payable as a result of civil judgments from the Intermediate People’s Court of Qingyuan, Guangdong Province, regarding previous disputes in cost of water supply.

The following plans and measures are formulated to mitigate the Group’s liquidity risk and improve the Group’s financial position:

- As at 30 June 2026, the Group had unutilised banking facilities of approximately RMB389,300,000. Given the Group maintained strong business relationship with its bankers and based on past experiences, the directors expect that the Group is able to renew all the banking facilities when they expire.
- The Group will continue to enhance its liquidity and operating cash flows for the next twelve months through the negotiation with the supplier with the view to resolving the disputes and settling the outstanding amounts relating to the ongoing litigation.
- The Group will take proactive measures to reduce administrative and operating costs.
- On 5 June 2026, the Company and Shenzhen Huanye Universal Technologies Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (as supplemented by a supplemental agreement dated 4 August 2026) with Dongguan Hongshun Shaohe Development Co., Ltd. (“**Hongshun Shaohe**”) and Qinghui Properties Limited. Hongshun Shaohe holds 51% equity interests in Qinghui Properties Limited and is wholly and beneficially owned by Ms. Zhu Fenglian, an executive Director and a substantial shareholder of the Company, and her spouse. According to the sales and purchase agreement, the Group will dispose of its entire 49% equity interests in Qinghui Properties Limited (“**Qinghui**”, together with its subsidiaries, the “**Qinghui Group**”) for a cash consideration of RMB8,500,000 (equivalent to approximately HK\$9,800,000) (the “**Disposal**”). The Disposal was approved by the independent shareholders of the Company at the extraordinary general meeting held on 29 September 2026. As at the date of this announcement, the Disposal is expected to take place by mid-October 2026.

The Directors have reviewed the Group's cash flow forecasts prepared by management of the Group which cover a period of not less than twelve months from the date of this announcement. Taking into account of the Disposal which would have been completed and the plans and measures as described above, the Directors are of the opinion that the Group will have sufficient working capital to maintain its operations and to meet its financial obligations as and when they fall due for at least twelve months from the date of this announcement. The Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, the Disposal remains subject to completion and the execution of the plans and measures by the Group is in preliminary stage or in progress and no written contractual agreements or other documentary supporting evidence from the relevant banks and supplier that are available as at the date of the consolidated financial statements were approved and authorised for issue for alleviating the going concern assessment, material uncertainty exists as to whether the Group can (i) complete the disposal; (ii) successfully negotiating with bank to renew banking facilities when they expire; (iii) successfully negotiating with supplier with the view to resolving the disputes and settling the outstanding amounts relating to the ongoing litigation; and (iv) successfully implementing costs controls.

Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify its non-current liabilities as current liabilities with consideration of the contractual terms or to make provision for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

4. REVENUE

The Group is principally engaged in investment holding, properties investment and development, building management, provision of water supply and related services and financial services. Revenue for the year represents revenue recognised from rental and building management service income, water supply and related services income and financial services income. Disaggregation of revenue from contracts with customers and other sources by service lines is as follows:–

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
Provision of water supply and related services		
Water supply and related services income	266,667	398,390
Construction services of infrastructure under concession arrangement (<i>note</i>)	17,868	17,309
Provision of financial services		
Interest income from securities margin financing	1	2
Service fee income	53	23
Commission and brokerage income	12	175
Advisory income	200	85
Placement income	–	22
Revenue from operating leases		
Rental and building management service income	31,056	35,295
	315,857	451,301

Note:

The amount represents revenue recognised during the construction stage of the service concession period. During the year ended 30 June 2026, no change of estimation (eighteen months ended 30 June 2025: Nil) was made when the Group finalised the construction costs with sub-contractors. All construction services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Disaggregation of revenue from contracts with customers and other sources by the timing of revenue recognition and by geographic markets is disclosed in Note 7.

5. OTHER INCOME AND GAINS, NET

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
(a) Other income		
Interest on bank deposits	2,069	8,002
Interest on loans receivable	11,165	7,604
Other interest income	—	9,329
	<u>13,234</u>	<u>24,935</u>
(b) Other (losses)/gains, net		
Compensation loss	(20,503)	(33,769)
Exchange (loss)/gain, net	(137)	15,880
Loss on written-off property, plant and equipment	(46)	—
Loss on disposal of investment property	(81)	—
Written-back of payable to merchants	3,006	—
Recovery of bad debts written off	6,695	—
Others	551	2,069
	<u>(10,515)</u>	<u>(15,820)</u>
Net	<u>2,719</u>	<u>9,115</u>

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):—

(a) Finance costs

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
Interest on bank loans	32,125	57,654
Less: interest capitalised		
included in property, plant and equipment		
and other intangible assets (<i>note</i>)	(97)	(163)
Interest on lease liabilities	2,117	1,319
Others	195	290
	<u>34,340</u>	<u>59,100</u>

Note: The capitalisation rate was 4.03% for the year ended 30 June 2026 (eighteen months ended 30 June 2025: 4.03%).

(b) Other items

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
Auditors' remuneration		
– Audit services	1,301	1,250
– Non-audit services	1,550	980
	2,851	2,230
Cost of inventories recognised in profit or loss	5,839	9,330
Staff costs (including directors' remuneration)		
– Salaries and other benefits	50,273	69,389
– Pension scheme contributions	8,040	10,665
	58,313	80,054
Depreciation of property, plant and equipment	29,687	54,838
Depreciation of right-of-use assets (excluding prepaid land lease premium)	10,006	8,170
Impairment loss on non-current assets	21,567	–
Impairment loss on debtors	2,775	749
Impairment loss on other receivables	1,956	4,109
Impairment loss on deposits paid	26,189	5,793
Amortisation of intangible assets	65,095	83,158
Amortisation of prepaid land lease premium	730	815
Loss on written-off property, plant and equipment	46	–
Gain on disposal of property, plant and equipment	–	(1)
Loss on disposal of investment properties	81	–
Loss on termination of lease	–	71
Rental income less direct outgoings of approximately HK\$15,067,000 (eighteen months ended 30 June 2025: HK\$15,645,000)	(15,989)	(21,091)

7. SEGMENT REPORTING

The Chief Operating Decision Maker (“**CODM**”) has been identified as the key management. This key management reviews the Group’s internal reporting in order to assess performance and allocate resources.

The Group has presented the following reportable segments.

(a) **Water supply and related services**

This segment is engaged in supply of tap water to various districts of Qingyuan City, Guangdong Province. The water supply business currently operates three water treatment plants, two of which source raw water from local river sources and one purchases clean water from government-designated water plant.

(b) **Properties investment and development**

This segment is engaged in development, leasing and management of land, commercial and residential properties. Currently the Group’s activities in this regard are carried out in the PRC and overseas.

(c) **Financial services**

This segment is engaged in provision of corporate finance advisory, asset management, securities brokerage services and margin financing.

“Others” refers to the supporting units of Hong Kong operation and the net results of other subsidiaries in Hong Kong and overseas. These “other” operating units have not been aggregated to form a reportable segment.

The key management assesses the performance of the segments based on the results, assets and liabilities attributable to each reportable segment on the following basis:–

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.

Segment assets and liabilities excluded deferred tax assets, deferred tax liabilities and other corporate assets and liabilities.

The measure used for reporting segment profit is “adjusted EBIT”, i.e. “adjusted earnings before interest and taxes”, where “interest” is regarded as including investment income. To arrive at adjusted EBIT, the Group’s earnings are further adjusted for items not specifically attributed to individual segments such as other head office or corporate administration costs.

(a) Segments results, assets and liabilities

The following tables present the information for the Group's reporting segments for the year ended 30 June 2026 and the eighteen months ended 30 June 2025:–

	Reportable Segments									
	Water supply and related services		Properties investment and development		Financial services		Others		Consolidated	
	For the	Eighteen	For the	Eighteen	For the	Eighteen	For the	Eighteen	For the	Eighteen
	year ended	months ended	year ended	months ended	year ended	months ended	year ended	months ended	year ended	months ended
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Disaggregated by timing of revenue recognition										
Point in time	236,806	351,374	–	–	65	305	–	–	236,871	351,679
Over time	47,729	64,325	31,056	35,295	201	2	–	–	78,986	99,622
Reportable segment revenue	<u>284,535</u>	<u>415,699</u>	<u>31,056</u>	<u>35,295</u>	<u>266</u>	<u>307</u>	<u>–</u>	<u>–</u>	<u>315,857</u>	<u>451,301</u>
Reportable segment (loss)/profit	(93,705)	(127,953)	18,159	45,830	(4,643)	(6,885)	(18,195)	(49,774)	(98,384)	(138,782)
Interest on bank deposits									2,069	8,002
Government subsidy									124	217
Changes in fair value of investment properties	–	–	(58,486)	(40,554)	–	–	–	–	(58,486)	(40,554)
Impairment loss on non-current assets	(21,567)	–	–	–	–	–	–	–	(21,567)	–
Net impairment loss on deposits and receivables	(3,134)	(596)	(27,786)	(10,055)	–	–	–	–	(30,920)	(10,651)
Impairment loss on amount due from a joint venture	–	–	–	(13,865)	–	–	–	–	–	(13,865)
Share of loss of a joint venture									(108)	(7,328)
Finance costs									(34,340)	(59,100)
Loss before income tax									(241,612)	(262,061)
Income tax (expense)/credit									(4,585)	2,677
Loss for the year/period									<u>(246,197)</u>	<u>(259,384)</u>
Depreciation for the year/period	<u>28,132</u>	<u>54,047</u>	<u>9,313</u>	<u>4,314</u>	<u>17</u>	<u>54</u>	<u>2,231</u>	<u>4,593</u>	<u>39,693</u>	<u>63,008</u>
Amortisation	<u>65,325</u>	<u>83,503</u>	<u>500</u>	<u>470</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>65,825</u>	<u>83,973</u>
Capital expenditure incurred during the year/period	<u>26,015</u>	<u>41,258</u>	<u>7,360</u>	<u>228</u>	<u>–</u>	<u>6</u>	<u>3</u>	<u>235</u>	<u>33,378</u>	<u>41,727</u>

	Reportable Segments									
	Water supply and related services		Properties investment and development		Financial services		Others		Consolidated	
	For the	Eighteen	For the	Eighteen	For the	Eighteen	For the	Eighteen	For the	Eighteen
	year ended	months	year ended	months	year ended	months	year ended	months	year ended	months
	30 June	ended	30 June	ended	30 June	ended	30 June	ended	30 June	ended
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest in a joint venture	-	-	221,965	210,692	-	-	-	-	221,965	210,692
Reportable segment assets	499,480	477,528	1,109,279	1,205,345	22,628	21,159	54,670	162,610	1,686,057	1,866,642
Unallocated assets									42,921	36,496
Total assets									1,728,978	1,903,138
Reportable segment liabilities	798,392	1,162,696	802,128	363,214	5,747	4,002	14,492	15,728	1,620,759	1,545,640
Unallocated liabilities									25,041	27,707
Total liabilities									1,645,800	1,573,347

There was no revenue arising from transactions with any customers which was individually more than 10 percent of the Group's revenue in the year ended 30 June 2026 and eighteen months ended 30 June 2025.

(b) Geographical information

	PRC		Hong Kong		Consolidated	
	For the	Eighteen	For the	Eighteen	For the	Eighteen
	year ended	months	year ended	months	year ended	months
	30 June	ended	30 June	ended	30 June	ended
	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue	315,591	450,994	266	307	315,857	451,301
	At	At	At	At	At	At
	30 June	30 June	30 June	30 June	30 June	30 June
	2026	2025	2026	2025	2026	2025
Non-current assets	1,317,224	1,352,454	4,678	4,953	1,321,902	1,357,407

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets (excluding deferred tax assets) is based on the physical location of the assets, in the case of property, plant and equipment, investment properties, right-of-use assets and prepaid land lease premium, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operation, in the case of interest in a joint venture, deposits paid and statutory deposits for financial service business.

8. INCOME TAX EXPENSE/(CREDIT)

(a) The income tax expense/(credit) represents the sum of the current tax and deferred tax and is made up as follows:–

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
Current tax:		
Current year/period	3,685	6,168
Under-provision in respect of previous years	<u>17,849</u>	<u>20,050</u>
	21,534	26,218
Deferred taxation	<u>(16,949)</u>	<u>(28,895)</u>
	<u>4,585</u>	<u>(2,677)</u>

(b) No provision for Hong Kong Profits Tax has been provided as the Company and its subsidiaries operating in Hong Kong have no estimated assessable profits or have sufficient tax losses brought forward to set off against current year's assessable profit for the year ended 30 June 2026 and for the eighteen months ended 30 June 2025.

No provision for Australia Corporate Income Tax have been provided as the Company's subsidiaries operating in Australia have no estimated assessable profits for the year ended 30 June 2026 and for the eighteen months ended 30 June 2025.

The Company's subsidiaries operating in the PRC are subject to Enterprise Income Tax at 25% for the year ended 30 June 2026 (eighteen months ended 30 June 2025: 25%).

Certain entities operating in the PRC that have taxable income of not more than RMB3 million, the quarterly average of total assets does not exceed RMB50 million as well as the quarterly average number of employees does not exceed 300 are qualified as small and micro enterprises for the year ended 30 June 2026 and for the eighteen months 30 June 2025. For the first RMB1 million taxable income, 25% of its first RMB1 million taxable income would be taxed at a reduced rate of 20%. For the portion over first RMB1 million and up to RMB3 million, only 25% of the taxable income would be taxed at a reduced EIT rate of 20% from 1 January 2023 to 31 December 2027.

9. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year/period is based on the following data:–

	For the year ended 30 June 2026 HK\$'000	Eighteen months ended 30 June 2025 HK\$'000
Loss		
Loss for the year/period attributable to shareholders of the Company	<u>(159,140)</u>	<u>(161,360)</u>
	For the year ended 30 June 2026	Eighteen months ended 30 June 2025
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of calculation of basic loss per share	<u>5,458,144,247</u>	<u>5,484,358,647</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share was derived after deducting the shares held by the trustee for the Share Award Scheme of the Company.

The diluted loss per share is equal to the basic loss per share for the year ended 30 June 2026 and eighteen months ended 30 June 2025 as there was no dilutive potential ordinary share in issue.

10. DEBTORS

	At 30 June 2026 HK\$'000	At 30 June 2025 HK\$'000
Trade debtors arising from water supply and related services and rental receivables	53,706	44,136
Less: loss allowance	<u>(6,110)</u>	<u>(3,321)</u>
	<u>47,596</u>	<u>40,815</u>
Trade receivables arising from the ordinary course of business of dealing in securities		
Cash clients	74	76
Less: loss allowance	<u>(42)</u>	<u>(42)</u>
	<u>32</u>	<u>34</u>
	<u>47,628</u>	<u>40,849</u>

An aging analysis of debtors arising from water supply and related services and rental receivables, based on invoice date and net of loss allowance on debtors, is set out below:-

	At 30 June 2026 HK\$'000	At 30 June 2025 HK\$'000
0 – 6 months	47,244	40,756
7 – 12 months	12	45
1 – 2 years	340	14
	<u>47,596</u>	<u>40,815</u>

All trade debtors from cash clients are not past due at the end of reporting periods. No detailed aged analysis is disclosed for trade debtors arising from dealing in securities as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of securities dealing business.

11. TRADE PAYABLES

	At 30 June 2026 HK\$'000	At 30 June 2025 HK\$'000
Trade payables arising from water supply and related services	520,201	496,424
Trade payables arising from the ordinary course of business of dealing in securities		
Cash clients	3,309	3,207
Margin clients	2,170	541
	<u>525,680</u>	<u>500,172</u>

An aging analysis of trade payables arising from water supply and related services based on date of water supply and invoice date is set out below:-

	At 30 June 2026 HK\$'000	At 30 June 2025 HK\$'000
0 – 12 months	136,021	126,705
Over one year	384,180	369,719
	<u>520,201</u>	<u>496,424</u>

The normal settlement terms of trade payables arising from dealing in securities are two days after trade days. Accounts payable to margin clients are repayable on demand.

In the opinion of the directors of the Company, the aging analysis of trade payables arising from dealing in securities is not disclosed as this does not give additional value in view of the nature of securities dealing business.

12. DIVIDENDS

The directors of the Company do not recommend or declare the payment of any dividend in respect of the year ended 30 June 2026 (eighteen months ended 30 June 2025: Nil).

13. EVENT AFTER REPORTING PERIOD

On 5 June 2026, the Company, Shenzhen Huanye Universal Technologies Limited (“**Huanye**”), an indirect wholly-owned subsidiary of the Company, Dongguan Hongshun Shaohe Development Co., Ltd. (the “**Purchaser**”) and Qinghui Properties Limited (the “**Target Company**”) entered into the sale and purchase agreement, pursuant to which Huanye conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 49% equity in the Target Company for the consideration of RMB8,500,000 (equivalent to approximately HK\$9,800,000). Prior to the Disposal, the Target Company was owned as to 49% by Huanye and as to 51% by the Purchaser. The Purchaser is wholly, ultimately and beneficially owned by Ms. Zhu Fenglian and her spouse. Ms. Zhu Fenglian is an executive Director and a substantial Shareholder deemed to be interested in 1,561,140,000 Shares (representing approximately 28.32% of the issued share capital of the Company).

The Disposal was subsequently approved by the independent shareholders of the Company on 29 September 2026 and is expected to be completed by mid-October 2026. Details of the transaction were set out in the Company’s announcements dated 5 June 2026, 4 August 2026 and 29 September 2026, and the circular dated 25 August 2026.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3(c) to the consolidated financial statements which indicates that the Group incurred a gross loss and a net loss of approximately HK\$7,161,000 and HK\$246,197,000 for the year ended 30 June 2026 and, as of that date, the Group's net current liabilities amounted to approximately HK\$615,859,000 while its cash and bank balances, fixed deposits and restricted bank deposits amounted to approximately HK\$54,796,000, HK\$29,067,000 and HK\$137,839,000 respectively. In addition, as at 30 June 2026: (i) the Group had trade payables of approximately HK\$525,680,000, included in trade payables with carrying amounts of approximately HK\$114,860,000 in respect of which the Group has failed to repay the overdue balance and legal actions were commenced against the Group for the estimated balances of approximately HK\$387,852,000 and (ii) included in deposit received, other payables and accruals with carrying amounts of approximately HK\$13,407,000 was compensation payable as a result of civil judgments from the Intermediate People's Court of Qingyuan, Guangdong Province, regarding previous disputes in cost of water supply. These events or conditions, along with other matters as set forth in Note 3(c) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Revenue and loss attributable to shareholders of the Company for the Year

During the year ended 30 June 2026, the Group recorded a revenue of approximately HK\$315,857,000 (Eighteen months ended 30 June 2025: approximately HK\$451,301,000). For reference only, on a time-apportioned basis, the corresponding revenue for the last fiscal period would be approximately HK\$300,867,000 ($\text{HK\$451,301,000} \times 12/18$), and the revenue for the year increased by approximately HK\$14,990,000 compared with such basis. The increase in revenue was mainly due to the increase in revenue of the Group's water supply business and rental income from the Group's commercial properties in China. The net loss attributable to shareholders of the Company for the year ended 30 June 2026 was approximately HK\$159,140,000 (Eighteen months ended 30 June 2025: approximately HK\$161,360,000). For reference only, on a time-apportioned basis, the corresponding net loss attributable to shareholders of the Company for the last fiscal period would be approximately HK\$107,573,000 ($\text{HK\$161,360,000} \times 12/18$), and the net loss attributable to shareholders of the Company for the year increased by approximately HK\$51,567,000 compared with such basis. The increase in loss was mainly due to the increase in provision of cost of sales of the Group's water supply and related business, impairment loss on non-current assets, net impairment loss on deposits and receivables, changes in fair value of investment properties and the operating costs and administrative expenses.

Cost of revenue

During the year ended 30 June 2026, the Group recorded a cost of revenue in the amount of approximately HK\$323,018,000, representing a decrease of approximately HK\$155,046,000 as compared to the last fiscal period. For reference only, on a time-apportioned basis, the corresponding cost of revenue for the last fiscal period would be approximately HK\$318,709,000 ($\text{HK\$478,064,000} \times 12/18$), and the cost of revenue for the year increased by approximately HK\$4,309,000 compared with such basis. The increase in cost of revenue rendered was mainly attributable to the increase in provision of cost of revenue rendered of the Group's businesses of water supply and related services and property investment and development business.

Impairment loss on non-current assets

During the year ended 30 June 2026, the Group recorded impairment loss on non-current assets of HK\$21,567,000, representing an increase of HK\$21,567,000 as compared with the last fiscal period. The increase was mainly attributable to the Group's water supply and related business.

Impairment loss on amount due from a joint venture

During the year ended 30 June 2026, the Group recorded impairment loss on amount due from a joint venture of HK\$Nil, representing a decrease of HK\$13,865,000 as compared with the last fiscal period. The decrease was mainly attributable to the Group's property investment and development business.

Net impairment loss on deposits and receivables

During the year ended 30 June 2026, the Group recorded a net impairment loss on deposits and receivables of HK\$30,920,000, representing an increase of HK\$20,269,000 as compared with the last fiscal period. The increase in net impairment loss was primarily due to the impairment loss recognised on the loans receivable from independent third parties and deposits paid during the current fiscal year.

Other income and gains, net

Other income and gains, net consist of interest income on bank deposits and loans receivable, exchange losses, compensation loss and other miscellaneous income. During the year ended 30 June 2026, the Group recorded other income and gains, net of HK\$2,719,000 representing a decrease of HK\$6,396,000 as compared with the last fiscal period. For reference only, on a time-apportioned basis, the corresponding other income and gains, net for the last fiscal period would be approximately HK\$6,076,000 ($\text{HK\$9,115,000} \times 12/18$), and the other income and gains, net for the year decreased by approximately HK\$3,357,000 compared with such basis. The decrease was mainly due to a decrease in the interest income from banks and other gains.

Changes in fair value of investment properties

During the year ended 30 June 2026, the Group recorded a fair value loss of HK\$58,486,000 on investment properties, representing an increase of a fair value loss of HK\$17,932,000 on investment properties as compared with the last fiscal period. The fair value of investment properties was affected by the economy and properties market of the PRC.

General and administrative expenses

During the year ended 30 June 2026, the Group recorded general and administrative expenses of HK\$91,749,000, representing a decrease of 18.75% as compared with the last fiscal period. For reference only, on a time-apportioned basis, the corresponding general and administrative expenses for the last fiscal period would be approximately HK\$75,277,000 ($\text{HK\$112,915,000} \times 12/18$), and the general and administrative expenses for the year increased by approximately HK\$16,472,000 compared with such basis. During the current fiscal year, general and administrative expenses increased in terms of staff costs, exchange loss and other expenses.

Share of loss of a joint venture

During the year ended 30 June 2026, the Group recorded a share of loss of a joint venture of HK\$108,000, representing a decrease of HK\$7,220,000 as compared with the last fiscal period. It was mainly attributable to decrease in loss from a joint venture during the current fiscal year.

Finance costs

During the year ended 30 June 2026, the Group recorded finance costs of HK\$34,340,000, representing a decrease of 41.90% as compared with the last fiscal period. For reference only, on a time-apportioned basis, the corresponding finance costs for the last fiscal period would be approximately HK\$39,400,000 ($\text{HK\$59,100,000} \times 12/18$), and finance costs decreased by approximately HK\$5,060,000 compared with such basis, which was mainly due to the partial repayment of bank loans by the Group during the current fiscal year.

Income tax (expense)/credit

During the year ended 30 June 2026, the Group recorded an income tax expenses of HK\$4,585,000, representing an increase of 271.27% as compared with the last fiscal period. For reference only, on a time-apportioned basis, the corresponding an income tax credit for the last fiscal period would be approximately HK\$1,785,000 (HK\$2,677,000 x 12/18), and an income tax expense increased by approximately HK\$6,370,000 compared with such basis. It was mainly due to increase in taxable income of the Group's water supply and related business during the current fiscal year.

Property, plant and equipment

The Group's property, plant and equipment decreased by HK\$22,354,000 from HK\$292,275,000 as at 30 June 2025 to HK\$269,921,000 as at 30 June 2026. The decrease was mainly due to (i) the increase in impairment loss on non-current assets; and (ii) depreciation for the current fiscal period.

Investment properties

The Group's investment properties decreased by HK\$42,118,000 from HK\$562,360,000 as at 30 June 2025 to HK\$520,242,000 as at 30 June 2026. It was mainly attributable to (i) change in fair value of investment properties of the properties investment and development business; and (ii) the Group disposed of an investment property during the current fiscal year.

Right-of-use assets

The Group's right-of-use assets decreased by HK\$5,219,000 from HK\$55,839,000 as at 30 June 2025 to HK\$50,620,000 as at 30 June 2026. The decrease was mainly due to depreciation for the current fiscal period.

Interest in a joint venture

The Group's interest in a joint venture increased by HK\$11,273,000 from HK\$210,692,000 as at 30 June 2025 to HK\$221,965,000 as at 30 June 2026. It was mainly attributable to the increase in the Group's RMB-denominated assets resulted from the depreciation of RMB against the functional currency of the Group.

Intangible assets

The Group's intangible assets decreased by HK\$46,352,000 from HK\$55,464,000 as at 30 June 2025 to HK\$9,112,000 as at 30 June 2026. The decrease was mainly due to the amortisation for the current fiscal year.

Deposit paid for acquisition of a subsidiary

The Group's deposit paid for acquisition of a subsidiary decreased by HK\$25,768,000 from HK\$25,768,000 as at 30 June 2025 to HK\$Nil as at 30 June 2026. The decrease was attributable to the refund of the deposit during the current fiscal year.

Deposits paid for acquisition of investment properties

The Group's deposits paid for acquisition of investment properties increased by HK\$95,033,000 from HK\$154,609,000 as at 30 June 2025 to HK\$249,642,000 as at 30 June 2026. The increase was mainly attributable to the additions on the deposits paid for acquisition of investment properties being recognised during the current fiscal year.

Inventories

The Group's inventories decreased by HK\$1,759,000 from HK\$3,896,000 as at 30 June 2025 to HK\$2,137,000 as at 30 June 2026. The decrease was mainly due to the decrease in purchase of material for water supply and related business for the current fiscal year.

Properties under development

The Group's properties under development decreased by HK\$21,863,000 from HK\$21,863,000 as at 30 June 2025 to HK\$nil as at 30 June 2026. The decrease was attributable to the reclassification to properties held for sale during the current fiscal year.

Debtors

The Group's debtors increased by HK\$6,779,000 or 16.6% from HK\$40,849,000 as at 30 June 2025 to HK\$47,628,000 as at 30 June 2026. The increase in debtors was attributable to the increase in revenue for water supply and related business for the current fiscal year.

Deposits, prepayments and other receivables

Deposits, prepayments and other receivables consist of utilities and other deposits, prepayments, interest receivable, other tax receivables of water supply business and other receivables from independent third parties.

The Group's deposits, prepayments and other receivables decreased by HK\$65,971,000 from HK\$128,852,000 as at 30 June 2025 to HK\$62,881,000 as at 30 June 2026. The decrease was attributable to the repayment of the loans receivable from independent third parties for water supply business. These receivables are unsecured and interest-bearing at the rate range from 4.85% to 5.9% per annum.

Cash and bank balances and fixed deposits

The Group's cash and bank balances and fixed deposits decreased by HK\$142,345,000 from HK\$231,691,000 as at 30 June 2025 to HK\$89,346,000 as at 30 June 2026. As at 30 June 2026, 50% (30 June 2025: 84%) of cash and bank balances was denominated in RMB.

Pledged time deposits

The Group's pledged time deposits decreased by HK\$82,084,000 from HK\$82,084,000 as at 30 June 2025 to HK\$nil as at 30 June 2026. The pledged time deposits was denominated in USD and was used to guarantee the Group's bank loan. The decrease in pledged time deposits was due to the repayment of bank loan during the current fiscal year.

Bank borrowings

The Group's bank borrowings decreased by HK\$62,994,000 from HK\$742,361,000 as at 30 June 2025 to HK\$679,367,000 as at 30 June 2026. The decrease was mainly attributable to the repayment of bank loans during the current fiscal year.

Trade payables

The Group's trade payables increased by HK\$25,508,000 from HK\$500,172,000 as at 30 June 2025 to HK\$525,680,000 as at 30 June 2026. The increase in trade payables was due to increase in provision of costs of water supply pending the resolution of disputes and litigations as more particularly set out in the section headed "Litigation" of this announcement.

Payable to merchants

The Group's payable to merchants decreased by HK\$3,006,000 from HK\$3,006,000 as at 30 June 2025 to HK\$nil as at 30 June 2026. The decrease was mainly attributable to the write-back of payable to merchants during the current fiscal year.

Deposits received, other payables and accruals

Deposits received, other payables and accruals consist of rental and other deposits received, accruals, construction fee payable, other tax payable and amount due to independent third parties of the water supply business. These amounts are unsecured and interest free.

The Group's deposits received, other payables and accruals increased by HK\$121,173,000 from HK\$235,886,000 as at 30 June 2025 to HK\$357,059,000 as at 30 June 2026. The increase was mainly attributable to (i) the increase in construction fee payable resulted from the undertaking of more construction projects by the Group's water supply business; and (ii) the longer settlement period during the current fiscal year.

Contract liabilities

The Group's contract liabilities decreased by HK\$819,000 from HK\$24,946,000 as at 30 June 2025 to HK\$24,127,000 as at 30 June 2026. The decrease was mainly due to the decrease in contract income of the Group's water supply and related business for the current fiscal year.

Lease liabilities

The Group's lease liabilities decreased by HK\$4,743,000 from HK\$39,269,000 as at 30 June 2025 to HK\$34,526,000 as at 30 June 2026. The decrease was in line with the decrease in right-of-use assets.

Tax payable

The Group's tax payable increased by HK\$8,921,000 from HK\$2,797,000 as at 30 June 2025 to HK\$11,718,000 as at 30 June 2026. The increase was in line with the turning from income tax expense for the last year to income tax expense for the current fiscal year.

BUSINESS REVIEW AND PROSPECTS

Business Review

For the year ended 30 June 2026 (the “**Year**”), the Group was primarily engaged in the business of water supply and related services, property investment and development, and financial services. Revenue from the principal business amounted to approximately HK\$315,857,000 (Eighteen months ended 30 June 2025 (the “**2024/25 Period**”): approximately HK\$451,301,000), representing a decrease of 30.01% or approximately HK\$135,444,000. Water supply and related business (including water quality inspection, water pipe repairs and maintenance, water meter maintenance and replacement and other related services) recorded a revenue of approximately HK\$284,535,000, representing a decrease of 31.55% or approximately HK\$131,164,000 as compared with the revenue of approximately HK\$415,699,000 for the last fiscal period. The last fiscal period covered eighteen months, while the Year covers only twelve months. The corresponding revenue for the twelve months of the last fiscal period would be approximately HK\$277,133,000 ($415,699,000 \times 12/18$), as the result of a rough calculation based on solely the length of the period. Accordingly, revenue for the Year increased by approximately HK\$7,402,000 as compared to such comparable twelve-month period, mainly due to the increase in water supply related installation, construction and maintenance income during the Year.

The property investment and development business of the Group mainly comprises the rental operation of the Group's commercial properties in Guangzhou. During the Year, the property investment and development segment of the Group recorded a revenue of approximately HK\$31,056,000 (2024/25 Period: approximately HK\$35,295,000), representing a decrease of approximately HK\$4,239,000. For reference only, on a time-apportioned basis, the corresponding revenue for the last fiscal period would be approximately HK\$23,530,000 ($35,295,000 \times 12/18$). Accordingly, revenue for the Year increased by approximately HK\$7,526,000 compared with such basis. The increase in rental income was driven by a resurgence in market recovery and improved consumer sentiment, leading to heightened foot traffic and a lower vacancy rate in shopping malls.

The financial services business of the Group mainly comprises the provision of corporate finance advisory, asset management, margin financing and stockbroking services. During the Year, the financial services segment of the Group recorded revenue of approximately HK\$266,000 (2024/25 Period: approximately HK\$307,000), representing a decrease of approximately HK\$41,000 or 13.36%. The decrease in revenue of the financial service business was due to absence of placing commissions and similar income and a decrease in commission and brokerage income, resulting from the poor performance of the Hong Kong stock market during the Year.

The net loss attributable to shareholders of the Company for the Year recorded by the Group was approximately HK\$159,140,000 (2024/25 Period: approximately HK\$161,360,000), representing a decrease of approximately HK\$2,220,000 or 1.38% as compared with the 2024/25 Period. Such decrease was partially attributable to the difference in the length of the period, as the last fiscal period covered eighteen months, while the Year covers only twelve months. The corresponding loss for the last fiscal period would be approximately HK\$107,573,000 ($161,360,000 \times 12/18$), as the result of a rough calculation on a comparable twelve-month basis. Accordingly, loss for the Year increased by approximately HK\$51,567,000 as compared with such comparable basis. The increase in the Group's loss for the Year is mainly attributable to increase in provision of cost of sales for the Group's water supply and related business, net impairment loss on non-current assets, deposits and receivables, changes in fair value of investment properties and the operating costs and administrative expenses.

During the Year, the Group was committed to maintain its competitiveness while emphasising the continuous improvement of its corporate governance standards. The Group maintain strict corporate governance standards and procedures for the purpose of ensuring transparent decision-making process and clear accountability. The Group enhanced its overall operational efficiency through effective management systems and prudent allocation of resources, with the aim of maximizing the value of investment for its shareholders and promoting sustainable development of the Group.

As for talent development, the Group believes that the knowledge, experience and expertise of employees is an important cornerstone in the long-term sustainability of the Group. The Group is committed to providing systematic training and clear career paths for employees to help them develop their potentials, skills and sense of belonging to the Group. Moreover, incentive programs are provided to motivate and retain talents, so as to ensure stable human resources and competitiveness, thus supporting the long-term operation and continuing development of the Group.

PROSPECTS

Since March 2020, the company has ceased the water intake from Qixinggang Water Plant and has commenced the water intake from the water plant designated by the government. As the water costs imposed by the water plant designated by the government were much higher than the Group's own production costs, the business had been suffering from severe loss-making. Several claims have been filed against the company by the government-designated water plant for recovery of cost of water supply. In June 2026, the Company announced the disposal of 49% equity interest in Qinghui Properties Limited. Completion of the disposal is expected to take place by mid-October 2026, resulting in gain from the disposal to be recorded is expected to amount to approximately HK\$308 million. Upon completion of the disposal, negative impact from relevant risk of litigation and expensive water costs would be eliminated, and relevant trade payables and current liability would cease to be consolidated into the consolidated financial statements, which would significantly improve the Group's net assets and net current assets position.

Looking ahead to the year ending 30 June 2027, the global economic growth is expected to face low growth and high uncertainty. Various factors including geopolitics, divergence in monetary policies and trade protectionism will continue to impact business environment. The Group will closely monitor the changing situation, maintain a prudent attitude as well as regularly evaluate its business strategies. The Group will strengthen risk management and implement cost control measures. As for financial management, the Group will seek external financing as appropriate and consider the possibility of asset disposals to alleviate the liquidity and improve the Group's overall operational and financial position.

Meanwhile, the Group will continue to focus on its property investment and development business as its stable source of income and endeavour to improve asset operational efficiency and return levels. The Group will also strive to explore promising property projects in the PRC and overseas and identify potential and new businesses and investment opportunities to spread its risks and expand its revenue sources, so as to diversify the Group's business, strengthen its core business, thereby achieving sustainable growth amidst uncertain macroeconomic environment and creating long-term value for shareholders.

EMPLOYEES

As at 30 June 2026, the total number of employees of the Group was 414 (30 June 2025: 412). The remuneration of the employees (including directors) were determined according to their performance and work experience. In addition to basic salaries, discretionary bonus, award shares and share options may be granted to eligible employee by reference to the Group's performance as well as the individual's performance. The Group also provides social security benefits to its staff such as Mandatory Provident Fund Scheme in Hong Kong and the central pension scheme in the PRC.

The Company would like to thank its staff for their continual dedication and contribution.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Major Disposal and Connected Transaction in relation to the disposal of 49% of the Equity Interest in Qinghui Properties Limited (the "Disposal")

On 5 June 2026, the Company, Shenzhen Huanye Universal Technologies Limited ("**Huanye**"), an indirect wholly-owned subsidiary of the Company, Dongguan Hongshun Shaohe Development Co., Ltd. (the "**Purchaser**") and Qinghui Properties Limited (the "**Target Company**") entered into the Sale and Purchase Agreement, pursuant to which Huanye conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 49% equity in the Target Company for the Consideration of RMB8.5 million (equivalent to approximately HK\$9.8 million). Prior to the Disposal, the Target Company was owned as to 49% by Huanye and as to 51% by the Purchaser. The Purchaser is wholly, ultimately and beneficially owned by Ms. Zhu and her spouse. Ms. Zhu is an executive Director and a substantial Shareholder deemed to be interested in 1,561,140,000 Shares (representing approximately 28.32% of the issued share capital of the Company). The Purchaser is therefore considered as a connected person of the Company. The Disposal constitutes a major disposal and a connected transaction for the Company and is subject to reporting, announcement, circular, and Independent Shareholders' approval requirements under of the Listing Rules. The Disposal was subsequently approved by the independent shareholders of the Company on 29 September 2026 and is expected to be completed by mid-October 2026. Details of the transaction were set out in the Company's announcements dated 5 June 2026, 4 August 2026 and 29 September 2026, and the circular dated 25 August 2026.

Discloseable Transaction Relating to the Payment of Earnest Money for the Possible Acquisition of Certain Property Interest in the PRC

On 1 August 2025, Huanye (an indirect wholly-owned subsidiary of the Company) entered into a framework agreement (the “**Framework Agreement**”) with Guangzhou Jincheng Real Estate Development Co., Ltd. (“**Jincheng**”), pursuant to which Huanye (or another subsidiary of the Company as Huanye may nominate) proposed to acquire the retail and commercial properties with gross floor area of approximately 8,900 sq.m located at Basement One (entire), Level One (portion), Level Four (portion including the mezzanine), Level Five (portion) and Level Six (portion) of a commercial complex known as Dongshan Jinxuan Modern Mall, which is situated at Nos. 4 and 6 Nonglinxia Road, Yuexiu District, Guangzhou, the PRC (the “**Premises**”) for the indicative consideration (subject to contract) of not more than RMB260 million (HK\$285.71 million), which is intended to be settled by cash, promissory notes, equity, convertible securities or a combination of them. Under the terms of the Framework Agreement, Huanye shall pay to Jincheng (or as Jincheng shall instruct) a refundable earnest money of RMB100 million (HK\$109.89 million) (the “**Earnest Money**”) on the signing of the Framework Agreement. Details of the Framework Agreement were set out in the Company’s announcement dated 1 August 2025.

Discloseable Transaction Relating to the Leasing of Premises in Guangzhou, China

On 31 December 2024, General Office, Guangdong Provincial Committee of the Communist Party of China (as landlord) and Guangzhou Hengxin Yuxuan Industrial Development Limited (as tenant), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the “**Lease Agreement**”) in respect of the leasing of the Premises. The leasing of the Premises was for a term of 5 years commencing on 1 January 2025 with the first six months being rent-free period. The monthly rent for the first year (after the rent-free period) is RMB686,712 (HK\$730,675), and thereafter subject to 3% annual increment for the second to fifth years.

In accordance with HKFRS 16, the entering into and performance of the Lease Agreement will result in the Group having to recognize a right-of-use asset in relation to the Premises in its consolidated statement of financial position, which is measured at the present value of the total rent payable, plus costs, and discounted by borrowing rate. The value of such right-of-use asset expected to be recognized by the Company as a result of the lease of the Premises under the Lease Agreement is expected to be approximately RMB33,822,000 (equivalent to approximately HK\$36,561,000).

The entering into of the Lease Agreement is deemed to be an acquisition of right-of-use asset. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Lease Agreement are more than 5% but less than 25%, the entering into of the Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Further details of the discloseable transaction were set out in the Company’s announcement dated 6 January 2025.

Discloseable Transaction Relating to the Payment of Earnest Money for the Possible Acquisition of Certain Property Interest in the PRC

On 5 June 2023, the Company entered into the non-legally binding memorandum of understanding (the “**MOU**”) with Dongguan Zhaoyu Real Estate Co., Ltd. (“**Zhaoyu**”) and Qingyuan Xuhong Industrial Co., Ltd. (“**Xuhong**”), pursuant to which the Company (or a subsidiary nominated by it) proposed to acquire a controlling stake in the equity interest (and corresponding shareholder’s loan, if any) in Xuhong (or a newly established holding company for the target properties situated at Qingyuan City, Guangdong Province, the PRC) for the indicative consideration (subject to contract) of not less than RMB300 million (HK\$334.34 million), which is intended to be settled by cash, promissory notes, equity, convertible securities or a combination of them. Under the terms of the MOU, the Company has paid to Zhaoyu (or as it may instruct) a refundable earnest money of RMB150 million (HK\$167.17 million). Details of the MOU were set out in the Company’s announcement dated 5 June 2023.

Save as disclosed in this announcement, the Group did not have any other significant investments, acquisitions and disposals for the year ended 30 June 2026.

CHARGES ON GROUP’S ASSETS

The Group’s bank loans at 30 June 2026 were secured by:

- i. charges over a land use right under service concession arrangement with aggregate carrying amounts of RMB198,000 (equivalent to approximately HK\$229,000);
- ii. charges over the investment properties with carrying amounts of RMB435,727,000 (equivalent to approximately HK\$503,271,000);
- iii. pledge of trade receivables with a carrying amount of RMB40,831,000 (equivalent to approximately HK\$47,160,000);
- iv. pledge of 100% equity interest in Qingyuan Water Supply Development Company Limited;
- v. pledge of 100% equity interest in Qingyuan Qingxin District Taihe Water Company Limited;
- vi. pledge of 100% equity interest in Guangzhou Hengxin Yuxuan Industrial Development Limited;
- vii. guarantee by Guangzhou Yicheng Investment Holdings Limited and Qingyuan Qingxin District Huike Properties Company Limited, all being subsidiaries of the Group;
- viii. guarantee by Dongguan New Century Science and Education Development Limited, Ms. Zhu and her spouse; and
- ix. guarantee by the non-controlling shareholders of subsidiaries and its business associate.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had capital expenditure contracted but not provided for in respect of property, plant and equipment in the amount of approximately HK\$4,390,000 as at 30 June 2026.

The Board considers that the Group's existing financial resources are sufficient to fulfill its current commitments and working capital requirements, and the Group should be able to fund its foreseeable expenditures through cash flows from operations. Save for the said capital commitments and the possible acquisitions as detailed above, there was no other future plan for material investments or capital assets for the Year. If the Group launches any massive scale of expansion, development, investment or acquisition, additional debt or equity financing may be required. The Company will only consider raising additional debt or equity to finance its expansion, development, investment or acquisition if it is in the best interests of the Company and its shareholders to do so. When negotiating the terms of the said possible acquisitions, the Company would consider settling the acquisition consideration partly or fully by debt or equity. Up to the date of this announcement, no legally binding agreement has been entered into in respect of any of the said acquisitions. Further announcement(s) will be made as and when any disclosure obligation is triggered by material development of these acquisitions.

CURRENCY RISK

The Group's core businesses are mainly transacted and settled in Renminbi ("RMB"), the majority of assets and liabilities are denominated in Renminbi and Hong Kong dollar ("HK\$") and the pledged time deposits was denominated in USD. There are no significant assets and liabilities denominated in other currencies. During the Year, the Group did not enter into any arrangements to hedge its foreign currency exposure. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group.

The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments contracted but not provided for in the amount of approximately HK\$4,390,000 (30 June 2025: approximately HK\$12,386,000) comprising acquisition of property, plant and equipment which being in connection with the capital expenditures of the Group's water supply and related business.

DISCLOSURE OF CHANGES IN DIRECTOR'S INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

Pursuant to Rule 13.51B of the Listing Rules, the changes in the information of the Directors subsequent to the date of the 2024/25 Annual Report are as follows:

1. Ms. Zhu Fenglian, an executive Director, has been appointed as a member of the nomination committee of the Company with effect from 1 July 2025.
2. Mr. David Tsoi resigned as an independent non-executive director of Everbright Grand China Assets Limited (stock code: 3699) with effect from 19 November 2025, and retired as an independent non-executive director, chairman of Audit Committee and member of the Nomination Committee and Remuneration Committee of the Company with effect from 31 December 2025.
3. Mr. Chai Chung Wai has been appointed as an independent non-executive Director, the chairman of the audit committee of the Company, and a member of the remuneration committee and the nomination committee of the Company with effect from 31 March 2026. Mr. Chai resigned as an independent non-executive Director of Shifang Holding Limited (a company listed on the Stock Exchange with stock code: 1831) with effect from 22 May 2026.

LITIGATION

The followings are the litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group:

Reference is made to the Company's announcement dated 3 March 2020 (the "**Cessation Notice Announcement**") regarding the Cessation Notice issued by the Bureau on the cessation of water intake of Qixinggang Water Plant operated by WSD Company (a subsidiary of the Group) and the commencement of full water intake from the Government-designated Water Plant, and the previous financial reports of the Company. Unless the context otherwise requires, capitalized terms in this section shall have the same meanings as defined in the Cessation Notice Announcement and the previous financial reports of the Company.

As disclosed in the Cessation Notice Announcement and the previous results announcements and financial reports of the Company, since October 2020, WSD Company received various writs of civil claim from the Government-designated Water Plant alleging to claim against WSD Company the "cost of water supply" for various time periods. WSD Company has now received civil judgments from the Intermediate People's Court of Qingyuan, Guangdong Province (the "**Qingyuan Court**"), ordering WSD Company to pay water charges, plus overdue interest calculated at the rate of 1-year term loan market quoted interest rate, litigation and related charges (collectively, the "**Ancillary Charges**"), to the Government-designated Water Plant. Up to the date hereof, WSD Company received six writs of civil claims from the Government-designated Water Plant for total alleged water costs of approximately RMB628.3 million, plus total alleged Ancillary Charges of approximately RMB48 million, of which approximately RMB261.7 million was already settled. For the sake of prudence, the Group had already made provisions, principally reflected in its trade payables (as regards the alleged water costs) and other

payable (as regards the Ancillary Costs) since the issue of the Cessation Notice, on the basis of its own estimation of the costs of water supply, pending the resolution of the relevant disputes and litigations (the “**Disputes and Litigations**”) with (inter alia) the Government-designated Water Plant. Such estimations are adjusted from time to time in accordance with the water quantity and judgments rendered by the Qingyuan Court. Certain bank accounts of WSD Company were frozen as a result of the Disputes and Litigations with Government-designated Water Plant.

Apart from seeking legal advice to uphold its position in the Disputes and Litigations, the Group was also in negotiation with the Government-designated Water Plant with the view to exploring the possibility of reaching an amicable resolution of the Disputes and Litigations. However, as disclosed in the Company’s announcement dated 30 June 2026, such negotiation was still ongoing and no binding agreement has been concluded or reached with the counterparty at this stage.

As disclosed in the Company’s circular dated 25 August 2026 in relation to the Disposal, the Disputes and Litigations are solely related to WSD Company, and the Group excluding the Disposal Group (the “**Remaining Group**”) has not provided any guarantee to the Target Group. As no member of the Remaining Group is a party to the Disputes and Litigations, it is the Directors’ view that the Remaining Group will be released from further litigation risks with the Government-designated Water Plant upon Completion of the Disposal, which is expected to take place in October 2026.

DIVIDENDS

The directors of the Company do not recommend or declare the payment of any dividend in respect of the year ended 30 June 2026 (eighteen months ended 30 June 2025: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Company will give further notice of the forthcoming annual general meeting of the Company, which is currently expected to be held on or before 31 December 2026, and the relevant book close arrangements for the purposes of determining the eligibility to attend and vote at the Annual General Meeting.

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

During the year ended 30 June 2026, the trustee of the Share Award Scheme purchased on the Stock Exchange a total of 4,780,000 shares of the Company at an aggregate consideration of approximately HK\$645,000 for the purpose of the Share Award Scheme. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and provisions as set out in the Code on Corporate Governance Practices as set out in Appendix C1 of the Listing Rules (the “**CG Code**”). The Company has complied with the applicable Code Provisions of the CG Code save for the deviation mentioned below:

During the Year, Mr. Chen Jinyang has been acting as an Executive Director, the chairman of the Board as well as the chief executive officer of the Company. This arrangement deviates from Code Provision C.2.1 of the CG Code, which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Directors are of the opinion that the current arrangement will enable stronger leadership for managing the Company and will carry out effective and efficient management and solid business and strategic planning. The Directors believe that the current arrangement does not have a material adverse impact on the corporate governance of the Company.

The Board will carry out a regular review and propose any amendments, if necessary, to ensure compliance with the CG Code provisions as set out in the Listing Rules.

NON-COMPLIANCE OF THE LISTING RULES

Mr. David Tsoi retired as an independent non-executive director, chairman of Audit Committee and member of the Nomination Committee and Remuneration Committee of the Company with effect from 31 December 2025, as a result of which, (i) the number of independent non-executive directors (“**INEDs**”) has fallen short of the minimum requirement of three as prescribed under Rule 3.10(1) of the Listing Rules; (ii) the Board does not have at least one INED having appropriate professional qualifications or accounting or related financial management expertise (the “**INED with Financial Qualification**”) as required under Rule 3.10(2) of the Listing Rules; (iii) the number of Audit Committee members has fallen short of the minimum requirement of three as prescribed under Rule 3.21 of the Listing Rules; (iv) the Audit Committee does not have at least one INED with Financial Qualification as required under Rule 3.21 of the Listing Rules; (v) the chair of the Audit Committee is temporarily vacant, resulting in the Audit Committee not being chaired by an INED as required under Rule 3.21 of the Listing Rules; and (vi) the Nomination Committee does not comprise a majority of INEDs as required under Rule 3.27A of the Listing Rules.

The Company considers that the failure to meet the rule requirements above is temporary in nature. Following the appointment of Mr. Chai Chung Wai as an INED as at 31 March 2026, the Company has now re-complied with: (i) Rule 3.10(1) of the Listing Rules, having a minimum of three INEDs; (ii) Rule 3.10(2) of the Listing Rules, having at least one INED with Financial Qualification; (iii) Rule 3.21 of the Listing Rules, having a minimum of three Audit Committee members, at least one of whom being an INED with Financial Qualification, and having an INED acting as Audit Committee chairman; and (iv) Rule 3.27A of the Listing Rules, having a majority of INEDs as Nomination Committee members.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the above-mentioned required standards of dealings regarding Directors' securities transactions throughout the Year.

AUDIT COMMITTEE

The Company established the audit committee of the Board (the “**Audit Committee**” or the “**AC**”) in October 2001. The Board has confirmed that the terms of reference of the Audit Committee are in compliance with the CG Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process, internal control and risk management systems.

The Audit Committee currently comprises three Independent Non-Executive Directors, namely, Mr. Yeung Kin Chung Clifton, M.H., Mr. Chao Pao Shu George, and Mr. Chai Chung Wai. The chairman of the Audit Committee is Mr. Chai Chung Wai, who possesses recognised professional qualifications in accounting. No former partner of the Company's existing auditing firm acted as a member of the Audit Committee within two years from ceasing to be a partner or having any financial interest in the auditing firm.

The Audit Committee has reviewed the Group's consolidated financial statements for the Year, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal controls, risk management and financial reporting matters.

The terms of reference of the audit committee have been uploaded to the Company's website and the Stock Exchange's website.

SCOPE OF WORK OF AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2026 have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2026. The work performed by McMillan Woods in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This audited annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>) and the Company (<http://www.uth.com.hk>). The annual report of the Company for the year ended 30 June 2026 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company on or before 31 October 2026.

By Order of the Board
UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED
Chen Jinyang
Chairman and Chief Executive Officer

Hong Kong, 30 September 2026

As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors namely Mr. Chen Jinyang (Chairman and Chief Executive Officer), Ms. Zhu Fenglian and Mr. Xuan Zhensheng; one non-executive Director namely Mr. Chen Lang; and three independent non-executive Directors namely Mr. Yeung Kin Chung Clifton, M.H., Mr. Chao Pao Shu George and Mr. Chai Chung Wai.