

Hao Bai International (Cayman) Limited

浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8431)

2025 INTERIM REPORT



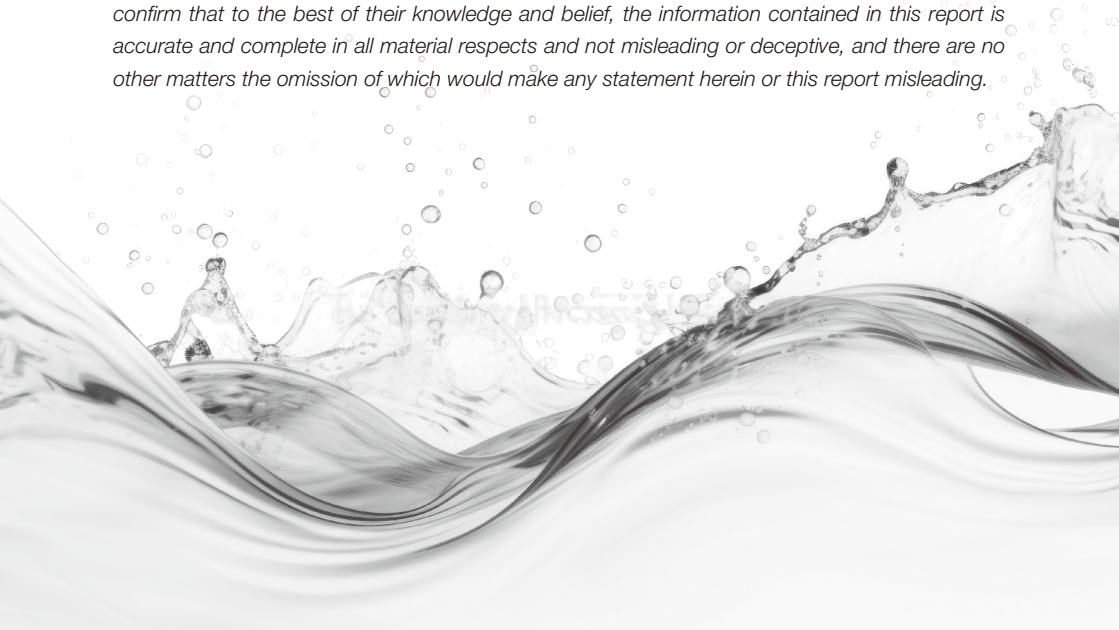
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This report, for which the directors (the “Directors”) of Hao Bai International (Cayman) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “Group”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



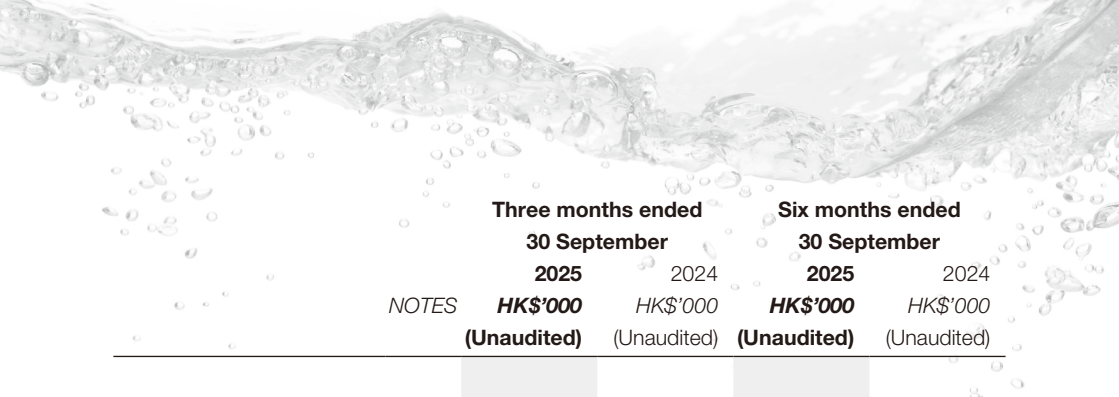
INTERIM RESULTS

The board of Directors (the “Board”) of the Company are pleased to announce the unaudited condensed consolidated results of the Group for the three-month and six-month periods ended 30 September 2025 (the “Reporting Period”) as follow.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2025

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2025	2024	2025	2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	1,920	3,878	23,921	7,219
Cost of services		(1,668)	(1,876)	(13,953)	(4,116)
Gross profit		252	2,002	9,968	3,103
Other income		2	–	622	–
Administrative expenses		(943)	(2,346)	(8,519)	(8,246)
Finance costs		–	(31)	(170)	(67)
Profit/(loss) before tax	4	(689)	(375)	1,901	(5,210)
Income tax expense	5	–	–	–	–
Income/(loss) for the period		(689)	(375)	1,901	(5,210)
Other comprehensive income		–	–	–	–
Total comprehensive income/(expenses) for the period		(689)	(375)	1,901	(5,210)




		Three months ended		Six months ended	
		30 September		30 September	
		2025	2024	2025	2024
NOTES		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income/(loss) for the period attributable to:					
– Owners of the Company		(689)	(375)	1,901	(5,210)
– Non-controlling interests		–	–	–	–
		<u>(689)</u>	<u>(375)</u>	<u>1,901</u>	<u>(5,210)</u>
Total comprehensive income/(expenses) for the period attributable to:					
– Owners of the Company		(689)	(375)	1,901	(5,210)
– Non-controlling interests		–	–	–	–
		<u>(689)</u>	<u>(375)</u>	<u>1,901</u>	<u>(5,210)</u>
Profit/(loss) per share					
Basic and diluted (HK cents)	7	(0.02)	(0.01)	0.04	(0.15)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
	NOTES		
Non-current assets			
Property, plant and equipment		7	3
Right-of-use assets		242	–
Equity investment at FVTOCI		2,625	2,625
Intangible assets		2,701	2,701
		5,575	5,329
Current assets			
Contract assets	9	61,762	38,923
Trade and other receivables, deposits and prepayments	10	14,749	35,014
Bank balances and cash		1,685	1,819
		78,196	75,756
Total assets		83,771	81,085
Current liabilities			
Contract liabilities	9	3,182	3,183
Trade and other payables and accruals	11	60,195	65,620
Bank and other borrowings	12	7,811	5,654
Lease liabilities		206	–
Tax payables		821	641
		72,215	75,098



		As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
	NOTES		
Total liabilities		72,215	75,098
Net current assets		5,981	658
Total assets less current liabilities		11,556	5,987
NET ASSETS		11,556	5,987
Capital and reserves			
Share capital	13	455	42,193
Reserves		10,803	(36,561)
Equity attributable to owners of the Company		11,258	5,632
Non-controlling interests		298	355
TOTAL EQUITY		11,556	5,987

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Reserves									
						Fair value reserve		Non-		
	Share capital	Share Premium	Share option reserve	Other reserve	Capital Reserve	(Non-recycling)	Accumulated losses	Subtotal	Controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2025 (audited)	42,193	95,778	2,016	(16,790)	6,000	(75)	(123,565)	5,632	355	5,987
Issue of shares under specific mandate for debt capitalisation	3,300	660	-	-	-	-	-	3,960	-	3,960
Consolidation adjustments	-	-	-	(235)	-	-	-	(235)	-	(235)
Non-controlling interests	-	-	-	-	-	-	-	-	(57)	(57)
Capital reduction and share sub-division	(45,038)	-	-	-	-	-	45,038	-	-	-
Profit and total comprehensive expenses for the period	-	-	-	-	-	-	1,901	1,901	-	1,901
As at 30 September 2025 (unaudited)	455	96,438	2,016	(17,025)	6,000	(75)	(76,626)	11,258	298	11,556

	Reserves							
	Share capital	Share premium	Share option reserve	Other reserve	Accumulated (losses)/ profit	Subtotal	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

For the six months ended

30 September 2024

As at 1 April 2024 (audited)	30,951	99,086	2,016	(16,790)	(104,171)	11,092	298	11,390
Ordinary shares issued (Note 13)	4,210	-	-	-	-	4,210	-	4,210
Loss and total comprehensive expenses for the period	-	-	-	-	(5,210)	(5,210)	-	(5,210)

As at 30 September 2024

(unaudited)

35,161	99,086	2,016	(16,790)	(109,381)	10,092	298	10,390
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(4,635)	(25,496)
Net cash used in investing activities	(5)	–
Net cash generated from financing activities	4,506	25,694
Net (decrease)/increase in cash and cash equivalents	(134)	198
Cash and cash equivalents at the beginning of the period	1,819	170
Cash and cash equivalents at the end of the period	1,685	368
Represented by:		
Bank balances and cash	1,685	221
Bank overdraft	–	147
	1,685	368



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. General

Hao Bai International (Cayman) Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors of the Company consider the Company’s immediate and ultimate holding company is Harmony Asia International Limited, a company incorporated in Samoa. The Company’s 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 in Hong Kong is located at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong.

The principal activity of the Company is investment holding and the Company together with its subsidiaries (the “Group”) are principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains. The services are mainly categorised as (i) management contracting services – design, procurement and installation of Water Circulation Systems and related maintenance services; and (ii) consultancy services – provision of consultancy services on Water Circulation Systems and engineering, procurement and construction management (“EPCM”) services of commercial and residential buildings and infrastructures in China.

2. Basis of Preparation and Accounting Policies

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for the unlisted equity investment which is measured at fair value.

The unaudited condensed consolidated interim financial statements do not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended 31 March 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, as set out in the Company’s 2024/25 annual report.

The accounting policies that have been used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the preparation of the Company’s audited consolidated financial statements for the year ended 31 March 2025 except for the adoption of the new standards, amendments to standards and interpretations issued by the HKICPA that are effective for the annual periods beginning on 1 January 2025.



2. **Basis of Preparation and Accounting Policies (Continued)**

For the six months ended 30 September 2025, the Group has applied all new and revised HKFRSs issued by the HKICPA that are effective for the Group's financial year beginning on or after 1 January 2025. The application of the new and revised HKFRSs has had no material effect on the amounts reported and/or the disclosures set out in the unaudited condensed consolidated financial statements for the six months ended 30 September 2025.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 have not been audited by the Company's auditors but have been reviewed by the audit committee of the Company.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") for the convenience of the investors as the shares of the Company are listed on the GEM of the Stock Exchange while HK\$ is the functional currency of the Company. All values are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

Application of Amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the condensed consolidated financial statements:

HKAS 21 (Amendments)

Lack of Exchangeability

The application of the amendments to HKFRSs in the current period 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 unaudited condensed consolidated financial statements.

Going concern

In preparing the unaudited condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group recorded a consolidated profit of approximately HK\$1.9 million for the six months ended 30 September 2025 while it has been noted that the Group's current cash balances are insufficient to settle all the current liabilities. In view of the implemented measures mentioned in the 2024/25 annual report, issue of new shares under specific mandate for debt capitalisation in April 2025 and the proposed rights issue mentioned in the Circular of the Company dated 28 November 2025, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months. After reviewing the cash flow forecast of the Group, the Directors are of the opinion that it is appropriate to prepare the unaudited condensed consolidated financial statements of the Group for six months ended 30 September 2025 on a going concern basis.

3. Revenue and Segment Information

The executive directors of the Company, who have been identified as the chief operating decision makers review the Group's internal reports in order to assess performance and allocate resources.

Based on the products and services offered by the Group to the customers, the executive directors of the Company consider that the operating segments are as follows:

- | | |
|---------------------------------|--|
| Management contracting services | – provision of design, procurement and installation services of the water circulation systems and related maintenance services |
| Consultancy services | – provision of consultancy services on water circulation systems and engineering, procurement and construction management ("EPCM") services of commercial and residential buildings and infrastructures in China |

	Three months ended 30 September		Six months ended 30 September	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from management contracting services	1,920	3,878	23,921	7,219
Revenue from consulting services	–	–	–	–
	1,920	3,878	23,921	7,219

All revenue generated by the Group during the Reporting Period was from contracts with customers within HKFRS 15 recognised over time.

3. Revenue and Segment Information (Continued)

The segment information for the reportable and operating segments for the six months ended 30 September 2025 and 2024 is as follows:

For the six months ended 30 September 2025

	Management contracting services HK\$'000 (Unaudited)	Consultancy services HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Revenue from external customers and segment revenue	23,921	–	23,921
Segment profit	9,968	–	9,968
Other income			622
Administrative expenses			(8,519)
Finance costs			(170)
Profit before tax			1,901

For the six months ended 30 September 2024

	Management contracting services HK\$'000 (Unaudited)	Consultancy services HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Revenue from external customers and segment revenue	7,219	–	7,219
Segment profit	3,103	–	3,103
Other income			–
Administrative expenses			(8,246)
Finance costs			(67)
Loss before tax			(5,210)

3. Revenue and Segment Information (Continued)

The following table provides an analysis of the Group's revenue based on geographical location where installation works or other services are provided:

	Three months ended 30 September 2025		Six months ended 30 September 2025	
	HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Hong Kong	1,920	3,878	23,921	7,219
Mainland China	—	—	—	—
	1,920	3,878	23,921	7,219

Information about major customers

Revenue from customers of the corresponding period contributed over 10% of the Group's revenue are as follows:

	Three months ended 30 September 2025		Six months ended 30 September 2025	
	HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A	—	—	17,274	—
Customer B	1,838	2,179	6,376	4,091
Customer C	82	816	271	1,484
Customer D	—	—	—	880
Customer E	—	762	—	762

4. Profit/(Loss) before Tax

This is stated after charging:

	Three months ended 30 September 2025		Six months ended 30 September 2025	
	HK\$'000	2024 HK\$'000	HK\$'000	2024 HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs and related expenses (including directors' remuneration)				
Directors' emoluments	495	426	771	934
Other staff's salaries, allowances and other benefits	108	108	216	216
Contributions to defined contribution plans	14	14	29	29
	617	548	1,016	1,179
Less: Amount included in cost of services	–	–	–	–
	617	548	1,016	1,179
Other items				
Auditor's remuneration	360	360	360	360
Contract costs relating to management contracting services recognised as expenses (Note (a))	1,133	872	13,953	2,110
Depreciation of				
– Property, plant and equipment	–	–	–	–
– Right-of-use asset	38	159	64	322
Operating lease payments for premises	39	262	79	502

Note:

- (a) Contract costs included approximately HK\$13,953,360 (for the six months ended 30 September 2024: HK\$2,110,000) and approximately HK\$10,898,120 (for the six months ended 30 September 2024: HK\$Nil) relating to the consumables goods and sub-contractor costs respectively.

5. Income Tax Expense

	Three months ended 30 September 2025		Six months ended 30 September 2025	
	HK\$'000	2024 HK\$'000	HK\$'000	2024 HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong profits tax	–	–	–	–
PRC enterprise income tax	–	–	–	–

The Group's entities established in the Cayman Islands, Samoa and the British Virgin Islands ("BVI") are exempted from income tax.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25% (2024: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2024: 16.5%). Hong Kong profits tax was calculated at a flat rate of 16.5% (2024: 16.5%) of the estimated assessable profits.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% of the profit assessable to tax for both of the years presented.

Macau Complementary Tax has not been provided as the Group's entity established in Macau incurred a loss for taxation purposes.

The Group will assess its overall income tax position in more detail at year end.

6. Dividends

The directors of the Company did not declare or propose any dividend for the six months ended 30 September 2025 (for the six months ended 30 September 2024: Nil).

7. Profit/(Loss) per Share

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

	Three months ended 30 September		Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit/(Loss) for the period attributable to the owners of the Company, used in basic and diluted profit/(loss) per share calculation	(689)	(375)	1,901	(5,210)
	Number of shares '000		Number of shares '000	
Weighted average number of ordinary shares for basic and diluted profit/(loss) per share calculation	45,493	327,438	45,221	318,474

Diluted profit/loss per share is the same as the basic profit/loss per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 September 2025 and 2024.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share of the three and six months ended 30 September 2025 and 2024 had been adjusted to take into effect of the rights issue and new ordinary shares issued during the period.

8. Contingent Consideration Receivable

The fair value of the contingent consideration receivable represented the profit guarantee in relation to the adjustments to the consideration from the acquisition of City Key Group Limited and its subsidiary ("City Key Group") from acquisition date (i.e. 8 April 2022). Contingent consideration receivable was fully written off as of 31 March 2025.

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
At fair value		
Arising from acquisition of a subsidiary	–	5,611
Change in fair value	–	(5,611)
At the end of the period	–	–

9. Contract Assets/Contract Liabilities

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Contract assets and contract liabilities arising from management contracting services as follows:		
Contract assets (including retention receivables) gross amount	83,960	61,121
Less: Loss allowance (<i>Note (i)</i>)	(22,198)	(22,198)
	61,762	38,923
Contract liabilities	3,182	3,183

Notes:

- (i) Loss allowance of contract assets relates to the assessment of individual balances based on the Group's historical default experiences and the individual characteristics of each customer including but not limited to the aging profile and financial position together with other forward looking factors.

The Group will assess whether adjustment on loss allowance on contract assets is required at year end.

9. Contract Assets/Contract Liabilities (Continued)

The movements of contract assets and liabilities (excluding those arising from increases and decreases both occurred within the same period) from contracts with customers within HKFRS 15 during the period are as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Contract assets		
At beginning of the period	38,923	63,550
Transferred to trade debtors	–	(31,190)
Recognition of revenue	23,921	22,164
Loss allowance recognised	(1,082)	(15,601)
At the end of the period	61,762	38,923
	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Contract liabilities		
At beginning of the period	(3,183)	(15,053)
Receipt of advances or recognition of receivables	1	–
Recognition of revenue/transferred to retention receivables and trade receivables	–	11,870
At the end of the period	(3,182)	(3,183)

As permitted under HKFRS 15, the transaction price allocated to those contracts is not disclosed. The Group will assess whether adjustment on contract assets and liabilities is required at year end.

9. Contract Assets/Contract Liabilities (Continued)

Retention receivables are unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts, ranging from one to two years from the date of the completion of the respective projects. The retention receivables (net of written-off and loss allowance) to be settled, based on the expiry of the defect liability period, at the end of the reporting period are:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
On demand or within one year	–	15,515
After one year	14,656	–
	14,656	15,515

10. Trade and Other Receivables, Deposits and Prepayments

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade debtors (Note a)	21,081	31,493
Less: Loss allowance	(12,910)	(12,910)
	8,171	18,583
Pledged deposits to an insurance company (Note b)	158	158
Other receivables, deposits and prepayments	6,420	16,273
	14,749	35,014

10. Trade and Other Receivables, Deposits and Prepayments (Continued)

Notes:

- a. Trade debtors mainly arise from management contracting business and consultancy services. The Group's credit terms for its management contracting business are negotiated at terms determined and agreed with its trade customers. The credit periods are ranging from 30 to 60 days. The ageing analysis of trade debtors, net of loss allowance, based on invoice date at the end of the Reporting Period is as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within 30 days	–	10,167
31 to 60 days	–	99
Over 60 days	8,171	8,317
	8,171	18,583

The Group maintains a defined credit policy to assess the credit quality of the trade customers. The collection is closely monitored to minimise any credit risk associated with these trade debtors. The Group will assess whether loss allowance is required at year end.

- b. Pledged deposits of HK\$158,000 (31 March 2025: HK\$158,000) to an insurance company is the security for issuance of performance bonds in respect of construction contracts with prevailing market rates at 0.2% (31 March 2025: 0.2%) per annum.

11. Trade and Other Payables and Accruals

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade payables (Note a)	28,135	28,346
Accrued salaries	8,351	7,438
Other payables and accruals	11,421	16,228
Amount due to a shareholder (Note b)	12,288	13,608
	60,195	65,620

Notes:

- a. The credit period on trade creditors is 30–90 days. The ageing analysis of trade creditors presented based on the invoice date at the end of the Reporting Period is as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within 365 days	–	–
Over 365 days	28,135	28,346
	28,135	28,346

- b. The amount due is unsecured, interest-free and repayable on demand. On 30 September 2025, the substantial shareholder of the Company has intended not to demand for any repayment due to her until the Group is in a financial position to do so. HK\$1.32 million was re-paid by the Company through issuing of new shares under specific mandate for debt capitalisation in April 2025.

12. Bank and Other Borrowings

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Bank borrowings – unsecured	641	630
Bank borrowings – unsecured	2,870	3,191
Other borrowings – unsecured	4,300	1,833
	7,811	5,654

All the bank and other borrowings are denominated in HK\$.

The bank borrowings are repayable as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
On demand or within one year	7,811	5,654

Analysis of the amounts due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) is as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within one year	2,469	2,810
1 to 2 years	2,810	2,844
2 to 5 years	2,532	–
	7,811	5,654

13. Share Capital

The share capital of the Group as at 30 September 2025 and 31 March 2025 represented the share capital of the Company. Movements of the share capital of the Company are as follows:

	Nominal value per share HK\$	Number of shares	Nominal value HK\$
Authorised:			
At 1 April 2023, 31 March 2024, 1 April 2024, 31 March 2025 and 1 April 2025, ordinary shares	0.10	1,000,000,000	100,000,000
Adjustment on share consolidation (Note 4)		(900,000,000)	–
As at 29 April 2025, ordinary shares	1.00	100,000,000	100,000,000
Adjustment on capital reduction and share sub-division (Notes 5 and 6)		9,900,000,000	–
As at 30 July 2025, ordinary shares	0.01	10,000,000,000	100,000,000
As at 30 September 2025, ordinary shares	0.01	10,000,000,000	100,000,000
Issued and fully paid:			
At 31 March 2025, ordinary shares	0.10	421,930,000	42,193,000
Share issued under specific mandate for debt capitalisation (Note 1)	0.10	11,000,000	1,100,000
Share issued under specific mandate for debt capitalisation (Note 2)	0.10	13,700,000	1,370,000
Share issued under specific mandate for debt capitalisation (Note 3)	0.10	8,300,000	830,000
Adjustment on share consolidation (Note 4)		(400,437,000)	–
As at 29 April 2025, ordinary shares	1.00	45,493,000	45,493,000
Adjustment on capital reduction and share sub-division (Notes 5 and 6)		–	(45,038,070)
As at 30 July 2025, ordinary shares	0.01	45,493,000	454,930
As at 30 September 2025, ordinary shares	0.01	45,493,000	454,930

Notes:

- On 16 April 2025, the Company and Ms. Leung Yan Fan Youki (“Creditor A”), completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and the Creditor A has agreed to subscribe 11,000,000 shares Capitalisation Shares, at the Subscription Price of HK\$0.12 per Capitalisation Share pursuant to the terms of each of the Agreement in settlement of the Partial Indebted Sum of approximately HK\$1,320,000.



13. Share Capital (Continued)

Notes: (Continued)

2. On 16 April 2025, the Company and Ms. Hui Lai Ngar ("Creditor B"), completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and the Creditor B has agreed to subscribe 13,700,000 shares Capitalisation Shares, at the Subscription Price of HK\$0.12 per Capitalisation Share pursuant to the terms of each of the Agreement in settlement of the Partial Indebted Sum of approximately HK\$1,644,000.
3. On 16 April 2025, the Company and Mr. Lam Chi Yin Henry ("Creditor C"), completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and the Creditors C has agreed to subscribe 8,300,000 shares Capitalisation Shares, at the Subscription Price of HK\$0.12 per Capitalisation Share pursuant to the terms of each of the Agreements in settlement of the Partial Indebted Sum of approximately HK\$996,000.
4. On 29 April 2025, the Company completed a share consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each into one (1) Consolidated Share of par value of HK\$1 each.
5. On 30 July 2025, immediately upon the Share Consolidation becoming effective, the Capital Reduction involved a reduction of the par value of each issued Consolidated Share from HK\$1 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares.
6. On 30 July 2025, immediately following the Share Consolidation and the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Share (including those authorised unissued Consolidated Shares arising from the Capital Reduction) will be sub-divided into one hundred (100) New Shares of par value of HK\$0.01 each.

14. Related Parties Transactions

In addition to the transactions/information disclosed elsewhere in the unaudited condensed consolidated financial information, the Group had the following transactions with related parties:

Key management personnel remuneration

	Three months ended 30 September		Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Directors' fees, allowances and other benefits	495	276	771	552
Contributions to defined contribution plans	9	4	18	9
	504	280	789	561

15. Pledge of Assets

The following assets were pledged to secure certain banking facilities and performance bonds issued by an insurance company granted to the Group at the end of the Reporting Period:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Pledged deposits to an insurance company	158	158



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group, a Hong Kong-based contractor, is principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains. We provide services mainly to property developers, main contractors and subcontractors in various private residential projects and hotel, casino, shopping and recreation complex projects in Hong Kong and Mainland respectively. The Group's services are mainly categorised as (i) management contracting services – design, procurement and installation of water circulation systems and related maintenance services; and (ii) consultancy services – provision of consultancy services on water circulation systems and engineering, procurement and construction management ("EPCM") services of commercial and residential buildings and infrastructures in Mainland. For the six months ended 30 September 2025, the Group had 5 major management contracting projects in Hong Kong with revenue contribution, while the Group will continue to expand our businesses into China and the Greater Bay Area (GBA).

The global economy was both volatile and unpredictable in the past 6 months. While Hong Kong continues to benefit from the strong support of the Central Government to maintain its long-standing position as an international financial and trading centre, there are numerous uncertainties, including trade disputes and geopolitical instability which pose significant challenges to the local and global economy.

Even though the Group had a strong first half of this financial year, it is expected that the Group will continue to face challenges such as high labour cost and shortage of experienced labour, while trying to win new projects at the same time. Although the Directors remain confident in the long term business outlook of Hong Kong, Mainland China and also the performance of the Group, the financial results of the Group in the next six months may potentially be affected as a result of the adversities.

Looking forward to the next 6 months, amid profound global economic and political uncertainty, it is expected that the business of the Group will remain under pressure. The Group will maintain prudent operational principles to navigate market volatility. The Group will continue to implement measures to efficiently control costs while proactively identifying growth opportunities in both Hong Kong and Mainland China across different sectors through flexible strategies.

Prudent financial, liquidity and cash flow management will continue to be the Group's major priority, while executing the cost reduction programs to minimise cash outflows, staff costs, general expenses and capital expenditures at the same time. Through optimising resources allocation, business diversification and strengthening cooperative relationships with suppliers and customers, we aim to create greater value for shareholders of the Company and achieve long-term enterprise value growth.



Overall, the Board considers that the Company has a viable and sustainable business with a sufficient level of operations and assets to support its operations to meet requirement of the GEM Listing Rules.

Financial Review

Revenue

Our total revenue increased by approximately HK\$16.7 million or 231.4% from approximately HK\$7.2 million for the six months ended 30 September 2024 to approximately HK\$23.9 million for the six months ended 30 September 2025.

Significant increase in revenue is due to the additional work and services being provided to our customer in the first quarter of this financial year.

Cost of services

The Group's cost of services mainly consists of (i) consumables; (ii) sub-contracting fees; (iii) staff costs; (iv) consulting fees; (v) labour cost; and (vi) other expenses.

Our cost of services increased by approximately HK\$9.8 million or 239.0% from approximately HK\$4.1 million for the six months ended 30 September 2024 to approximately HK\$14.0 million for the six months ended 30 September 2025. Such increase aligns with the increase in revenue in the past 6 months.

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$6.87 million or 221.2% from approximately HK\$3.1 million for the six months ended 30 September 2024 to approximately HK\$10.0 million for the six months ended 30 September 2025. Such increase aligns with the increase in revenue and senior management's continued focus to reduce cost while maintaining quality services in the past 6 months.

Our gross profit margin slightly reduced from approximately 43.0% for the six months ended 30 September 2024 to approximately 41.7% for the six months ended 30 September 2025. Gross profit margin has been relatively stable in the past 6 months.

Other income

Our other income increased from nil for the six months ended 30 September 2024 to HK\$0.6 million for the six months ended 30 September 2025.



Administrative expenses

Our administrative expenses increased by approximately HK\$0.3 million or 3.3% from approximately HK\$8.2 million for the six months ended 30 September 2024 to approximately HK\$8.5 million for the six months ended 30 September 2025.

Finance costs

Our finance costs increased by approximately HK\$0.1 million or 153.7% from approximately HK\$0.07 million for the six months ended 30 September 2024 to approximately HK\$0.2 million for the six months ended 30 September 2025, primarily due to increase in the average level of bank borrowings during the Reporting Period.

Income tax expense

For the six months ended 30 September 2025 and 2024, there were no assessable profits in Hong Kong and Macau, as a result, no income tax expenses were provided for, while income tax expense (if any) subject to PRC enterprise income tax will be assessed at year end.

Net income/(loss)

The Group had a net loss of HK\$5.2 million for the six months ended 30 September 2024 while it had a net income of HK\$1.9 million for the six months ended 30 September 2025.

Dividends


No dividend was declared or proposed by the Board for the six months ended 30 September 2025 and 2024.

Events after the Reporting Period

Save as disclosed in this interim report, the Board is not aware of any significant events subsequent to 30 September 2025 which would materially affect the Group's operating and financial performance.

Liquidity, Financial Resources and Funding

As at 30 September 2025, the Group had total assets of approximately HK\$83.8 million (31 March 2025: approximately HK\$81.1 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK\$72.2 million (31 March 2025: approximately HK\$75.1 million) and approximately HK\$11.6 million (31 March 2025: approximately HK\$6.0 million), respectively.



The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 30 September 2025 were approximately HK\$7.8 million (31 March 2025: approximately HK\$5.7 million), and current ratio as at 30 September 2025 was approximately 1.08 times (31 March 2025: approximately 1.01 times).

The Group's borrowings and bank balances are mainly denominated in Hong Kong dollars and there was no significant exposure to foreign exchange rate fluctuations during the Reporting Period.

The Group's gearing ratio, which is calculated by total borrowings and bank overdrafts divided by total equity, reduced from approximately 94.4% as at 31 March 2025 to approximately 67.6% as at 30 September 2025.

Capital Structure

The shares of the Company (the "Shares") were successfully listed on GEM of the Stock Exchange on 26 May 2017 (the "Listing"). Immediately upon the Listing, the total issued share capital of the Company was HK\$13,000,000 divided into 1,300,000,000 Shares of par value of HK\$0.01 each. The share capital of the Group only comprises of ordinary shares.

As at 30 September 2025, the Company's issued share capital was HK\$454,930 (31 March 2025: HK\$42,193,000) divided into 45,493,000 ordinary Shares of par value of HK\$0.01 each (31 March 2025: 421,930,000 of HK\$0.1 each).

Capital Commitments

As at 30 September 2025 and 31 March 2025, the Group did not have any capital commitments contracted but not provided for.

Segmental Information

Segmental information is presented for the Group as disclosed on note 3 of the notes to the unaudited condensed consolidated financial information.

Future Plans for Material Investments and Capital Assets

As at 30 September 2025, the Group did not have any plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

Save for those disclosed in this interim report, there were no other significant investments held by the Group as at 30 September 2025, nor were there other material acquisitions of subsidiaries and affiliated companies by the Group during the period.



Contingent Liabilities

As at 30 September 2025 and 31 March 2025, the Group did not have other material contingent liabilities.

Foreign Currency Exposure

Since the Company's business activities are mainly operated in Hong Kong and Mainland China, and the relevant transactions are denominated in Hong Kong dollars, the Directors consider that the Company's risk in foreign exchange is insignificant.

Pledge of Assets

Save as disclosed in note 15 of the notes to the unaudited condensed consolidated financial information, as at 30 September 2025 and 31 March 2025, the Group did not have other pledge of assets.

Connected Transactions

Save as disclosed in this interim report, the Company did not have any other connected transactions which were subject to the reporting requirements under the GEM Listing Rules for six months ended 30 September 2025.

Employees and Remuneration Policies

As at 30 September 2025, the Group employed a total of 8 employees (31 March 2025: 10 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$1.0 million for the six months ended 30 September 2025 (for the six months ended 30 September 2024: approximately HK\$1.2 million).

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual contribution.




DISCLOSURE OF INTERESTS

(i) Directors' and Chief Executives' Interest and Short Position in the Shares, Underlying Shares or Debentures of the Company or any Associated Corporation

As at 30 September 2025, none of the Directors nor chief executive of the Company has any interest and short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(ii) Substantial Shareholders' and Other Persons' Interest and Short Position in Shares, Underlying Shares or Debentures of the Company

So far as the Directors are aware, as at 30 September 2025, the following persons/entities had or deemed to taken to have an interest or short position in the Shares, underlying Shares or debentures which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.



Name of Shareholder	Capacity/ Nature of Interests	Number of the Shares held/ interested in	Long/short position	Percentage of Shareholding
Harmony Asia International Limited	Beneficial owner (Note 1)	6,179,550	Long position	13.58%
Mr. Nam Ho Kwan	Interest in controlled corporation (Note 1)	6,179,550	Long position	13.58%
Prudential Brokerage Limited	Person having security interest in shares (Note 1)	6,179,550	Long position	13.58%

Note:

As at 30 September 2025:

1. Harmony Asia International Limited is a company incorporated in Samoa which is wholly owned by Mr. Nam Ho Kwan, a former executive Director, the chairman of the Board, and chief executive officer of the Company who resigned from such positions with effect from 5 October 2022. Therefore, Mr. Nam is deemed to be interested in all Shares held by Harmony Asia International Limited by virtue of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Save as disclosed above, as at 30 September 2025, no person/entities had notified the Company of an interest or short position in the Shares, underlying Shares or debentures of the Company that was required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.



SHARE OPTION SCHEME

The Share Option Scheme became effective on the date of the Company's listing (i.e. 26 May 2017) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. On 27 April 2022, a total of 130,000,000 share options were granted to the Directors, employees and consultants under the Share Option Scheme. Please refer to the Company's announcement dated 27 April 2022 for further details.

The total number of the Shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the Shares in issue on the date of Listing unless the Company obtains the approval of the shareholders for refreshing such 10% limit, in which case the total number of the Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company as "refreshed" shall not exceed 10% of the total number of the Shares in issue as at the date of the approval of the Company's shareholders on the refreshment of the limit. The number of the Shares in respect of which options may be granted to any individual in any 12-months period is not permitted to exceed 1% of the Shares in issue. Options granted to substantial shareholders or independent non-executive directors or any of their respective associates in excess of 0.1% of the Shares in issue and a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

An option may be accepted by a participant within 21 days from the date of grant with a nominal consideration of HK\$1 on each grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The exercise price is determined by the Directors and will not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.


SHARE OPTIONS

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. Pursuant to Rule 23.07 of the GEM Listing Rules, details of share options held by the eligible participants and movements of shares options under the Share Option Scheme during the six-month period ended 30 September 2025 are set out as follow:

Category/Name of Grantee	Date of Grant of share options	Exercise period of share options	Exercise price per share as at the date of grant of share options	Number of share options						
				Balance as at 1 April 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Adjusted during the period	Balance as at 30 September 2025
				(Note (c))						
(1) Employees – In Aggregate										
Employees	27 April 2022	27/04/2022 to 26/04/2032	HK\$0.0342	1,528,846	–	–	–	–	(1,375,962)	152,884
Sub-total				1,528,846	–	–	–	–	(1,375,962)	152,884
(2) Consultants (Note (b))										
Ho Kai Cheung Derek	27 April 2022	27/04/2022 to 26/04/2032	HK\$0.0342	2,751,923	–	–	–	–	(2,476,731)	275,192
Lee Thomson	27 April 2022	27/04/2022 to 26/04/2032	HK\$0.0342	1,325,000	–	–	–	–	(1,192,500)	132,500
Lee Kun Yin	27 April 2022	27/04/2022 to 26/04/2032	HK\$0.0342	509,615	–	–	–	–	(458,654)	50,961
Sub-total				4,586,538	–	–	–	–	(4,127,885)	458,653
Total				6,115,384	–	–	–	–	(5,503,847)	611,538

Notes:

- Consideration of HK\$1 was paid by each of the grantees on their acceptance of the share options granted.
- Consultants of the Group assist the Group in formulating business development plans and expanding its business development by referring customers, business partners, investment opportunities and business opportunities to the Group. Share options were granted to the consultants of the Group as incentives to them for helping the Group to expand its business network, acquire and explore new business projects and opportunities.

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- (c) On 29 April 2025, share consolidation became effective in which a consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each into one (1) Consolidated Share of par value of HK\$1 each. Please refer to the announcements of the Company dated 24 February 2025, 10 March 2025, 10 April 2025, 25 April 2025 and Circular of the Company dated 10 April 2025 for further details.

Save as disclosed above, the maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 611,538 shares, representing 1.34% of the shares of the Company in issue as at the date of this interim report.

The total number of shares that may be issued in respect of options granted under all schemes of the Company during the six months ended 30 September 2025 divided by the weighted average number of shares of the relevant class in issue for the period was 1.35%.

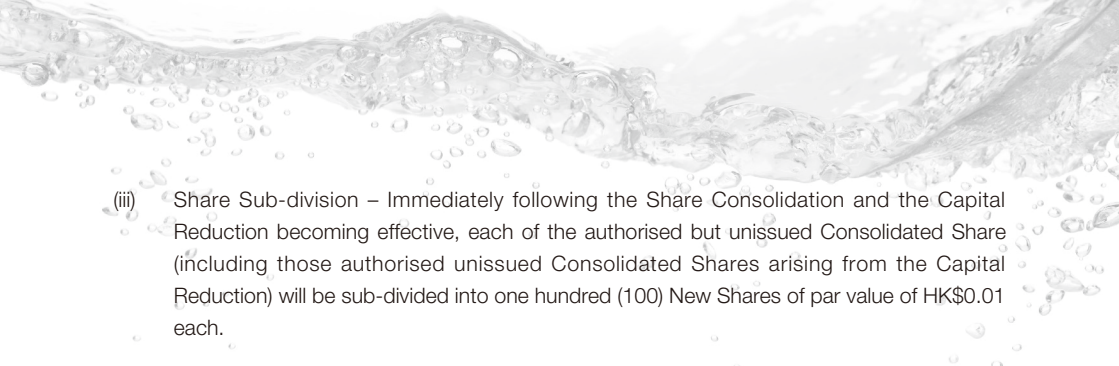
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION

On 16 April 2025, the Company, Ms. Leung Yan Fan Youki ("Creditor A"), Ms. Hui Lai Ngar ("Creditor B") and Mr. Lam Chi Yin Henry ("Creditor C"), completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and the Creditors A, B and C have agreed to subscribe 11,000,000 shares, 13,700,000 and 8,300,000 Capitalisation Shares respectively, at the Subscription Price of HK\$0.12 per Capitalisation Share pursuant to the terms of each of the Agreements in settlement of the Partial Indebted Sum of approximately HK\$3,960,000. Please refer to the announcements of the Company dated 18 February 2025, 21 March 2025, 24 March 2025, 7 April 2025 and 16 April 2025 and the circular of the Company dated 21 March 2025 for further information.

CAPITAL REORGANISATION

On 24 February 2025, the Board proposed to implement the Capital Reorganisation which will involve:

- (i) Share Consolidation – The Share Consolidation will involve a consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each into one (1) Consolidated Share of par value of HK\$1 each.
- (ii) Capital Reduction – Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$1 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares. In addition, any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation will be cancelled.

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- (iii) Share Sub-division – Immediately following the Share Consolidation and the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Share (including those authorised unissued Consolidated Shares arising from the Capital Reduction) will be sub-divided into one hundred (100) New Shares of par value of HK\$0.01 each.

Please refer to the announcements of the Company dated 24 February 2025, 10 March 2025 and 10 April 2025 and the circular dated 10 April 2025 for further information.

Share Consolidation was approved by the Shareholders of the Company at the extraordinary general meeting on 25 April 2025 and became effective on 29 April 2025. Please refer to the announcement of the Company dated 25 April 2025 for further information.

Capital Reduction and Share Sub-division were effective on 30 July 2025 and please refer to the announcements of the Company dated 24 July 2025, 25 July 2025 and 29 July 2025 for further information.

VERY SUBSTANTIAL DISPOSAL IN RELATION TO FACTORING AGREEMENT

On 27 June 2025, the Company entered into the Factoring Agreement with KNT GT Limited (the “Purchaser”), pursuant to which the Company agreed to sell and the Purchaser agreed to acquire the Account Receivables on a without recourse basis, with a factoring principal amount up to HK\$18,000,000. Please refer to the announcements of the Company dated 11 July 2025, 21 July 2025, 26 August 2025, 29 September 2025, 31 October 2025 and 28 November 2025 for further information.

PROPOSED RIGHTS ISSUE

On 9 October 2025, the Company proposed to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.21 per Rights Share, to raise up to HK\$38.21 million before expenses by way of issuing up to 181,972,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). Assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated net proceeds from the Rights Issue will be approximately HK\$36.94 million. Please refer to the announcements of the Company dated 9 October 2025, 31 October 2025 and 11 November 2025 and the circular of the Company dated 28 November 2025 for further information.




DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from the Share Option Scheme, at no time during the six months ended 30 September 2025 was the Company or any of its associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of the Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the Shares in, or debentures of, the Company, or had exercised any such rights.

PRINCIPAL RISK AND UNCERTAINTIES

The Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to the Group's business while there have been no changes in the Group's risk management policies and practices since year end. Other than the potential impact on the operation and financial performance of the Group as mentioned under the paragraph headed "Management Discussion and Analysis – Business Review and Outlook" above, the management considers that the following are the principal risks and uncertainties faced by the Group:

- (a) The Group's business is project-based. The Group mainly derive revenue from projects which are non-recurring in nature. Fee collection and profit margin significantly depend on various factors of each project such as the terms of contracts, duration of project, variation orders, efficiency of implementation of contract work and the general market condition. In general, variation orders usually carry higher profit margin as compared with the works under original contracts. Therefore, revenue generated from the Group's business is irregular and is subject to the availability of projects, variation orders and other factors beyond the Group's control;
- (b) The number and size of the projects the Group can undertake depends on the Group's human and other resources. Due to the size of the Group, a mega-sized project will occupy a substantial part of the Group's resources and inevitably resulted in the Group not being able to deploy resources to other projects and as a result the Group have to rely on a single project or otherwise a small number of projects during the project period. Any decrease in the number of sizable projects in terms of revenue recognised may affect the Group's operations and financial results;

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- (c) For the Group's management contracting business, the Group normally receives progress payments from the customers with reference to the percentage of completion of the contract works done by the Group during the relevant month in accordance with the rates and prices based on the agreed tender price. Any failure by the customers to make any payment on time or in full may have a material adverse effect on the Group's liquidity position. Any failure by the customers to eventually pay the amount to the Group may have a material adverse effect on the Group's financial position and operating results; and
- (d) Most of the Group's contracts are awarded to the Group through tendering process. The Group has to determine the tender price and service fee of each project based on the information available to the Group at the time of submitting the tender. The tender price is determined by factors including the scope of works, the estimated duration of the project period, the total time cost and estimated cost involved. The Group determines the price of all the projects at fixed costs based on an agreed scope of works and the estimation of time cost and estimated cost involved. Error or inaccurate estimation of project duration and costs when determining the tender price or increase in construction costs may adversely affect the Group's profitability or result in substantial loss.

There may be other risks and uncertainties in addition to those mentioned above which are not known to the Group or which may not be material now but could turn out to be material in the future.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 September 2025.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Reporting Period.



CHANGES IN DIRECTORS' INFORMATION

The change in director's information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of the 2024/25 Annual Report of the Company, is set out below:

- Mr. Liu Mingqing was appointed as the chairman and executive director of the Company with effect from 22 August 2025;
- Ms. Shu Huajuan ceased to be a non-executive Director of the Company with effect from 29 September 2025; and
- Mr. Jiang Bin was appointed as an executive Director of the Company with effect from 27 October 2025.

CORPORATE GOVERNANCE PRACTICE

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term success and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures, so as to improve the accountability system and transparency of the Group, protect the interests and create value for shareholders of the Company.

During the Reporting Period, the Company has adopted and complied with, where applicable, the Corporate Governance Code ("CG Code") set out in Part 2 of Appendix C1 of the GEM Listing Rules to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner. Overall, the Company has complied with all applicable code provisions of the CG Code during the Reporting Period.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective close associate (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person has or may have with the Group for the six months ended 30 September 2025.



AUDIT COMMITTEE

The Group has established an Audit Committee pursuant to a resolution of the Board passed on 19 January 2017 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and paragraph D.3.3 and D.3.7 of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on appointment or re-appointment and removal of external auditor; review financial statements of the Company and judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the risk management and internal control procedures of the Group.

As of the date of this report, the Audit Committee is chaired by our independent non-executive Director, Mr. Yuen Wai Keung, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules and consists of two other independent non-executive Directors, namely Mr. Cheung Hiu Fung and Mr. Yiu Chi Wai.

The financial information contained in this interim report has not been audited by the Company's external auditor. The unaudited condensed consolidated results of the Group for the six months ended 30 September 2025 has been reviewed by the Audit Committee, which was of the opinion that the unaudited condensed consolidated results have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules, and that adequate disclosures have been made.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The Group's major operations are mainly carried out in Mainland China and Hong Kong, while the Company is listed on the GEM of the Stock Exchange. The Group always aims to comply with relevant laws and regulations in Mainland China, Hong Kong and the respective places of incorporation of the Company and its subsidiaries while sufficient resources and training have been allocated and provided to ensure the on-going compliance with the applicable laws and regulations.

For the six months ended 30 September 2025 and up to the date of this interim report, the Board was unaware of any non-compliance with relevant laws and regulations that have a significant impact on the business and operations of the Group.

MATERIAL LITIGATION

Save as disclosed in this interim report, the Company was not involved in any other material litigation or arbitration for the six months ended 30 September 2025 and up to the date of this report.



SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on the information that is publicly available to the Company, at least 25% of the Company's issued capital were held by public for the six months ended 30 September 2025 and as at the date of this interim report.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and that of the Company (<http://www.irasia.com/listco/hk/haobai/>). The interim report will be despatched to the shareholders and will be available on the website of the Stock Exchange and that of the Company in due course.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

A Chairman was appointed on 22 August 2025 while the Company has not have a Chief Executive Officer since 8 October 2024. The Board is in the process of looking for an appropriate person to fill the vacancy of Chief Executive Officer. The Board considers that the existing Board members and senior management of the Company are able to share the power and responsibilities of Chief Executive Officer among themselves in accordance with the CG Code set out in Part 2 of Appendix C.2 of the GEM Listing Rules.

APPRECIATION

On behalf of the Board, I would like to thank all of our management team members and staff for their commitment and contributions. I also greatly appreciate the continued support of our business partners, suppliers, staff and shareholders for their generous support and assistance in the past 6 months. We shall be grateful for your continuing trust and support in the years to come.

By order of the Board
Hao Bai International (Cayman) Limited
Liu Mingqing
Chairman and Executive Director

Hong Kong, 28 November 2025

As at the date of this report, the executive Directors are Mr. Liu Mingqing, Mr. Ng Wan Lok, Ms. Wong Wing Hung and Mr. Jiang Bin; and the independent non-executive Directors are Mr. Yuen Wai Keung, Mr. Cheung Hiu Fung and Mr. Yiu Chi Wai.