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龍翼航空科技控股有限公司
MAJESTIC DRAGON AEROTECH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 918)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The board (the "**Board**") of directors (the "**Directors**") of Majestic Dragon AeroTech Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 September 2026 (the "**Reporting Period**") together with the comparative figures for the corresponding period in 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

		For the six months ended 30 September	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Revenue	*4*	**113,747**	75,764
Cost of sales		**(125,953)**	(48,460)
Gross (loss) profit		**(12,206)**	27,304
Other gains and losses	*5*	**40**	85
Other income	*5*	**(405)**	1,147
Selling and distribution expenses		**(2,485)**	(5,740)
Administrative expenses		**(22,749)**	(12,811)
Impairment loss on goodwill		**(845)**	—
Impairment losses under expected credit loss model, net of reversal		**(856)**	26
Fair value loss on investment properties	*14*	**(55)**	(4,026)
Operating (loss) profit		**(39,561)**	5,985
Finance costs	*6*	**(218)**	(54)
(Loss) profit before taxation	*7*	**(39,779)**	5,931
Income tax credit	*9*	**279**	591
(LOSS) PROFIT FOR THE PERIOD		**(39,500)**	6,522
Other comprehensive income for the period (net of tax)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**3,382**	2,558
Item that will not be reclassified to profit or loss:			
Gain (loss) on revaluation of land and building held for own use	*12*	**658**	(843)
Total comprehensive (expense) income for the period		**(35,460)**	8,237

		For the six months ended 30 September	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
(Loss) profit for the period attributable to:			
Owners of the Company		**(39,062)**	6,064
Non-controlling interests		**(438)**	458
		(39,500)	6,522
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(35,022)**	7,779
Non-controlling interests		**(438)**	458
		(35,460)	8,237
(Loss) profit per share attributable to owners of the Company			
— Basic and diluted (HK cents)		**(3.51)**	0.54

The accompanying notes are an integral part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

	Notes	**30 September 2026 (Unaudited) HK$'000**	31 March 2026 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*12*	**34,780**	36,008
Investment properties	*13*	**89,426**	88,638
Right-of-use assets	*12*	**—**	134
Goodwill	*14*	**13,563**	13,977
Other intangible assets	*14*	**21,150**	22,338
Prepayment for property, plant and equipment		**673**	652
Other receivables	*15*	**1,755**	2,278
		161,347	164,025
Current assets			
Inventories		**7,674**	68,671
Trade and other receivables	*15*	**169,863**	106,653
Tax recoverable		**104**	104
Financial assets at fair value through profit or loss		**624**	543
Bank balances and cash		**13,383**	7,588
		191,648	183,559
Total assets		**352,995**	347,584
Current liabilities			
Trade and other payables	*17*	**99,210**	65,483
Contract liabilities		**2,401**	3,230
Amount due to a director		**2,534**	2,662
Bank and other borrowings	18	**17,791**	9,375
Lease liabilities		**—**	136
		121,936	80,886
Net current assets		**69,712**	102,673
Total assets less current liabilities		**231,059**	266,698

	Notes	**30 September 2026 (Unaudited) HK$'000**	31 March 2026 (Audited) HK$'000
Non-current liabilities			
Rental deposits received	*17*	**131**	131
Deferred tax liabilities		**3,599**	3,778
		3,730	3,909
Net assets		**227,329**	262,789
EQUITY			
Equity attributable to the owners of the Company			
Share capital	*16*	**11,141**	11,141
Reserves		**215,530**	250,552
		226,671	261,693
Non-controlling interests		**658**	1,096
Total equity		**227,329**	262,789

The accompanying notes are an integral part of this condensed consolidated financial statements.

1. GENERAL INFORMATION

Majestic Dragon AeroTech Holdings Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares (the "**Share**") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of its registered office is Unit 13, 5th Floor, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries (the "**Group**") are wholesale of consumer products including timepieces and accessories and garment and sportswear products, the sale of unmanned aerial vehicles and related parts, provision of unmanned aerial training services and property investment.

The condensed consolidated financial statements were approved for issue by the board of directors of the Company (the "**Board**") on 23 November 2026.

The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") unless otherwise stated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The accounting policies adopted in preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2026, except for the adoption of amendments to the standards effective as of 1 April 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of amendments to the standards

Several amendments apply for the first time during the six months ended 30 September 2026, but do not have an impact on the condensed consolidated financial statements of the Group. Details of any changes in accounting policies are set out in Note 3.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2026.

3. ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRS that is first effective for the current accounting period of the Group:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

None of the above developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the wholesale of consumer products including timepieces and accessories ("**Watch Products**") and garment and sportswear products, property investment and sales of unmanned aerial vehicles and related parts. Revenue mainly represents the consideration of goods sold, rental income received and receivable and marketing services provided. An analysis of revenue is as follows:

Analysis of revenue

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15 – at point in time basis		
Sales of garment products	**65,303**	43,694
Sales of Watch Products	**41,714**	2,954
Sales of unmanned aerial vehicles and related parts	**5,374**	20,237
	112,391	66,885
– over time basis		
Provision of unmanned aircraft training services	**402**	7,840
	112,793	7,840
Revenue from other sources		
Rental income	**954**	1,039
	113,747	75,764

For the six months ended 30 September 2026 and 2025, the Group operates mainly in Hong Kong and Mainland China and in the following business segments:

i. Wholesale business: Wholesale of consumer products including timepieces and accessories and garment products to both local and overseas customers

   The Group satisfies its performance obligation upon delivery of the goods sold to the customers

ii. Property investment: Investing and letting of properties

iii. Unmanned aerial vehicles business: Sales of unmanned aerial vehicles and related parts and provision of unmanned aircraft training services

Segment profit or loss represents the profit or loss from each segment without allocation of corporate income, central administrative costs, finance costs and professional expenses which are for corporate use purpose.

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, goodwill, other intangible assets, inventories, financial assets at fair value through profit or loss, bank balances and cash, tax recoverables, trade receivables, deposits, prepayments and other receivables. They exclude assets used for corporate functions.

Segment liabilities consist primarily of trade payables, other payables and accrued charges, contract liabilities, bank and other borrowings, rental deposit received and lease liabilities. They exclude tax payable, deferred tax liabilities and liabilities used for corporate functions.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 September 2026 and 2025, respectively.

	For the six months ended 30 September 2026 (unaudited)			
	Wholesale business HK$'000	**Property investment HK$'000**	**Unmanned aerial vehicle business HK$'000**	**Total HK$'000**
Revenue	**107,017**	**954**	**5,776**	**113,747**
Segment operating loss	**(15,926)**	**(104)**	**(20,201)**	**(36,231)**
Unallocated corporate income				**7**
Unallocated corporate expenses				**(3,337)**
Operating loss				**(39,561)**
Finance costs				**(218)**
Loss before taxation				**(39,779)**
Income tax credit				**279**
Loss for the period				**(39,500)**

	For the six months ended 30 September 2025 (unaudited)			
	Wholesale business HK$'000	Property investment HK$'000	Unmanned aerial vehicle business HK$'000	Total HK$'000
Revenue	46,648	1,039	28,077	75,764
Segment operating profit (loss)	10,387	(3,446)	1,707	8,648
Unallocated corporate income				1,147
Unallocated corporate expenses				(3,810)
Operating profit				5,985
Finance costs				(54)
Profit before taxation				5,931
Income tax credit				591
Profit for the period				6,522

The following table presents asset and liability information for the Group's operating segments as at 30 September 2026 and 31 March 2026, respectively:

	As at 30 September 2026 (Unaudited)			
	Wholesale business	**Property investment**	**Unmanned aerial vehicle business**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Segment assets	**148,678**	**90,028**	**84,513**	**323,219**
Unallocated assets				**29,776**
Total assets				**352,995**
Segment liabilities	**89,414**	**836**	**28,989**	**119,239**
Unallocated liabilities				**2,828**
Deferred tax liabilities				**3,599**
Total liabilities				**125,666**

	As at 31 March 2026 (Audited)			
	Wholesale business	Property investment	Unmanned aerial vehicle business	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Segment assets	134,872	89,983	93,085	317,940
Unallocated assets				29,644
Total assets				347,584
Segment liabilities	56,037	273	20,751	77,061
Unallocated liabilities				3,956
Deferred tax liabilities				3,778
Total liabilities				84,795

By geographical segments:

	Revenue	
	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Africa	**65,303**	36,532
Hong Kong	**42,275**	10,827
Mainland China	**6,169**	28,405
	113,747	75,764

5. OTHER GAINS AND LOSSES AND OTHER INCOME

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Other gains and losses		
Increase (decrease) in fair value of financial assets at fair value through profit or loss	**81**	462
Net exchange (loss) gain	**(486)**	(377)
	(405)	85
Other income		
Bank interest income	**1**	7
Interest income from loans to third parties	**33**	159
Government grants	**—**	827
Sundry income	**6**	154
	40	1,147

6. FINANCE COSTS

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank and other borrowings	**216**	52
Interest on lease liabilities	**2**	2
	218	54

7. (LOSS) PROFIT BEFORE TAXATION

Profit (loss) before taxation is stated after charging the following:

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of inventories sold	**125,691**	48,227
Depreciation of property, plant and equipment	**2,261**	1,405
Depreciation of right-of-use-assets	**134**	130
Amortisation of other intangible asset	**1,859**	1,809
Legal and professional fees	**255**	533
Staff costs, including directors' emoluments (Note 8)	**5,571**	5,338

8. STAFF COSTS

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries, wages and other benefits (including directors' emoluments)	**4,694**	4,493
Retirement benefit costs	**877**	845
	5,571	5,338

9. INCOME TAX CREDIT

The subsidiary of the Company incorporated in Hong Kong is a qualifying entity under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of the other group entities in Hong Kong are taxed at a flat rate of 16.5%.

Under the Law of the Mainland China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods. Of the following subsidiary of the Company in the PRC, Shandong Longyi Aviation Technology Co., Ltd ("**Longyi**") was endorsed as High and New Technology Enterprises by relevant authorities in the PRC was charged income tax in the PRC at a reduced income tax rate of 15%.

The amount of taxation credited to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax		
– Mainland China on Enterprise Income Tax ("**EIT**")	**—**	—
Under provision in respect of prior years:		
– EIT	**—**	—
Deferred tax		
– Current period	**279**	591
Income tax credit	**279**	591

10. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on the following data:

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
(Loss) earnings attributable to owners of the Company	**(39,062)**	6,064

	Number of shares	
	'000	**'000**
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**1,114,069**	1,114,069

11. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2026, the Group acquired plant and equipment of approximately HK$177,000 (2025: approximately HK$1,721,000).

During the six months ended 30 September 2026, the Group did not enter into any (2025: one) new lease agreements and no additions of right-of-use assets. (2025: with additions of approximately HK$261,000 in right-of-use assets).

The valuation of a land and building held for own use carried at fair value was updated at 30 September 2026 by the directors of the Company using the same valuation techniques as were used by the Group's independent valuer when carrying out at 31 March 2026 valuations.

As a result of the update, a loss of approximately HK$658,000 (2025: gain of approximately HK$843,000) has been recognised in other comprehensive income for the period in respect of land and buildings held for own use.

13. INVESTMENT PROPERTIES

	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
At the beginning of the period/year	**88,638**	91,807
Changes in fair value included in profit or loss for the period/year	**(55)**	(4,681)
Exchange adjustment	**843**	1,512
At the end of the period/year	**89,426**	88,638

The valuation of investment properties carried at fair value were updated at 30 September 2026 by the directors of the Company using the same valuation techniques as were used by the Group's independent valuer when carrying out at 31 March 2026 valuations.

As a result of the update, a net loss of approximately HK$55,000 (2025: net loss of approximately HK$4,026,000) has been recognised in profit or loss for the period in respect of investment properties.

14. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Other intangible assets		
		Distribution right	Technical know-how	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Net book amount at 1 April 2025 (Audited)	13,193	—	24,603	24,603
Impairment loss recognised in profit or loss	—	—	—	—
Amortisation charge for the period	—	—	(3,627)	(3,627)
Exchange adjustment	784	—	1,362	1,362
Net book amount at 31 March 2026 (Audited)	**13,977**	**—**	**22,338**	**22,338**
Impairment loss recognised in profit or loss	**(845)**	**—**	**—**	**—**
Amortisation charge for the period	**—**	**—**	**(1,859)**	**(1,859)**
Exchange adjustment	**431**	**—**	**671**	**671**
Net book amount at 30 September 2026 (Unaudited)	**13,563**	**—**	**21,150**	**21,150**
At 30 September 2026 (Unaudited)				
Cost	**15,135**	**8,142**	**33,342**	**41,484**
Accumulated amortisation and impairment	**(1,572)**	**(8,142)**	**(12,192)**	**(20,334)**
Net book amount	**13,563**	**—**	**21,150**	**21,150**
At 31 March 2026 (Audited)				
Cost	14,673	8,142	32,277	40,419
Accumulated amortisation and impairment	(696)	(8,142)	(9,939)	(18,081)
Net book amount	13,977	—	22,338	22,338

15. TRADE AND OTHER RECEIVABLES

	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
Trade receivables		
– Contracts with customers	**241,645**	170,183
– Lease receivables	**6,629**	7,391
Less: Allowance for credit losses	**(91,280)**	(90,424)
Trade receivables, net	**156,994**	87,150
Deposits paid to suppliers	**5,731**	13,760
Other receivables, net	**2,719**	3,180
Prepayments	**5,692**	4,339
Rental, utility and sundry deposits	**482**	502
	14,624	21,781
Total trade and other receivables	**171,618**	108,931
Less: current portion	**169,863**	106,653
Non-current portion	**1,755**	2,278

At the end of the reporting period, the ageing analysis of trade receivables and lease receivables based on the invoice date and net of allowance for credit losses, is as follows:

	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
0-30 days	**45,242**	401
31-60 days	**95**	269
61-180 days	**56,336**	14,748
181-365 days	**13,603**	53,127
Over 1 year	**41,718**	18,605
	156,994	87,150

The trade receivables were denominated in United States Dollars ("**US$**"), HK$ and Renminbi ("**RMB**") (31 March 2025: US$, HK$, RMB and Taiwan New dollars).

The majority of the Group's sales to overseas customers are generally on open account of 120 to 150 days (31 March 2025: 120 to 150 days) from the date of invoice. The credit period granted to local customers is 30 to 90 days (31 March 2025: 30 to 90 days).

16. SHARE CAPITAL

	Number of shares	**Ordinary shares HK$'000**
Authorised:		
At 31 March 2026, 1 April 2026 and 30 September 2026		
Ordinary shares of HK$0.01 each	30,000,000,000	300,000
Issued and fully paid:		
At 31 March 2025, 31 March 2026,		
1 April 2026 (Audited) and 30 September 2026	1,114,069,159	11,141

17. TRADE AND OTHER PAYABLES

	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
Trade payables	**91,478**	55,705
Deposits received	**726**	273
Accrued expenses	**3,750**	4,561
Other tax payable	**1,533**	1,380
Other payables	**1,723**	3,695
Total trade and other payables	**99,210**	65,814
Less: Current portion	**99,210**	65,483
Non-current portion	**—**	131

At the end of the reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
0-30 days	**15,345**	433
31-90 days	**3,119**	610
91-180 days	**43,406**	12,975
Over 180 days	**29,608**	41,687
	91,478	55,705

All trade payables were mainly denominated in HK$, US$, and RMB (31 March 2026: HK$, US$, and RMB).

For purchases from overseas suppliers, trade payables are normally settled on terms of 30 to 60 days (31 March 2026: 30 to 60 days) from the date of bill of lading. For purchases from local suppliers, the credit period was 30 days (31 March 2026: 30 days).

18. BANK AND OTHER BORROWINGS

	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
Fixed rate and unsecured other borrowings, repayable within one year	**12,001**	3,770
Variable rate and unsecured bank borrowings, repayable within one year	**5,790**	5,605
	17,791	9,375

At 30 September 2026, the other borrowings denominated in RMB (31 March 2026: RMB) carry interest at the range of 3.0-5.0% (31 March 2026: 3.0%) per annum.

At 30 September 2026, the bank borrowings denominated in RMB (31 March 2026: RMB) carry interests at 1-year Loan Prime Rate per annum

19. CAPITAL COMMITMENTS

At 30 September 2026, the Group has no material capital commitments (31 March 2026: HK$Nil).

20. RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

	Six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**315**	861
Post-employment benefits	**11**	22
	326	883

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

During the six months ended 30 September 2026 (the "**Reporting Period**"), the Group is principally engaged in the wholesale of consumer products including timepieces and accessories ("**Watch Products**") and garment and sportswear products (the "**Wholesale Business**"), the sale of unmanned aerial vehicles and related parts and provision of unmanned aerial training services (the "**Unmanned Aerial Vehicles Business**") and property investment (the **"Property Investment Business**").

WHOLESALE BUSINESS

The Group carries on the business of wholesale and trading of consumer products, including garment and sportswear products and Watch Products in Hong Kong and Mainland China, and the garment products sold in Mainland China are mainly then exported to Africa.

Mainland China's economy grew 4.5% year-to-year in Q3 2026, accelerating from Q2's three-year low of 4.3% and beating market expectations of 4.4%. Growth was supported by recent policy easing and resilient exports, particularly of AI-related components, high-tech manufactured goods and electric vehicles. The National Bureau of Statistics said the domestic economy continued to develop so far this year (2026), with key indicators improving and progress in high-quality growth. However, it warned that the volatile international environment and persistently weak domestic demand remain challenges, requiring further efforts to sustain the recovery..

Retail sales volume in Hong Kong rose 3.9% year-on-year in September 2026, it was led by a sharp rise in sales of clothing, footwear and allied products, other consumer goods, and jewellery, watches and clocks, and valuable gifts. On a monthly basis, retail sales rose 3.7%, following a 3% increase in August 2026.

During the Reporting Period, Mainland China and Hong Kong markets had shown an increase in revenue due to the above factors.

UNMANNED AERIAL VEHICLES BUSINESS

The Group carries on the Unmanned Aerial Vehicles Business through its wholly owned subsidiary, Shandong Longyi Aviation Technology Co., Ltd., and its subsidiaries (collectively, "**Longyi Group**").

Longyi Group is based in the High-tech Zone, Jining City, Shandong Province, the PRC. Longyi Group is also recognised as a national High and New Technology Enterprise ("**HNTE**") and a National Technology-based Small and Medium-sized Enterprise.

Longyi Group has a wide range of product types and applications, and has developed a series of drone products with payload capacities ranging from 20 kilograms to 600 kilograms. The relevant products have been deployed in real-world applications. Several models have been deployed for industrial use, offering outstanding performance, safety and reliability and making important contributions to the development of industrial unmanned aerial vehicles. Product applications cover a variety of fields, including emergency rescue, forest fire prevention, geographic information surveying and mapping, geological surveys, disaster monitoring, meteorological detection, air traffic control, communications relay, power line stringing, inspections, aerial photography, urban public safety and smart agriculture. The relevant products have also gained customer recognition.

During the Reporting Period, revenue from the Unmanned Aerial Vehicles Business decreased compared with the same period in 2025, mainly reflecting the combined effects of the pace of customer procurement and project progress, the relevant approval and demonstration arrangements, market competition and the time required to convert customised projects into revenue. Specifically: (1) certain customers' progress on the relevant local forest fire prevention procurement projects relating to emergency management, firefighting, forestry and grassland was slower than originally planned. The pace of budget approvals for emergency equipment procurement slowed in certain regions, and the scale of new orders declined year on year; (2) certain projects of the Group faced stricter low-altitude airspace controls and approval requirements, with increased uncertainty over approval outcomes and timing. Certain flight demonstrations and customer demonstrations could not take place as originally scheduled, thereby delaying project progress and the realisation of the related revenue; (3) the number of industry participants in the emergency firefighting sector increased, intensifying competition among similar firefighting unmanned aerial vehicle products. Competitors submitted lower bids for certain tender projects, and order conversion fell short of expectations; and (4) firefighting and emergency response unmanned aerial vehicles are specialised, customised equipment. For certain projects, longer cycles for the development of requirements and solutions, flight testing and validation, and customisation and adaptation resulted in orders being converted into revenue across reporting periods.

Longyi Group is continuing to follow up on projects in its pipeline, optimise airspace compliance applications and payment collection management, broaden its customer base, and increase investment in research and development and product optimisation. It is advancing the development of automated, intelligent and heavy-payload products for a diverse range of application scenarios to enhance the satisfaction of customers requiring customised solutions. At the same time, Longyi Group is integrating the businesses of its subsidiaries, deepening local business development and maintaining business and technical liaison with the relevant provincial departments. In its unmanned aerial vehicle training business, Longyi Group is pursuing long-term cooperation with secondary and higher vocational schools and has already secured cooperation with Jining Polytechnic College (濟寧職業技術學院), with the aim of expanding the scale of unmanned aerial vehicle training and diversifying its revenue sources.

PROPERTY INVESTMENT BUSINESS

As at 30 September 2026, the Group held six investment properties located in Mainland China and five investment properties (including three car parking spaces) located in Hong Kong for generating rental income purposes (the "**Investment Properties**"). As at 30 September 2026, five investment properties were leased out, and the remaining investment properties (including two car parking spaces) were vacant.

As at 30 September 2026, the value of the Investment Properties amounted to approximately HK$89.4 million.

The Group intends to hold the properties for rental income purpose and to monitor the performance of the property markets in Hong Kong and the PRC and consider reorganising its property portfolio should suitable opportunities arise.

FINANCIAL REVIEW

REVENUE

The Group recorded revenue of approximately HK$113.7 million for the Reporting Period, representing an increase of approximately HK$37.9 million (50.0%) as compared to that of approximately HK$75.8 million for the six months ended 30 September 2025 (the "**Previous Period**").

Revenue derived from the Wholesale Business increased by approximately HK$60.4 million (129.6%) from approximately HK$46.6 million for the Previous Period to approximately HK$107.0 million for the Reporting Period.

Revenue derived from the Unmanned Aerial Vehicles Business was in the sum of approximately HK$5.8 million for the Reporting Period, representing a decrease of approximately HK$22.3 million (79.4%) as compared to that of approximately HK$28.1 million for the Previous Period.

Revenue derived from Property Investment Business was maintained at approximately HK$1.0 million for both the Reporting Period and the Previous Period.

GROSS LOSS AND GROSS LOSS MARGIN

The Group recorded a gross loss of approximately HK$12.2 million, representing a decrease of 144.7% as compared to the gross profit of approximately HK$27.3 million for the Previous Period. The gross loss margin for the Reporting Period was 11%, as compared to the gross profit margin of 36% for the Previous Period, the gross loss was mainly attributable to an increase in gross loss margin on certain Watch Products due to relatively weaker market demand in the Wholesales Business and decrease in revenue of high profit margin products in Unmanned Aerial Vehicles Business.

The Group recorded a gross loss and gross loss margin of approximately HK$15.6 million and -14.5% respectively in the Wholesale Business for the Reporting Period, representing a decrease of 253% as compared to gross profit of approximately HK$10.2 million for the Previous Period. The decrease was mainly attributable to increase in gross loss on certain Watch Products due to relatively weaker market demand.

The Group recorded a gross profit and gross profit margin of approximately HK$2.4 million and 41% respectively in respect of the Unmanned Aerial Vehicles Business for the Reporting period, representing a decrease of 85.0% as compared to approximately HK$16.0 million for the Previous Period. The decrease was in line with the decrease in revenue.

The Group recorded a gross profit of approximately HK$1.0 million in respect of the Property Investment Business for the Reporting Period, representing steady level as compared to approximately HK$1.0 million for the Previous Period.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by 56.1% from approximately HK$5.7 million for the Previous Period to approximately HK$2.5 million for the Reporting Period. The decrease was mainly due to decrease in selling and distribution expenses in line with the decreased revenue in Unmanned Aerial Vehicles Business.

ADMINISTRATIVE EXPENSES

Administrative expense increased by 77.3% from approximately HK$12.8million for the Previous Period to approximately HK$22.7 million for the Reporting Period. The increase was mainly attributed from increased in development costs on new product technology. The administrative expenses mainly represented depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets, legal and professional fees, development costs and staff costs including directors and corporate employees.

IMPAIRMENT LOSSES ON ASSETS

GOODWILL

The decline in the performance of the Unmanned Aerial Vehicles Business during the Reporting Period was identified as an indicator of potential impairment of the related goodwill. The management assessed the recoverability of the relevant group of cash-generating units to which the goodwill is allocated. The recoverable amount of the group of cash-generating units has been determined based on value in use calculation. That the calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period. The assessment indicated that an impairment loss on goodwill of approximately HK$845,000 is required to be recognised for the Reporting Period.

TRADE AND OTHER RECEIVABLES

Impairment losses under expected credit loss ("**ECL**") model, net of reversal represented the net impairment losses on trade and other receivables, which decreased by 97% from reversal of approximately HK$1.0 million for the Previous Period to reversal of approximately HK$26,000 for the Reporting Period.

Analysis of trade and lease receivables and allowance for credit losses at 30 September 2026:

	As at 30 September 2026		
Exposure to credit risk by business segments	**Trade receivables, gross HK$'000**	**Allowance for credit losses HK$'000**	**Trade receivables, net HK$'000**
Low risk			
Wholesale Business	141,253	(5,714)	135,539
Property Investment	432	(11)	421
Unmanned Aerial Vehicles Business	23,642	(2,608)	21,034
	165,327	(8,333)	156,994
Loss			
Wholesale Business	76,750	(76,750)	—
Property Investment	6,197	(6,197)	—
Unmanned Aerial Vehicles Business	—	—	—
	82,947	(82,947)	—
Total	248,274	(91,280)	156,994

In assessing the ECL of the Group's trade and lease receivables, a credit rating analysis of the underlying debtors was adopted by reviewing the historical observed default rates, external information published by external credit rating agency and subsequent settlement of the grouped debtors and are adjusted for the forward-looking information.

Trade and lease receivables under loss credit risk exposure were fully provided with impairment losses.

Trade receivables under low credit risk exposure, impairment losses of approximately HK$8.3 million were provided, representing 5.0% of gross balance at 30 September 2026. Subsequently up to the date of this announcement, the Group received settlement approximately HK$50.5 million, representing 31% of the gross balance as at 30 September 2026.

Based on the above assessment, the management considered the impairment losses on trade and lease receivables provided were sufficient.

CHANGE IN FAIR VALUE ON INVESTMENT PROPERTIES

The fair value loss on investment properties of approximately HK$55,000 for the Reporting Period represented fair value adjustment of the Group's properties located in Hong Kong and Mainland China as at 30 September 2026.

FINANCE COSTS

Finance costs increased by 303.7% from approximately HK$54,000 for the Previous Period to approximately HK$218,000 for the Reporting Period, attributable from increased in proceeds from bank and other borrowings during the Reporting Period.

LIQUIDITY, FINANCIAL RESOURCES AND FINANCIAL RATIO

During the six months ended 30 September 2026, the Group financed its operations and investments mainly by internally generated funds and debt financing.

Cash Position

The Group had total cash and bank balances of approximately HK$13.4 million as at 30 September 2026 (31 March 2026: approximately HK$7.6 million).

Bank and other borrowings

As of 30 September 2026, bank and other borrowings of the Group amounted to approximately HK$17.8 million (31 March 2026: bank and other borrowings of approximately HK$9.4 million). The bank and other borrowings are repayable within one year or on demand.

LEVERAGE

The ratio of current assets to current liabilities of the Group was approximately 1.6 as at 30 September 2026 compared to approximately 2.3 as at 31 March 2026. Decrease in current ratio was mainly due to the increase in bank and other borrowings. The Group's gearing ratio as at 30 September 2026 was 7.8% (31 March 2026: 3.6%), which is calculated based on the Group's bank and other borrowings of approximately HK$17.8 million (31 March 2026: approximately HK$9.4 million) and the Group's total equity of approximately HK$227.3 million (31 March 2026: approximately HK$261.7 million). The increase in gearing ratio was mainly due to the increase in bank and other borrowings.

INTERIM DIVIDENDS

The Board does not recommend declaring any interim dividends for the six months ended 30 September 2026 (for the six months ended 30 September 2025: Nil).

RISK MANAGEMENT

The Group's principal financial instruments include trade receivables, deposits and other receivables, cash and cash equivalents, trade and other payables, other borrowings and lease liabilities. The Group also has various financial assets and financial liabilities arising from our business operations. The Group's financial instruments are mainly subject to foreign currency risk, credit risk and liquidity risk. The Group aims to minimise these risks and hence maximise investment returns.

Foreign currency risk

The monetary assets and liabilities and business transaction of the Group are mainly based on Hong Kong dollars ("**HK$**"), Renminbi ("**RMB**") and United States dollars ("**US$**"). In view of the stability of the exchange rate between these currencies, the directors do not consider that the Group was significantly exposed to foreign exchange risk for the six months ended 30 September 2026. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement, if necessary. During the six months ended 30 September 2026 and 2025, no forward foreign exchange or hedging contracts had been entered into by the Group. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

Credit risk

The Group's credit exposure generally arises from counterparty risk in the course of engaging in the Wholesale Business, the Unmanned Aerial Vehicles Business, and the Property Investment Business. As at 30 September 2026, trade receivables and trade payables of the Group were approximately HK$157.0 million and HK$91.5 million (31 March 2026: approximately HK$87.2 million and approximately HK$55.7 million), respectively. The Group has a policy in financial risk management to ensure settlement of all receivables and payables during the credit period.

Liquidity risk

Liquidity risk is the risk that funds will not meet liabilities as they fall due. This may arise from mismatches in amounts or time with regard to the maturity of financial assets and liabilities. The objectives of the Group's liquidity risk management are: (1) maintaining the liquidity to support Group's principal business; (2) projecting cash flows and timely monitoring cash and bank balance position; and (3) evaluating the level of current assets to maintain sufficient liquidity of the Group.

TREASURY POLICIES

As at 30 September 2026, bank and other borrowings of approximately HK$17.8 million were denominated in RMB (31 March 2026: HK$9.4 million were denominated in RMB). The Group's bank borrowings as at 30 September 2026 was subject to floating interest rate and other borrowings were subject to fixed interest rates (31 March 2026: same).

Cash and cash equivalents held by the Group were mainly denominated in HK$, US$ and RMB. The Group currently does not have foreign currency and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

USE OF NET PROCEEDS FROM THE PLACING OF NEW SHARES

Reference is made to the announcement of the Company dated 14 August 2023, 15 August 2023 and 4 September 2023 relating to the placing of new ordinary shares of HK$0.01 each (the "**Share**") of the Company, the Company and the placing agent (the "**Placing Agent**") entered into the placing agreement (the "**Placing Agreement**"), pursuant to which the Company agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as placing agent for the purpose of procuring, as agent of the Company, placees (the "**Placees**") for, or failing which on a best effort basis, a maximum of 185,678,193 placing shares (the "**Placing Share(s)**") to not less than six Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons at the placing price of HK$0.180 per Placing Share (the "**Placing**"), all conditions set out in the Placing Agreement have been fulfilled and completion of the Placing took place on 4 September 2023.

The net proceeds after deducted from professional fees and other related expenses ("**Net Proceeds**") from the Placing were approximately HK$32.60 million, on such basis, the net price of each Share under the Placing is approximately HK$0.176.

The net proceeds applied by the Group during the period from the completion date up to 30 September 2026 are as follows:

	Planned use of proceeds HK$'000	**Actual use of proceeds HK$'000**	**Unused amount HK$'000**	**Expected timeline for utilising the remaining net proceeds (Note)**
Existing operations	22,820	(22,820)	—	
Potential investment	6,520	—	6,520	End of 2027
General working capital	3,260	(3,260)	—	
Total	32,600	(26,080)	6,520	

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of the Company taking into accounts, among others, prevailing and future market conditions and business development and needs, and therefore is subject to change.

Any net proceeds that were not applied immediately have been placed at the short-term deposits with licensed banks in order to generate higher returns.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

The Group had no material acquisition and disposal of subsidiaries or associated companies during the Reporting Period.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for the six months ended 30 September 2026 are set out in note 4 to the condensed consolidated financial statements attached to this interim announcement.

CAPITAL COMMITMENTS

The Group did not have any material capital commitment as at 30 September 2026.

CONTINGENT LIABILITIES AND LITIGATION

As at 30 September 2026, the Group had no other significant contingent liabilities or pending litigation.

STAFF AND REMUNERATION POLICIES

As at 30 September 2026, the Group had a total of 106 employees (31 March 2026: 115 employees). Total staff costs (including Directors' emoluments) for the six months ended 30 September 2026 amounted to approximately HK$5.6 million (for the six months ended 30 September 2025: approximately HK$5.3 million). Primary means of remuneration include contributory provident funds, insurance and standard medical benefits. The emoluments of the Directors are decided by the remuneration committee of the Company based on the Company's operating results, individual performance and comparable market statistics. The Group has also adopted an annual discretionary bonus scheme for management and staff subject to the performance of the Group and individual employees. As at 30 September 2026, the Group has no outstanding share options issued to the Directors and employees for the purpose of providing incentives or rewards to the eligible employees for their contribution to the Group.

SIGNIFICANT INVESTMENT

The Group had no significant investment during the six months ended 30 September 2026.

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

During the six months ended 30 September 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code as contained in Appendix 14 of the Listing Rules during the six months ended 30 September 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company confirmed that all Directors complied with the required standards as set out in the Model Code during the six months ended 30 September 2026.

The Company has also established written guidelines for senior management and employees in certain functions in respect of their dealings in the securities of the Company for their strict compliance. The Company issued notices to all Directors, senior management and relevant employees reminding them to comply with the restriction on dealing of securities of the Company under the above code and guidelines 60 days prior to the publication of the annual results and 30 days prior to the publication of the interim results.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the date of this interim announcement, the Directors confirm that none of the controlling shareholders of the Company or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business which competes or is likely to compete, directly or indirectly, with the Group's business apart from the business operated by the Group.

AUDIT COMMITTEE

The principal responsibilities of the audit committee of the Company (the "**Audit Committee**") include reviewing and supervising of the Group's financial reporting process, risk management and internal control. The Audit Committee currently comprises of three independent non- executive directors, namely Ms. Choi Ka Ying (Chairman), Mr. Jie Yinghan and Ms. He Xiaodong.

REVIEW OF THE INTERIM FINANCIAL RESULTS

The interim financial results of the Group for the Reporting Period are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules, and adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is available for viewing on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.mdaerotech.com). The interim report of the Company for the Reporting Period containing all information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Majestic Dragon AeroTech Holdings Limited
Wang Ruiyun
Chairman

Hong Kong, 23 November 2026

As at the date of this announcement, the executive Directors of the Company are Dr. Wang Ruiyun, Mr. Yang Zeyun, Dr. Wu Xiaowen, Mr. Zhang Jinbing and Mr. Wang Yuelai; and the independent non-executive Directors of the Company are Ms. Choi Ka Ying, Ms. He Xiaodong and Mr. Jie Yinghan.