



P.B. Group Limited

倍搏集團有限公司

(incorporated in Cayman Islands with limited liability)

(Stock code: 8331)



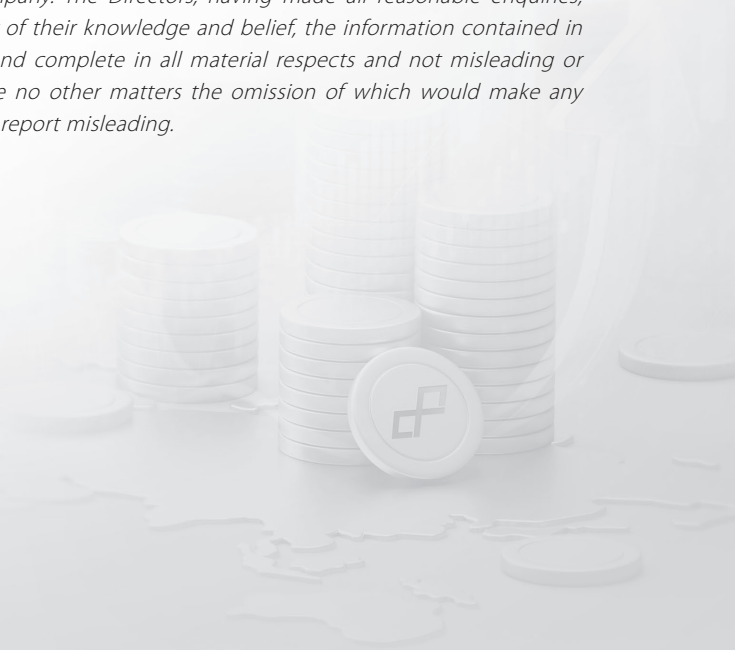
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**” and each a “**Director**”) of P.B. Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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. 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.*



CONTENTS

Corporate Information	3
Management Discussion and Analysis	4
Corporate Governance and Other Information	20
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	31
Condensed Consolidated Statement of Financial Position	32
Condensed Consolidated Statement of Changes in Equity	34
Condensed Consolidated Statement of Cash Flows	36
Notes to the Condensed Consolidated Financial Statements	37

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. CHAN Man Fung (*Co-chairman*)

Mr. PUI Wai Lun (*Co-chairman and
Chief Executive Officer*)

Ms. ZONG Yan

Independent Non-executive Directors

Mr. LAW Ping Keung

Mr. CHOW Chi Hang Tony

Dr. KWOK Hiu Fung

AUTHORISED REPRESENTATIVES

Dr. CHAN Man Fung

Ms. CHIK Wai Chun

COMPANY SECRETARY

Ms. CHIK Wai Chun

COMPLIANCE OFFICER

Dr. CHAN Man Fung

AUDIT COMMITTEE

Mr. LAW Ping Keung (*Chairman*)

Mr. CHOW Chi Hang Tony

Dr. KWOK Hiu Fung

NOMINATION COMMITTEE

Mr. CHOW Chi Hang Tony (*Chairman*)

Dr. KWOK Hiu Fung

Mr. LAW Ping Keung

Ms. ZONG Yan (appointed as a member
on 30 June 2025)

REMUNERATION COMMITTEE

Mr. LAW Ping Keung (*Chairman*)

Mr. CHOW Chi Hang Tony

Dr. KWOK Hiu Fung

AUDITOR

Prism Hong Kong Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

Unit 1903–1905, 19/F

8 Observatory Road

Tsim Sha Tsui, Hong Kong

REGISTERED OFFICE

71 Fort Street

P.O. Box 500, George Town

Grand Cayman, KY1-1106

Cayman Islands

HONG KONG OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1601, 16/F

Park Commercial Centre

180 Tung Lo Wan Road

Causeway Bay

Hong Kong

COMPANY'S WEBSITE

www.thepbg.com

COMPANY'S STOCK CODE

8331

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited

71 Fort Street

P.O. Box 500, George Town

Grand Cayman, KY1-1106

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

LEGAL ADVISER

(As to Cayman Islands Law)

Appleby Global Services (Cayman) Limited

PRINCIPAL BANKERS

Bank of China Limited (Wuhu branch)

Industrial and Commercial Bank of

China Limited (Fanchang branch)

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of Directors hereby presents the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 September 2025 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2024.

BUSINESS REVIEW

Bentonite Mining

The People’s Republic of China (the “**PRC**” or “**Mainland China**”)’s economy has continued to grow in the second and third quarters of 2025, although the growth rate remains moderate. In response to new economic challenges, the government has implemented timely macroeconomic control measures, which appear to be gradually taking effect. However, global market volatility has also impacted the PRC’s macroeconomy, particularly in commodities. During the Reporting Period, underlying factors have remained stable, with supply exceeding demand. As a result, revenue from our bentonite product experienced a moderate decline, decreasing from approximately CNY19.6 million for the six months ended 30 September 2024 to approximately CNY17.7 million in the Reporting Period.

Financial Services

Beyond the production and sale of bentonite products in the PRC, the Group operates a diversified financial services business in Hong Kong through its wholly-owned subsidiaries – P.B. Wealth Management Limited (“**P.B. WM**”) and P.B. Credit Limited (“**P.B. Credit**”) as well as generating financial guarantee fee income through Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司) (“**Wuhu Subsidiary**”), a wholly-owned subsidiary of the Company in the PRC. The financial services of the Group include the wealth management services, money lending business and financial guarantee services.

P.B. WM is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and registered as an MPF Corporate Intermediary with the Mandatory Provident Fund Schemes Authority. P.B. Credit holds a valid money lender license under the Money Lenders Ordinance. Together, these entities deliver wealth management services and money lending facilities.

* For identification purpose only

Wealth Management Services

The insurance brokerage business in Hong Kong continued its robust recovery in 2025, driven by strong demand for protection and wealth management solutions. In the first half of 2025, the Hong Kong insurance industry reported a significant increase in total gross premiums, reaching approximately HK\$423.4 billion. The long-term business sector remained a key driver, with total revenue premiums of in-force business rising by 33.7% to HK\$365 billion, while new office premiums for long-term business surged by 50% to HK\$173.7 billion. This growth was fueled by a sustained appetite for savings and annuity products, particularly among high-net-worth individuals and visitors from Mainland China. The general insurance sector also performed well, with gross premiums recording HK\$58.4 billion. In conclusion, while the industry outlook remains positive, the Group will continue to focus on regulatory compliance, and leverage digital advancements to capture emerging opportunities in the premium market segment.

For the six months ended 30 September 2025, the Group's wealth management and insurance brokerage services underwent a strategic transformation aimed at long-term efficiency and higher service quality. The revenue from general insurance demonstrated exceptional performance, increasing from approximately HK\$0.9 million for the six months ended 30 September 2024 to approximately HK\$2.3 million for the Reporting Period, representing a surge of approximately 158.9%. This growth highlights our success in diversifying product offerings and capturing broader client needs.

The value of new business for the Reporting Period was approximately HK\$1.6 million, compared to approximately HK\$2.7 million in the same period last year. This adjustment reflects our deliberate initiative to streamline our organization and optimize our sales force structure. Consequently, the number of technical representatives was consolidated from 46 to 33. This streamlining is part of a broader strategy to shift our focus towards high-net-worth clients, serviced by a leaner, more professional team. Despite these structural changes, the persistency rate of insurance policies remained robust at 99.2% for the Reporting Period (six months ended 30 September 2024: 99.9%), underscoring the enduring trust and satisfaction of our clients. Looking ahead, we are actively advancing our digital transformation to enhance operational efficiency and provide superior, personalized wealth management solutions.

		Six months ended 30 September		
		2025	2024	Change
Value of new business (<i>Note</i>)	<i>HK\$'000</i>	1,603	2,712	(40.9)%
Revenue of general insurance	<i>HK\$'000</i>	2,299	888	158.9%
Persistency Rate of insurance policy	<i>Percentage</i>	99.2	99.9	(0.7)%
Technical Representatives (TR)	<i>Number of TR</i>	33	46	(28.3)%

Note:

The value of new business is defined as the annualised first year commission, which is the basic commission paid to TR, generated from the insurance policy issued during the Reporting Period.

Money Lending Business

The money lending market in Hong Kong faces a complex landscape of challenges and opportunities in 2025, shaped by interest rate fluctuations, the pace of economic recovery, and evolving demand from small and medium-sized enterprises (SMEs). Lending activity remains heavily dependent on broader indicators such as consumer confidence and business investment appetite.

According to a press release from a reputable credit agency in September 2025, while inquiries for personal loans rose by 2.1% in the first quarter of 2025, actual loan issuance volume saw a more modest increase of 1.2%. Similarly, the Half-Yearly Monetary and Financial Stability Report (September 2025) issued by the Hong Kong Monetary Authority indicated that total loans and advances from authorised institutions ("**Als**") grew marginally by 2.5% in the first half of the year.

Regarding asset quality, the gross classified loan ratio for Als climbed to 1.97% as of the end of June 2025, up from 1.89% a year prior, signaling a potential rise in defaults. This trend suggests that despite persistent market demand, lending institutions have adopted a more prudent approach to assessing new customers in response to heightened credit risks. Looking ahead, Hong Kong's lending market will continue to be influenced by global economic conditions, interest rate trajectories, and the economic recovery in Mainland China. Consequently, the Group must closely monitor these factors to recalibrate its credit strategies and sustain stable business growth.

During the Reporting Period, loan interest income decreased to approximately CNY0.6 million, down from approximately CNY0.8 million for the six months ended 30 September 2024. This decline was attributable to a cautious money lending strategy, which resulted in a lower volume of loans being approved and granted. As at 30 September 2025, the total principal amount and accrued interest decreased to approximately CNY11.0 million (31 March 2025: approximately CNY12.3 million).

Financial Guarantee Services

The Group generated financial guarantee fee income through Wuhu Subsidiary, a wholly-owned subsidiary of the Company in the PRC. Wuhu Subsidiary has been providing financial guarantee services to a borrower since 2018. The financial guarantee fee income was approximately CNY266,000 during the Reporting Period (six months ended 30 September 2024: approximately CNY566,000). The back-to-back guarantee agreement expired in July 2025. The cessation of financial guarantee services aligns with the Group's prudent risk management policy to reduce exposure to uncertain market condition.

Property Investment

The Group holds the property for investment purpose and has leased out the property for generating stable rental income and gaining from long-term capital appreciation. The rental income derived from the investment property is approximately CNY47,000 during the Reporting Period (six months ended 30 September 2024: approximately CNY47,000).

Wholesales Business of Greater Health Personal Care Products

Since the last financial year ended 31 March 2025, the Group has expanded into the wholesale of greater health products, focusing on premium, internationally sourced personal care items. This sector addresses growing consumer demand for high-quality, natural, and wellness-oriented solutions. Supported by rising global health consciousness, the new business leverages robust market trends to offer a diverse portfolio – ranging from skincare to aromatherapy – to both retail and professional clients. By prioritising innovative, eco-friendly products, the Group capitalises on evolving preferences for sustainability while diversifying its revenue streams. Moving forward, the Group aims to strengthen supplier partnerships and enrich its product offerings to consolidate its presence in the Greater China region and beyond.

Mine Property Summary

The Group holds the mining rights to Huanghu Bentonite Mine. The following table sets out certain information of the mine and details of the mining licence.

Location	Huanghu Bentonite Mine Fanchang county, Wuhu city, Anhui province
Equity Interest held by the Group	100%
Date of initial commercial production	Commercial production of pelletising clay in 2004 and drilling mud in 2010
Permitted mining right area	2.1311 km ²
Mining method	Open-pit
Mining depth/elevation limit	From 57 mASL to -23 mASL
Permitted annual production capacity	230,000 m ³ (equivalent to approximately 400,000 tonnes)
Validity period of current licence	11 March 2025 to 10 March 2026
Reserve data (as of 31 December 2020) (<i>Note 1</i>)	Dry
Proved reserve (<i>metric tonnes</i>)	1,743,000
Probable reserve (<i>metric tonnes</i>)	4,539,000
Total (<i>metric tonnes</i>)	6,282,000
Reserve data (as of 30 September 2025) (<i>Note 2</i>)	Dry
Proved reserve (<i>metric tonnes</i>)	1,108,000
Probable reserve (<i>metric tonnes</i>)	4,539,000
Total (<i>metric tonnes</i>)	5,647,000
Average quality of bentonite	
Active montmorillonite	47.0%
Colloid index	61.1 ml/15g
Swelling capacity	8.7 ml/g
Capital expenditure for the Reporting Period	CNY4,552,000
Output for the Reporting Period (<i>metric tonnes</i>)	31,000

Notes:

- (1) The reserve data as of 31 December 2020 is extracted from the independent technical report dated 29 March 2021 (the **"SRK report"**) prepared by SRK Consulting (Hong Kong) Limited under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy.

- (2) The reserve data as of 30 September 2025 has been substantiated by the Group's internal expert by adjusting those reserve extracted by the Group's mining activities from January 2021 to September 2025 from the proved reserve figure as of 31 December 2020. All assumptions and technical parameters set out in the SRK report have not been materially changed and are continued to apply to the reserve data as of 30 September 2025.
- (3) There is no exploration activity carried out by the Group during the Reporting Period.

FINANCIAL REVIEW

Revenue

Breakdown of the Group's Revenue

	For the six months ended 30 September			
	2025		2024	
	CNY'000	%	CNY'000	%
	(Unaudited)		(Unaudited)	
Drilling mud	8,038	30.5	8,739	31.0
Pelletising clay	9,632	36.5	10,829	38.3
Total revenue of bentonite mining	17,670	67.0	19,568	69.3
Wealth management services income	7,562	28.7	7,285	25.8
Loan interest income	608	2.3	766	2.7
Financial guarantee fee income	266	1.0	566	2.0
Total revenue of financial services	8,436	32.0	8,617	30.5
Rental income	47	0.2	47	0.2
Wholesales of personal care products	210	0.8	–	–
Total revenue	26,363	100.0	28,232	100.0

The overall revenue decreased by approximately 6.6% from approximately CNY28.2 million for the six months ended 30 September 2024 to approximately CNY26.4 million for the Reporting Period. The decrease in revenue was due to (i) decrease of revenue of financial services and (ii) decrease of revenue of bentonite mining.

Revenue of Bentonite Mining

Breakdown of the Group's Sales Volume and Average Selling Price by Bentonite Products

	For the six months ended 30 September			
	2025		2024	
	Sales volume (tonnes)	Average selling price (CNY/tonne)	Sales volume (tonnes)	Average selling price (CNY/tonne)
Drilling mud	18,741	428.9	19,970	437.6
Pelletising clay	<u>16,000</u>	<u>602.0</u>	<u>19,159</u>	<u>565.2</u>

The revenue of bentonite products decreased approximately 9.7% from approximately CNY19.6 million for the six months ended 30 September 2024 to approximately CNY17.7 million during the Reporting Period. The decrease in revenue was mainly due to the downturn of the iron and steel industry, the market demand for bentonite products continued to slacken.

Revenue of Financial Services

The revenue of financial services decreased by approximately 2.1% from approximately CNY8.6 million for the six months ended 30 September 2024 to approximately CNY8.4 million for the Reporting Period. The decrease in revenue of financial services for the Reporting Period was mainly due to combined effect of (i) the decrease of approximately 53% in financial guarantee fee income, (ii) decrease of approximately 20.6% in loan interest income and (iii) increase of approximately 3.8% in wealth management services income comparing to the corresponding period in 2024.

The decrease of financial guarantee fee income was due to the Group's strategic decision to cease providing financial guarantee services through Wuhu Subsidiary during the Reporting Period. The decrease of loan interest income was mainly attributable to the reduction of loan portfolios size and the Group's continued cautious money lending strategy, which resulted in lower amount of loans being approved and granted during the Reporting Period when compared with the corresponding period in 2024. This prudent approach was adopted in response to the challenging lending market environment characterized by high interest rates and elevated credit risks.

Revenue of Wholesales of Personal Care Products

During the six months ended 30 September 2025, the wholesales business of greater health personal care products, generating revenue of approximately CNY210,000. This represents a new business sector for the Group, contributing approximately 0.8% of total revenue for the Reporting Period. In comparison, this business sector did not exist during the six months ended 30 September 2024.

Cost of Sales

Breakdown of the Group's Cost of Sales

Cost Items	For the six months ended 30 September			
	2025		2024	
	CNY'000 (Unaudited)	%	CNY'000 (Unaudited)	%
Extraction costs	1,688	10.6	609	3.4
Processing costs				
– Air-drying costs	822	5.1	1,349	7.4
– Consumables, materials and supplies	3,252	20.3	2,888	16.0
– Depreciation and amortisation	497	3.1	701	3.9
– Staff costs	2,002	12.4	2,494	13.8
– Transportation costs	971	6.1	1,710	9.4
– Utility costs	1,404	8.8	1,627	9.0
– Others	830	5.2	1,347	7.4
Sales tax and surcharges	658	4.1	611	3.4
Total cost of bentonite mining	12,124	75.7	13,336	73.7
Commission expense of wealth management services	3,707	23.2	4,763	26.3
Total cost of financial services	3,707	23.2	4,763	26.3
Wholesales of personal care products	169	1.1	–	–
Total cost of wholesales of personal care products	169	1.1	–	–
Total cost	16,000	100.0	18,099	100.0

The overall cost of sales decreased by approximately 11.6% from approximately CNY18.1 million for the six months ended 30 September 2024 to approximately CNY16.0 million for the Reporting Period. The decrease in cost of sales was contributed by (i) decrease of commission expenses of wealth management services and (ii) decrease of cost of bentonite mining business.

Cost of Sales of Bentonite Mining

Breakdown of the Group's Cost of Sales of Bentonite Mining by Bentonite Products

	For the six months ended 30 September					
	2025			2024		
	CNY/tonne	CNY'000	%	CNY/tonne	CNY'000	%
		(Unaudited)			(Unaudited)	
Drilling mud	326.8	6,125	50.5	361.4	7,218	54.1
Pelletising clay	374.9	5,999	49.5	319.3	6,118	45.9
		<u>12,124</u>	<u>100.0</u>		<u>13,336</u>	<u>100.0</u>

The total cost of sales of bentonite mining decreased by approximately 9.1% from CNY13.3 million for the six months ended 30 September 2024 to approximately CNY12.1 million for the Reporting Period. This reduction was primarily due to the decline in output.

The cost of sales for drilling mud decreased by approximately 15.1% from approximately CNY7.2 million for the six month ended 30 September 2024 to approximately CNY6.1 million for the Reporting Period. This reduction was primarily attributable to two factors: 1) approximately 6.2% decline in sales volume; and 2) approximately 9.6% decrease in the unit cost of sales compared to the same period in the previous year.

The cost of sales for pelletising clay has a slight decrease from approximately CNY6.1 million for the six months ended 30 September 2024 to approximately CNY6.0 million for the Reporting Period. This reduction was primarily attributable to two factors: 1) the sales volume declined by approximately 16.5%; and 2) the unit price of cost of sales increased by approximately 17.4% compared to the same period of previous year.

Cost of Financial Services

The commission expense of wealth management services decreased by approximately 22.2% from approximately CNY4.8 million for the six months ended 30 September 2024 to approximately CNY3.7 million for the Reporting Period. The decrease in the commission expense of wealth management services were primarily attributable to the growth of the general insurance business written under the Company's own account, which carries a relatively low commission cost compared with traditional agency-sourced business. At the same time, the Group successfully streamlined its agency structure and headcount, which further reduced commission and related distribution expenses.

Gross Profit and Gross Profit Margin

Breakdown of the Group's Gross Profit and Gross Profit Margin

	For the six months ended 30 September			
	2025		2024	
	Gross profit		Gross profit	
	Gross profit	margin	Gross profit	margin
	CNY'000	%	CNY'000	%
	(Unaudited)		(Unaudited)	
Drilling mud	1,913	23.8	1,521	17.4
Pelletising clay	3,633	37.7	4,711	43.5
Bentonite Mining	5,546	31.4	6,232	31.8
Wealth management services	3,855	51.0	2,522	34.6
Loan interest income	608	100.0	766	100.0
Financial guarantee fee income	266	100.0	566	100.0
Financial services	4,729	56.1	3,854	44.7
Rental income	47	100.0	47	100.0
Wholesales of personal care products	41	19.5	—	—
Total	10,363	39.3	10,133	35.9

The overall gross profit increased by approximately 2.3% from approximately CNY10.1 million for the six months ended 30 September 2024 to approximately CNY10.4 million for the Reporting Period, and the overall gross profit margin increased from approximately 35.9% for the six months ended 30 September 2024 to approximately 39.3% for the Reporting Period. The increased in overall gross profit margin was mainly contributed by the increase in gross profit margin of financial services business.

Gross Profit and Gross Profit Margin of Bentonite Mining

Gross profit for the sale of drilling mud increased by approximately 25.8% from approximately CNY1.5 million for the six months ended 30 September 2024 to approximately CNY1.9 million for the Reporting Period, with the gross profit margin for the sale of drilling mud increasing from approximately 17.4% for the six months ended 30 September 2024 to approximately 23.8% for the Reporting Period. The decline in unit price was lower than that in sales volume, leading to an increase in both gross profit and gross profit margin.

Gross profit for the sale of pelletising clay decreased by approximately 22.9% from approximately CNY4.7 million for the six months ended 30 September 2024 to approximately CNY3.6 million for the Reporting Period, with the gross profit margin for the sale of pelletising clay decreased from approximately 43.5% for the six months ended 30 September 2024 to approximately 37.7% for the Reporting Period. The decrease in gross profit and gross profit margin for pelletising clay was attributed to the decreased sales revenue and increased unit cost of sales.

Gross Profit and Gross Profit Margin of Financial Services

The increase of gross profit of financial services was mainly contributed by the increase of gross profit of wealth management services; and net off by (i) the decrease of loan interest income; and (ii) decrease in financial guarantee services fee income. Gross profit for the wealth management services increased by approximately 52.9% from approximately CNY2.5 million for the six months ended 30 September 2024 to approximately CNY3.9 million for the Reporting Period, while the gross profit margin of wealth management services increased from approximately 34.6% for the six months ended 30 September 2024 to approximately 51.0% for the Reporting Period. The growth in gross profit and gross profit margin of wealth management services were primarily attributable to the strong performance of the general insurance business written under the Company's own account, which carries a relatively low commission payout compared with traditional agency-sourced business. As the contribution of this higher-margin general insurance revenue increased, overall gross profit expanded disproportionately to revenue growth. At the same time, the Group successfully streamlined its agency structure and headcount, which further reduced commission and related distribution expenses.

Other Income, Other Gains/(Loss), Net

Other income, other gains/(loss), net increased by approximately 25.6% from approximately CNY1.2 million for the six months ended 30 September 2024 to approximately CNY1.5 million for the Reporting Period.

The increase was primarily due to (i) significant increase in government grants from negligible amount to approximately CNY0.4 million as the Group's PRC subsidiaries received government subsidies to support business operations, (ii) net reversal of expected credit loss of approximately CNY0.4 million due to improved credit assessment and successful collection of previously impaired balances, and (iii) increase in fair value gain on financial assets at fair value through profit or loss from negligible amount to approximately CNY0.4 million.

These increases were partially offset by (i) decrease in bank interest income from approximately CNY0.6 million to approximately CNY0.5 million and (ii) decrease in sundry income of approximately CNY0.5 million in the prior period to sundry expenses of approximately CNY0.2 million for the Reporting Period.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately 41.2% from approximately CNY1.6 million for the six months ended 30 September 2024 to approximately CNY2.3 million for the Reporting Period. This was primarily attributable to the longer-distance delivery and additional logistics handling, resulting in higher transportation and related distribution costs.

Administrative and Other Expenses

The administrative and other expenses increased by approximately 8.7% from approximately CNY12.6 million for the six months ended 30 September 2024 to approximately CNY13.7 million for the Reporting Period. The increase was due to the increase of administration fee to support the insurance business platform of wealth management services.

Finance Costs

The finance costs increased by approximately 12.6% from approximately CNY286,000 for the six months ended 30 September 2024 to approximately CNY322,000 for the Reporting Period. The increase was mainly due to the increase in unwinding of discount on provision for dismantlement and lease interest expenses.

Income Tax Expense

The income tax expenses increased from approximately CNY102,000 for the six months ended 30 September 2024 to approximately CNY136,000 for the Reporting Period. The increase was due to the combined effect of decrease in PRC enterprise income tax expenses and increase of income tax expenses derived from decrease of deferred tax assets.

Loss for the Period

Due to the combined effect of the aforesaid factors, the loss for the period attributable to the owners of the Company for the Reporting Period was approximately CNY4.5 million, an increase of approximately CNY1.3 million from the loss for the period of approximately CNY3.2 million for the six months ended 30 September 2024.

FINANCIAL RESOURCES REVIEW

Liquidity and Financial Resources

As at 30 September 2025, the Group had net current assets of approximately CNY46.9 million (31 March 2025: approximately CNY58.9 million).

As at 30 September 2025, the Group had cash and cash equivalents of approximately CNY12.4 million (31 March 2025: approximately CNY6.0 million) which was mainly dominated in CNY.

Charges on the Group's Assets

As at 31 March 2025, the Group has pledged its bank deposit CNY20.0 million to secure the general banking facilities granted to an independent third party with principal amount of CNY19.0 million. Details of the pledge are as set out in note 14 to the condensed consolidated financial statements.

As at 30 September 2025, there was no charges on the Group's assets.

Capital Commitments

As at 30 September 2025, the Group had capital commitments of approximately CNY8.3 million in respect of property, plant and equipment (31 March 2025: approximately CNY8.4 million).

Capital Structure

There was no change to the Group's capital structure for the Reporting Period (31 March 2025: nil).

Gearing Ratio

As at 30 September 2025, the gearing ratio was nil (31 March 2025: nil) as the Group was not in need of any material debt financing during the Reporting Period.

Currency Exposure and Management

Since the majority of the Group's business activities are transacted in CNY, the Directors consider that the Group's risk in foreign exchange is insignificant.

Contingent Liabilities

As at 30 September 2025, the Group did not have any contingent liabilities (31 March 2025: details of the contingent liabilities are as set out in note 19 to the condensed consolidated financial statements).

Significant Investments Held

The Group had no significant investment held during the Reporting Period (31 March 2025: nil).

Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding

Save as disclosed in this report, the Group did not have other plan for material investments or acquisition of material capital assets during the Reporting Period.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period (31 March 2025: nil).

Employees and Remuneration Policy

As at 30 September 2025, the Group employed 112 full time employees (as at 30 September 2024: 122) for its principal activities. Employees' costs (including Directors' emoluments) amounted to approximately CNY4.3 million for the Reporting Period (six months ended 30 September 2024: approximately CNY10.4 million). The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages to employees with reference to the performance of the Group, the performance of individuals and prevailing market rates. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company.

OUTLOOK

In 2025, the PRC's economy continues to transition from property-driven growth to more balanced and slower expansion, with policy support mainly directed at infrastructure renewal, affordable housing and industrial upgrading rather than large-scale real estate expansion. Steel demand in the PRC is expected to remain soft and may decline modestly as housing construction normalises. Against this backdrop, the Group expects demand for bentonite products to remain under pressure, but believes that its focus on product quality, cost discipline and higher-value applications can help sustain a relatively stable gross margin despite market volatility.

In Hong Kong, the insurance industry entered 2025 on a strong footing, with the Insurance Authority reporting robust year-on-year growth in total gross premiums for both long-term and general business in the first half of the year, supported by returning Mainland China's visitors and continued demand for protection and savings products. At the same time, the full implementation of the Hong Kong Risk-based Capital (HKRBC) regime is reshaping capital management, product design and reporting, with regulators emphasising solvency strength, risk governance and transparency. Within this evolving landscape, the Group plans to further expand its wealth management and insurance brokerage franchise by prioritising higher-margin general insurance business written on the Group's own account, focusing on high-net-worth and quality corporate clients, and leveraging digital tools to enhance customer experience, operational efficiency and regulatory compliance.

The money lending market in Hong Kong is likely to remain cautious in the near term, as interest rates stay elevated by historical standards and authorities consult on measures to tighten supervision of licensed money lenders and strengthen consumer protection. In view of these conditions, the Group will maintain a prudent and selective lending strategy, concentrating on borrowers with solid credit profiles, strengthening post-lending monitoring and preserving ample liquidity and capital buffers rather than pursuing aggressive balance-sheet growth. This disciplined approach is expected to safeguard asset quality and position the Group to capture opportunities when credit conditions normalise.

For the wholesales business of greater health and personal care products, market fundamentals remain favourable. The PRC's cosmetics and personal care market is projected to continue expanding through 2025, driven by rising health awareness, premiumisation, ageing demographics and growing demand for scientifically validated, natural-ingredient and wellness-oriented products. The Group intends to capitalise on these trends by enlarging its portfolio of premium and eco-friendly brands, deepening cooperation with suppliers and distribution partners in the Greater China region, and exploring cross-border and e-commerce channels to reach both professional and retail customers. Over the medium term, management believes that this sector can evolve into a meaningful contributor to revenue diversification and earnings growth for the Group.

APPRECIATION

The Board would like to take this opportunity to express its appreciation to the staff and management team of the Group for their hard work and dedication during the Reporting Period. The Board would also like to express its sincere gratitude to all the shareholders of the Company for their continuous support.

By Order of the Board

P.B. Group Limited
CHAN Man Fung

Executive Director and Co-chairman

Hong Kong, 28 November 2025

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2025, the interests and short positions of the Directors and chief executives of the Company in the shares (the **"Share(s)"**), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (**"SFO"**) 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 and short positions which any such Director or chief executive of the Company were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were set out below:

Interests and short positions in shares of the Company

Names of Directors	Long/Short position	Capacity	Number of Shares	Notes	Approximate percentage of the issued Shares
					%
CHAN Man Fung	Long Position	Interests of a controlled corporation	46,690,572	1	29.34
	Long Position	Interests of a controlled corporation	34,235,118	2	21.52
	Long Position	Beneficial owner	6,682,000		4.20
			87,607,690		55.06
PUI Wai Lun	Long Position	Interests of a controlled corporation	46,690,572	1	29.34
	Long Position	Interests of a controlled corporation	34,235,118	2	21.52
			80,925,690		50.86

Notes:

1. 46,690,572 Shares are held by Bonus Eventus Securities Limited which is wholly owned by Value Dynasty Limited, which is in turn wholly owned by P.B. Financial Group Limited. P.B. Financial Group Limited is owned as to 50% by Dr. CHAN Man Fung and 50% by Mr. PUI Wai Lun. By virtue of the SFO, Dr. CHAN Man Fung and Mr. PUI Wai Lun are deemed to be interested in these 46,690,572 Shares.
2. 34,235,118 Shares are held by P.B. Asia Holdings Limited which is owned as to 50% by Dr. CHAN Man Fung and 50% by Mr. PUI Wai Lun. By virtue of the SFO, Dr. CHAN Man Fung and Mr. PUI Wai Lun are deemed to be interested in these 34,235,118 Shares.

Save as disclosed above, as at 30 September 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) 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 they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2025, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

Interests and short positions in shares of the Company

Name of substantial shareholders	Long/Short position	Capacity	Number of Shares	Approximate percentage of the issued Shares	
				Notes	%
Bonus Eventus Securities Limited	Long Position	Beneficial owner	46,690,572	1	29.34
Value Dynasty Limited	Long Position	Interests of a controlled corporation	46,690,572	1	29.34
P.B. Asia Holdings Limited	Long Position	Beneficial owner	34,235,118		21.52
Mr. ZHANG Qiang	Long Position	Beneficial owner	27,500,000	2	17.28
Ms. WANG Jie	Long Position	Interest of spouse	27,500,000	2	17.28
P.B. Capital Advanced Fund SPC – P.B. Capital Advance Fund 1 Segregated Portfolio	Long Position	Beneficial owner	11,176,200		7.02

Notes:

1. 46,690,572 Shares are held by Bonus Eventus Securities Limited which is wholly owned by Value Dynasty Limited, which is in turn wholly owned by P.B. Financial Group Limited.
2. Ms. WANG Jie is the spouse of Mr. ZHANG Qiang. By virtue of the SFO, Ms. WANG Jie is deemed to be interested in these 27,500,000 Shares in which Mr. ZHANG Qiang is interested.

Save as disclosed above, as at 30 September 2025, no other persons or corporations (other than the Directors and chief executives of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND OTHER CORPORATION

Save as disclosed under the section "Share Option Scheme" below, at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 12 December 2015 (the "**Share Option Scheme**"), under which the Board may, at its discretion, offer any Eligible Participant (as hereinafter defined) options to subscribe for the Shares subject to the terms and conditions stipulated therein. The Share Option Scheme is valid and effective for a period of 10 years from 29 December 2015 (the "**Scheme Period**"). The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of Eligible Participants to the Group by granting options to them as incentives or rewards. An Eligible Participant may include any (a) executive, employee, director, consultant, adviser and/or agent of any member of the Group; and (b) any other person who has contributed to the success of the listing of the Company on GEM, in each case, as determined by the Board.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 7,955,720 Shares, being 5% of the Company's total issued share capital as at 30 September 2025.

The total number of Shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The number of shares issued and to be issued in respect of which options granted and may be granted to any Eligible Participant in any period of 12 consecutive months up and including the date of grant of the options shall not exceed 1% of the Shares in issue as at the date of grant of the options, without prior approval from the Company's shareholders. Any further grant of options in excess of 1% limit must be subject to (i) the issue of a circular by the Company disclosing the identity of the Eligible Participant, the number of and terms of the options to be granted (and options previously granted to such participant) and the information as required under the GEM Listing Rules; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the GEM Listing Rules. Options granted to connected persons (a director, chief executive (as defined in the GEM Listing Rules) or substantial shareholder (as defined in the GEM Listing Rules) of the Company or any of their respective associates) in excess of 0.1% of the Shares in issue or with an aggregate value in excess of HK\$5,000,000, must be subject to the issue of a circular by the Company together with the notice of the relevant general meeting and the approval of the Shareholders in general meeting and/or other requirements prescribed under the GEM Listing Rules.

Options granted must be taken up on the date of grant, upon payment of HK\$1.00.

Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant.

The exercise price is determined by the Board, and will not be less than the highest of (i) the nominal value of the Shares; (ii) the closing price of the Shares on the date of grant; and (iii) the average closing price of the Shares for the five business days immediately preceding the date of grant.

As at the date of this report, the remaining life of the Share Option Scheme is approximately 1 month.

Details of the Share Option Scheme are set out in note 18 to the condensed consolidated financial statements.

During the Reporting Period, no share option was granted, exercised, cancelled or lapsed and outstanding under the Share Option Scheme.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors and controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group and any other conflicts of interests which such person had or may have with the Group.

DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION

Ms. ZONG Yan has been appointed as a member of the nomination committee of the Company with effect from 30 June 2025.

Save as disclosed above, the Directors are not aware of any other changes in the information of Directors and chief executives of the Company required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules subsequent to 31 March 2025 and up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the GEM Listing Rules (the **"CG Code"**) as its own code of corporate governance.

During the Reporting Period and up to the date of this report, the Company has complied with all the code provisions set forth in the CG Code, except for the following deviation from the CG Code which is explained below:

Pursuant to the code provision C.2.1 of the CG Code, it is stated that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. PUI Wai Lun has performed both of the roles as the co-chairman of the Board (the **"Co-chairman"**) and the chief executive officer of the Company (the **"Chief Executive Officer"**) which deviates from the code provision C.2.1 of the CG Code.

Currently, Mr. PUI Wai Lun and Dr. CHAN Man Fung are Co-chairmen and responsible for the management of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. In addition, Mr. PUI Wai Lun is the Chief Executive Officer, taking care of the day-to-day management of the Group's business and implementing the Group's policies, strategic plans and business goals formulated by the Board since 27 September 2024. Although Mr. PUI Wai Lun is both a Co-chairman and the Chief Executive Officer, the power of chairman has been shared by the other Co-chairmen, Dr. CHAN Man Fung, who would also exercise his power and authorities as a Co-chairman in managing the affairs of the Board and the Company. Besides, with three independent non-executive Directors out of a total of six Directors in the Board, there are sufficient independent voice within the Board to protect the interests of the Company and the shareholders of the Company as a whole.

The Board considers that the balance of power and authority for the present arrangement has not been impaired and this structure enables the Company to make and implement decisions promptly and effectively. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the **"Code of Conduct"**). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct throughout the Reporting Period.

The Company also has written guidelines regarding securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules for relevant employees of the Group and any individuals who may have access to inside information in relation to the securities of the Company.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries, any of the Company's listed securities (including sale of treasury shares (within the meaning of the GEM Listing Rules), if any) during the Reporting Period. As at 30 September 2025, the Company did not hold any such treasury shares.

RELATED PARTY TRANSACTIONS AND CONTINUING RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the six months ended 30 September 2025 are disclosed in note 20 to the condensed consolidated financial statements. Save as disclosed above, these transactions were either exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules, or did not fall under the definition of connected transactions or continuing connected transaction as defined in Chapter 20 of the GEM Listing Rules.

PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, there was sufficient public float of not less than 25% of the Company's issued Shares as required under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company although there are no restrictions against such rights under the laws of the Cayman Islands.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 September 2024: nil).

EVENTS AFTER THE REPORTING PERIOD

There have been no material events undertaken by the Company or the Group occurring after the Reporting Period and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF THE INTERIM RESULTS

The Company has an audit committee of the Company ("**Audit Committee**") which was established in accordance with the requirements of the GEM Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. LAW Ping Keung (chairman of the Audit Committee), Mr. CHOW Chi Hang Tony and Dr. KWOK Hiu Fung. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The unaudited condensed consolidated financial statements and this report of the Group for the Reporting Period have not been reviewed or audited by the auditor of the Company, but have been reviewed by the Audit Committee, which was of the opinion that the preparation of such statements complied with applicable IFRS Accounting Standards and that adequate disclosure has been made in respect thereof.

OTHER INFORMATION

Prepayment to Suppliers

Reference was made to the Company's 2018, 2019, 2020, 2021, 2022/23, 2023/24 and 2024/25 Annual Reports, 2019, 2020, 2021, 2022, 2023 and 2024 Interim Reports, and 2022 Second Interim Report, regarding the failure of the suppliers namely Lituo Enterprise (HK) Limited and Kai Muk Company to refund the trade deposits in the total amount of approximately HK\$54.46 million to the Company. The Company has:

- i. instituted legal proceedings against Lituo Enterprise (HK) Limited ("**Lituo**") on 18 October 2018 to recover outstanding deposits amounted to HK\$10,930,000 under High Court Action No. 2449 of 2018 ("**HCA 2449**"). Lituo filed its defence on 28 November 2018. Upon counsel's advice, the Company considered to have taken out summary proceedings against Lituo pursuant to Order 14 of the Rules of High Court, Cap 4A of the Laws of Hong Kong. However, after thoroughly considered the evidence of the case, counsel advised that it would be quite difficult to obtain summary judgment against Lituo by way of summary proceedings and advised that the case should proceed normally to trial. The Company adopted such advice given by counsel and thereby decided not to proceed to summary proceedings. Accordingly, the Company's legal representatives have followed the normal civil procedures in proceedings. After the parties had completed discovery of evidence exhibit, and upon counsel's advice, the company attempted to consolidate with the action of High Court Action No. 2450 of 2018 ("**HCA 2450**") by taking out a Summons dated 6 February 2023 returnable on 9 February 2023. However, at the hearing, the Court dismissed the Company's summons, but ordered that the two cases be heard together. The parties have completed the discovery of documentary evidence and exchanged the statements of witnesses of the case. The trial of HCA 2449 was conducted on 18th – 21st and 31st March 2025 with 5 days reserved before Deputy High Court Judge Kent Yee. By a judgment made by the learned Judge dated 30 October 2025, it was ordered that the Company's claims in HCA 2449 and HCA 2450 be dismissed, and that the Company shall pay Lituo the costs of the two actions including any reserved costs and to be taxed if not agreed. The Company decides not make any application for appeal against the rulings of the two actions.

- ii. instituted legal proceedings against, Lituo and another company (the “**2nd Defendant**”) which was the payee designated by Lituo under the underlying contract, to recover outstanding deposits amounted to HK\$35,000,000 under HCA 2450. Lituo filed its defence on 28 November 2018. Whereas the 2nd Defendant, which is incorporated in British Virgin Islands (“**BVI**”), has never responded to the case and on 15 May 2020, the court granted final judgment against the 2nd Defendant upon the Company’s application. Thereafter, the Company had appointed BVI lawyers to execute and enforce the judgment by way of presenting a winding-up petition against the 2nd Defendant; and the Eastern Caribbean Supreme Court in the High Court of Justice Virgin Islands made an order, ordering, inter alia, that the 2nd Defendant be wound up and that Mr. John David Ayres (replaced by Mr. Aaron Gardner pursuant to the order made by the BVI court on 14 March 2022) of FTI Consulting (BVI) Limited and Mr. Chow Wai Shing Daniel of FTI Consulting (Hong Kong) Limited (the “**Joint Liquidators**”) be appointed as joint and several liquidators of the 2nd Defendant. Subsequent to the said order, the Joint Liquidators wrote to the Company on 15 June 2021 with the aim of (1) notifying the Company that the Joint Liquidators did not intend to call a meeting of creditors and (2) requesting the Company to submit a Proof of Debt Form in respect of the indebtedness owed by the 2nd Defendant. The Company had duly completed the Proof of Debt form and returned the same to the Joint Liquidators. Then on 17 June 2021, the Joint Liquidators issued a First Report dated 17 June 2021 to the creditors of the 2nd Defendant including the Company reporting, inter alia, the steps taken since their appointment (the “**First Report**”). According to the First Report, the Joint Liquidators served on the 2nd Defendant notice of the liquidation at its registered office as well as wrote to the director of the 2nd Defendant requesting her to complete a Statement of Affairs and Director’s Questionnaire Form, as stipulated by BVI laws but the director of the 2nd Defendant was not cooperative and refused to provide any details in relation to the affairs of the 2nd Defendant. However, the Joint Liquidators are now in the course of locating if the 2nd Defendant has any assets overseas and they are of the view that a substantial amount of asset of the 2nd Defendant may be located in Singapore. To this end, the Joint Liquidators initiated an application in Singapore, seeking to apply for recognition of their liquidators’ status in Singapore. On 6 July 2022, the Singaporean Court granted an order to this effect. The Joint Liquidators are still in the course of locating the asset of the 2nd Defendant in Singapore. The liquidation of the 2nd Defendant is in progress. On the other hand, the Company sought advice from counsel on the merits of the case against Lituo, whereupon it is counsel’s advice that the case should consolidate with HCA 2449. The Company therefore on 6 February 2023 took out a Summons applying for the case to be consolidated with HCA 2449 returnable on 9 February 2023. At the hearing, the Court rejected the Company’s Summons but ordered that the two cases be heard together. The

parties have completed the discovery of documentary evidence and exchanged the statements of witnesses of the case. The trial of HCA 2449 was conducted on 18th – 21st and 31st March 2025 with 5 days reserved before Deputy High Court Judge Kent Yee. By a judgment made by the learned Judge dated 30 October 2025, it was ordered that the Company's claims in HCA 2449 and HCA 2450 be dismissed, and that the Company shall pay Lituo the costs of the two actions including any reserved costs and to be taxed if not agreed. The Company decides not make any application for appeal against the rulings of the two actions.

- iii. instituted legal proceedings against Tong Chung Ming trading as Kai Muk Company to recover the remaining balance of a deposit amounted HK\$8,530,000 under High Court Action No. 1767 of 2018. The trial of the case was heard from 7 to 10 December 2020. By a judgment dated 20 January 2021, it was adjudged that Tong Chung Ming shall pay to the Company the sum of HK\$8,530,000 with interests and costs of the proceedings as well. The Company tends to execute and enforce the judgment and in January 2021 the Company is seeking leave from the Court to file a Petition against Tong Chung Ming trading as Kai Muk Company. The Court has raised a lot of requisitions on the way of service of the statutory demand on the Tong Chung Ming, which was by way of substitute service; and we are now in the course of answering the requisitions raised. The enforcement procedures are on-going.

The Company will make further announcement(s) and/or update the above in its financial reports to inform its Shareholders and potential investors of any material development of the above court proceedings or recovery of judgment debt as and when appropriate.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
		CNY'000	CNY'000
		(Unaudited)	(Unaudited)
Revenue	3	26,363	28,232
Cost of sales		(16,000)	(18,099)
Gross profit		10,363	10,133
Other income, other gains/(loss), net	4	1,526	1,215
Selling and distribution expenses		(2,253)	(1,596)
Administrative and other expenses		(13,712)	(12,611)
Finance costs	5	(322)	(286)
Loss before tax		(4,398)	(3,145)
Income tax expense	6	(136)	(102)
Loss for the period	7	(4,534)	(3,247)
Other comprehensive loss for the period			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(246)	(410)
Total comprehensive loss for the period		(4,780)	(3,657)
Loss for the period attributable to owners of the Company		(4,534)	(3,247)
Total comprehensive loss for the period attributable to owners of the Company		(4,780)	(3,657)
Loss per share (CNY):			
Basic and diluted	9	(2.85) cents	(2.04) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025	31 March 2025
	<i>Notes</i>	CNY'000	CNY'000
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment	10	40,525	39,491
Right-of-use assets		3,077	2,516
Investment property	11	1,866	1,904
Intangible assets	12	4,840	4,877
Deferred tax assets		723	908
Restricted bank balances	14	20,601	14,499
		71,632	64,195
Current assets			
Inventories		7,486	8,357
Trade, guarantee service fee, loan and loan interest, bills and other receivables	13	57,263	45,535
Financial assets at fair value through profit or loss	15	2,684	2,287
Pledged bank deposit	14	–	20,000
Bank balances and cash	14	12,368	5,961
		79,801	82,140
Current liabilities			
Trade and other payables	16	32,075	22,314
Lease liabilities		800	–
Income tax payables		–	976
		32,875	23,290
Net current assets		46,926	58,850
Total assets less current liabilities		118,558	123,045

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30 September 2025

	30 September 2025	31 March 2025
Note	CNY'000 (Unaudited)	CNY'000 (Audited)
Non-current liabilities		
Asset retirement obligations	11,033	10,732
Deferred income	135	143
	11,168	10,875
Net assets	107,390	112,170
Capital and reserves		
Share capital	17 13,261	13,261
Reserves	94,129	98,909
Total equity	107,390	112,170

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Share capital	Share premium	Other reserve (Note (i))	Statutory reserve (Note (ii))	Safety fund and production maintenance fund (Note (iii))	Foreign currency translation reserve	Accumulated losses	Total
	CNY'000	CNY'000	CNY'000	CNY'000	CNY'000	CNY'000	CNY'000	CNY'000
At 1 April 2024 (audited)	13,261	146,974	23,351	9,243	1,899	4,357	(79,613)	119,472
Loss for the period	-	-	-	-	-	-	(3,247)	(3,247)
Exchange difference arising on translation of financial statement of foreign operations	-	-	-	-	-	(410)	-	(410)
Other comprehensive loss for the period	-	-	-	-	-	(410)	-	(410)
Total comprehensive loss for the period	-	-	-	-	-	(410)	(3,247)	(3,657)
At 30 September 2024 (unaudited)	<u>13,261</u>	<u>146,974</u>	<u>23,351</u>	<u>9,243</u>	<u>1,899</u>	<u>3,947</u>	<u>(82,860)</u>	<u>115,815</u>
At 1 April 2025 (audited)	13,261	146,974	23,351	9,580	1,877	4,578	(87,451)	112,170
Loss for the period	-	-	-	-	-	-	(4,534)	(4,534)
Exchange difference arising on translation of financial statement of foreign operations	-	-	-	-	-	(246)	-	(246)
Other comprehensive loss for the period	-	-	-	-	-	(246)	-	(246)
Total comprehensive loss for the period	-	-	-	-	-	(246)	(4,534)	(4,780)
At 30 September 2025 (unaudited)	<u>13,261</u>	<u>146,974</u>	<u>23,351</u>	<u>9,580</u>	<u>1,877</u>	<u>4,332</u>	<u>(91,985)</u>	<u>107,390</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

For the six months ended 30 September 2025

Notes:

(i) OTHER RESERVE

It represents (a) the capital contribution from the previous controlling shareholder, Mr. LI Feilie of Feishang International Holdings Limited ("**Feishang International**") during the fiscal year of 2002 to 2003; and (b) the difference between the nominal value of the issued share capital of the Company and share capital of the then holding company, Feishang International, upon the group reorganisation.

(ii) STATUTORY RESERVE

As required by applicable law and regulations, entities established and operated in the PRC shall set aside/appropriate a portion of its after tax profits of each year to fund statutory reserve. The statutory reserve is not distributable as cash dividends and must be made before distribution of dividend to equity owners.

(iii) SAFETY FUND AND PRODUCTION MAINTENANCE FUND

As stipulated by the State Administration of Work Safety of the PRC, Wuhu Subsidiary is required to accrue the safety production fund and the production maintenance funds which is based on the production volume annually for the utilisation of future safety production expense.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

		Six months ended 30 September 2025 CNY'000 (Unaudited)	2024 CNY'000 (Unaudited)
	Note		
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		<u>(5,922)</u>	<u>3,416</u>
NET CASH GENERATED FROM/(USED) IN INVESTING ACTIVITIES		<u>13,029</u>	<u>(9,299)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(87)</u>	<u>–</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,020	(5,883)
CASH AND CASH EQUIVALENTS AT 1 APRIL		5,283	26,779
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		<u>(613)</u>	<u>(1,319)</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	14	<u>11,690</u>	<u>19,577</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 15 July 2015 and its shares were listed on the GEM of the Stock Exchange on 29 December 2015. P.B. Asia Holdings Limited held 34,235,118 Shares, representing approximately 21.52% of the total number of issued Shares and Bonus Eventus Securities Limited held 40,690,572 Shares, representing approximately 29.34% of the total number of issued Shares. P.B. Asia Holdings Limited and Bonus Eventus Securities Limited are owned and indirectly owned as to 50% by Dr. CHAN Man Fung and 50% by Mr. PUI Wai Lun. In addition, Dr. CHAN Man Fung directly holds 6,682,000 Shares, representing approximately 4.2% of the total number of issued Shares.

The address of the registered office of the Company is 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands and the address of the principal place of business of the Company is Room 1601, 16/F., Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong.

The Company is an investment holding Company. The Company and its subsidiaries (hereinafter collectively referred to as the **"Group"**) are principally engaged in bentonite mining, production and sales of drilling mud and pelletising clay, financial services business, rental business and wholesales of personal care products.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the Reporting Period have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2025.

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 April 2025:

Amendments to IAS 21

Lack of Exchangeability

The adoption of these new and amended standards does not have significant impact on the condensed consolidated financial statements of the Group.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Cont'd)

The adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the consolidated accounts and does not result in substantial changes to the Group's accounting policies.

The Group has not early applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 of the Group are presented in Chinese Yuan ("CNY"), which is also the functional currency of the Company. CNY is the currency of the primary economic environment in which the principal subsidiary of the Company operates (the functional currency of the principal subsidiary).

3. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. Information are reported to and reviewed by the chief operating decision maker for the purposes of resource allocation and performance assessment.

For management purpose, the Group has three reportable and operating segments: (i) bentonite mining, production and sales of drilling mud and pelletising clay, (ii) financial services business and (iii) property investment.

Revenue represents the sales of drilling mud and pelletising clay, wholesales of personal care products, wealth management service income, loan interest income, financial guarantee fee income and rental income.

	Six months ended 30 September	
	2025	2024
	CNY'000	CNY'000
	(Unaudited)	(Unaudited)
Drilling mud	8,038	8,739
Pelletising clay	9,632	10,829
Wholesales of personal care products	210	–
Total revenue of sales of goods	17,880	19,568
Wealth management services income	7,562	7,285
Loan interest income	608	766
Financial guarantee fee income	266	566
Total revenue of financial services	8,436	8,617
Rental income	47	47
Total rental income	47	47
Total revenue	26,363	28,232

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical information

The following table provides an analysis of the Group's revenue from external customers based on geographical location of the customers:

	Six months ended 30 September	
	2025	2024
	CNY'000	CNY'000
	(Unaudited)	(Unaudited)
Hong Kong	8,427	8,098
PRC excluding Hong Kong	17,936	20,134
	<hr/>	<hr/>
Total revenue	26,363	28,232
	<hr/> <hr/>	<hr/> <hr/>

4. OTHER INCOME, OTHER GAINS/(LOSS), NET

	Six months ended 30 September	
	2025	2024
	CNY'000	CNY'000
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	487	633
Government grants	350	8
Release of government grant for property, plant and equipment	8	13
Sundry (expenses)/income	(164)	544
	<hr/>	<hr/>
	681	1,198
Other gains/(loss), net		
Fair value gain on financial assets at fair value through profit or loss ("FVTPL")	426	17
Loss on disposal/written off of property, plant and equipment	(15)	—
Net reversal of expected credit loss on trade, guarantee service fee, loan and loan interest receivables and other receivables	434	—
	<hr/>	<hr/>
	1,526	1,215
	<hr/> <hr/>	<hr/> <hr/>

5. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	CNY'000	CNY'000
	(Unaudited)	(Unaudited)
Interest expenses on lease liability	21	–
Unwinding of discount on provision for dismantlement	301	286
	<u>322</u>	<u>286</u>

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	CNY'000	CNY'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	–	(150)
Hong Kong Profits Tax	–	–
Deferred taxation:		
Current period	(136)	48
	<u>(136)</u>	<u>(102)</u>

Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.
- (b) No provision for profits tax in Hong Kong has been made as the Group has no assessable income for profit tax in Hong Kong during the period ended 30 September 2025 and 2024.
- (c) Under the Law of the PRC on EIT ("EIT Law") and implementation regulation of the EIT Law, the tax rate of the subsidiaries established in the PRC other than Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司) is 25% for both periods.
- (d) Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司) was recognised as a High Technology Enterprise and subject to EIT law at 15% for both periods.

* For identification purpose only

7. LOSS FOR THE PERIOD

Six months ended 30 September

2025	2024
CNY'000	CNY'000
(Unaudited)	(Unaudited)

Loss for the period has been arrived at after charging:

Amortisation of intangible asset	37	36
Amortisation of prepaid lease payments	20	20
Amount of inventories recognised as an expenses	10,943	12,725
Exchange loss, net	40	19
Depreciation of property, plant and equipment	443	628
Depreciation of right-of-use assets	611	–
Amortisation of land-use right	46	46
	<u> </u>	<u> </u>

8. DIVIDEND

No dividend was paid, declared or proposed during the Reporting Period, nor has any dividend been proposed since the end of the Reporting Period (six months ended 30 September 2024: nil).

9. LOSS PER SHARE

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

Six months ended 30 September

2025	2024
CNY'000	CNY'000
(Unaudited)	(Unaudited)

Loss

Loss for the purpose of basic and diluted loss per share	<u>(4,534)</u>	<u>(3,247)</u>
----------------------------------------------------------	----------------	----------------

9. LOSS PER SHARE (Cont'd)

	Six months ended 30 September	
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>'000 shares</i>)	159,114	159,114
Basic and diluted loss per share (<i>CNY</i>)	(2.85) cents	(2.04) cents

Note:

The dilutive loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares outstanding for both periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group spent approximately CNY1,453,000 (six months ended 30 September 2024: approximately CNY9,241,000) on acquisition of property, plant and equipment.

During the Reporting Period, the Group has disposed certain property, plant and equipment with cost values of approximately CNY145,000 (six months ended 30 September 2024: CNY6,000) and net carrying value of CNY15,000 (six months ended 30 September 2024: nil) for no cash proceeds (six months ended 30 September 2024: nil), resulting in a loss on disposal of approximately CNY15,000 (six months ended 30 September 2024: nil).

11. INVESTMENT PROPERTY

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Fair value at the beginning of period/year	1,904	2,426
Net loss from fair value adjustment	–	(547)
Exchange adjustments	(38)	25
Fair value at the end of period/year	1,866	1,904

12. INTANGIBLE ASSETS

During the six months ended 30 September 2025, the Group did not spend any expenditure (six months ended 30 September 2024: nil) in relation to the mining site.

13. TRADE, GUARANTEE SERVICE FEE, LOAN AND LOAN INTEREST, BILLS AND OTHER RECEIVABLES

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Trade receivables – goods	9,024	5,466
Trade receivables – wealth management services	2,945	1,372
Less: loss allowance	(180)	(182)
	11,789	6,656
Loan and loan interest receivables	11,049	12,341
Less: loss allowance	(1,321)	(1,701)
	9,728	10,640
Bill receivables	5,332	15,646
Prepayments and deposits (note a)	28,923	9,105
Other receivables	1,492	3,583
Less: loss allowances	(1)	(95)
	57,263	45,535

As at 30 September 2025 and 31 March 2025, trade receivables from contracts with customers amounted to approximately CNY11,789,000 and approximately CNY6,656,000 respectively.

The Group offers revolving credit to one of its customer amounted approximately CNY400,000 as at 30 September 2025 (31 March 2025: one customer amounted approximately CNY400,000). This revolving credit provides for a predetermined credit limit that may be outstanding at any one time based on their background, credit history, length of business relationship and historical transaction amounts. The Group generally evaluates the credit limits granted to the customer annually upon renewal of the relevant sales agreements and upon special request from the customers. The Group held charges on such customers' vehicles as collaterals over the balance of approximately CNY400,000 as at 30 September 2025 (31 March 2025: approximately CNY400,000). Such collateral is not transferable and rentable and can be realised by the Group at first priority upon the liquidation or deregistration of such customer. For the remaining balances of approximately CNY21,117,000 as at 30 September 2025 (31 March 2025: approximately CNY16,900,000), the Group does not hold any collateral over these amounts.

13. TRADE, GUARANTEE SERVICE FEE, LOAN AND LOAN INTEREST, BILLS AND OTHER RECEIVABLES (Cont'd)

The Group allows credit period ranging from 5 days upon receipt of invoice to three months from the receipt of goods by or invoices to its trade customers. The following is an ageing analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the Reporting Period.

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Within 30 days	10,825	3,161
31 to 60 days	13	1,479
61 to 90 days	8	702
Over 90 days	943	1,314
	<hr/>	<hr/>
Total	11,789	6,656
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2025 and 31 March 2025, all of the bills receivables were aged within 180 days.

The following is ageing analysis on loan and loan interest receivables based on their respective contractual maturity date.

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Within 30 days	9,568	7,266
31 to 60 days	5	–
61 to 90 days	135	–
Over 90 days	20	3,374
	<hr/>	<hr/>
Total	9,728	10,640
	<hr/> <hr/>	<hr/> <hr/>

note a:

Include in prepayments and deposits were refundable trade deposits paid to suppliers for the Group's business strategy to secure the cost level and quantity supply of production materials of bentonite mining business of approximately CNY19,853,000 (31 March 2025: Nil).

14. RESTRICTED BANK BALANCES, PLEDGED BANK DEPOSIT AND BANK BALANCES AND CASH

Restricted bank balances

Restricted bank balances represent restricted cash set aside by the Group in banks placed for the settlement of asset retirement obligations for future environmental rehabilitation. The restricted bank balances carried at prevailing market rates ranging from 0.05% to 1.60% per annum (31 March 2025: 0.10% to 1.95% per annum) during the Reporting Period.

Pledged bank deposit

Pledged bank deposit represented deposit pledged to banks to secure general banking facilities granted to an independent third party. During the Reporting Period, the bank deposit of CNY20,000,000 was released upon the expiry of the relevant banking facilities (31 March 2025: the bank deposit of CNY20,000,000 has been pledged to secure short-term bank borrowing of the independent third party and was therefore classified as current asset). As at 31 March 2025, the pledged bank deposit carry interest rates at 1.95% per annum.

Bank balances and cash

Bank balances and cash include the following for the purposes of the condensed consolidated statement of cash flows:

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Cash at bank and in hand	11,690	5,283
Short-term bank deposits	678	678
	<hr/>	<hr/>
Bank balances and cash shown in the condensed consolidated statement of financial position	12,368	5,961
Less: Bank deposits with a maturity of more than three months	(678)	(678)
	<hr/>	<hr/>
Cash and cash equivalents shown in the condensed consolidated statement of cash flows (<i>Note</i>)	11,690	5,283
	<hr/> <hr/>	<hr/> <hr/>

Note:

Bank balances and bank deposits carried at prevailing market rates ranging from 0.05% to 1.60% per annum during the Reporting Period (31 March 2025: 0.10% to 1.60% per annum).

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Equity securities listed in Hong Kong, at fair value	1,684	1,287
Unlisted equity interest (Note)	1,000	1,000
	2,684	2,287

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

Note: The balance as at 30 September 2025 represented 1% (31 March 2025: 1%) unlisted equity interest of a private company incorporated in PRC.

No change in the fair value of the financial asset at FVTPL was recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2025 and six months ended 30 September 2024.

As at 30 September 2025 and 31 March 2025					
	Valuation technique	Significant unobservable inputs	Input values	CNY'000	Sensitivity analysis
Unlisted equity interest	Market approach	Recent transaction prices	N/A	1,000	N/A

16. TRADE AND OTHER PAYABLES

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Trade payables (Note a)	9,777	4,964
Other payables and accruals	22,056	17,226
Contract liabilities (Note b)	242	124
	32,075	22,314

16. TRADE AND OTHER PAYABLES (Cont'd)

(a) Trade payables

The following is an ageing analysis of trade payables presented based on invoice date at the end of the Reporting Period.

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Within 30 days	5,380	2,037
31 to 60 days	3,466	455
61 to 90 days	88	1,283
91 to 365 days	843	951
Over 365 days	–	238
Total	<u>9,777</u>	<u>4,964</u>

The average credit period granted is 30 days.

(b) Contract liabilities

The Group has recognised the following revenue-related to contract liabilities:

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Contract liabilities arising from:		
Sales of goods	<u>242</u>	<u>124</u>

The deposit of the Group received on sales of drilling mud and pelletising clay remains as a contract liability until the date the goods are delivered to customers.

16. TRADE AND OTHER PAYABLES (Cont'd)

(b) Contract liabilities (Cont'd)

Movements in contract liabilities:

	As at 30 September 2025 CNY'000 (Unaudited)	As at 31 March 2025 CNY'000 (Audited)
Balance as at 1 April 2025/2024	124	126
Decrease in contract liabilities as a result of recognising revenue during the reporting period/year that was included in the contract liabilities at the beginning of the reporting period/year	(124)	(126)
Increase in contract liabilities as a result of receipt in advance of sales of drilling mud and pelletising clay not yet delivered at the end of reporting period/year	242	124
As at 30 September 2025/31 March 2025	<u>242</u>	<u>124</u>

17. SHARE CAPITAL

	Number of shares	Share capital <i>(Equivalent to)</i> <i>HK\$'000</i> <i>CNY'000</i>
Ordinary share of HK\$0.1 each		
Authorised		
As at 1 April 2024, 31 March 2025 and 30 September 2025	<u>1,000,000,000</u>	<u>100,000</u>
Issued and fully paid		
As at 1 April 2024, 31 March 2025 and 30 September 2025	<u>159,114,400</u>	<u>15,911</u> <u>13,261</u>

18. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "**Scheme**"), was adopted pursuant to written resolution of the Company passed on 12 December 2015 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 28 December 2025. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

No share options have been granted, exercised, expired, lapsed, cancelled and outstanding during the Reporting Period (six months ended 30 September 2024: nil).

19. CONTINGENT LIABILITIES

During the year ended 31 March 2025, Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司) entered into the back-to-back guarantee agreement (the "**Back to back Guarantee Agreement**"), pursuant to which Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司) has agreed to provide financial guarantee to the Wuhu Haiyuan Copper Industrial Co., Limited* (蕪湖市海源銅業有限責任公司), a company established in the PRC and an independent third party (the "**Borrower**"). As at 31 March 2025, deposit in the sum of CNY20 million for was pledged procuring the Borrower to obtain the loan of CNY19 million provided by the bank. In return, Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司) receive a guarantee fee of 6% of the amount of deposit pledged by Wuhu Feishang Non-metal Material Co., Limited* (蕪湖飛尚非金屬材料有限公司). The fair value of the financial guarantee issued at initial recognition was immaterial.

During the Reporting Period, the Back-to-back Guarantee Agreement was expired.

* For identification purpose only

20. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group has entered into the following transactions with related parties.

Compensation to key management personnel

The remuneration of directors of the Company and other members of key management during the period was as follow:

	Six months ended 30 September	
	2025	2024
	CNY'000	CNY'000
	(Unaudited)	(Unaudited)
Short-term benefits	764	620
Post employment benefit	–	8
	764	628

The remuneration of the directors of the Company and key executives is determined with regards to the performance of individuals.

			Transaction amount	
			Six months ended 30 September	
Related party relationship	Notes	Type of transaction	2025	2024
			CNY'000	CNY'000
			(Unaudited)	(Unaudited)
Company controlled by member of key management personnel	(i)	Accounting fees	635	609
	(i)	Internal control and ESG Reporting fee	359	452
	(i)	Motor car expenses	193	149
	(i)	Consultancy fee	258	507
Company controlled by the common directors	(ii)	Secretarial fees	486	443
	(ii)	Consultancy fee	–	74
	(ii)	Rental expenses	120	120

Notes:

- (i) Accounting fees, internal control and ESG reporting fee, motor car expenses and consultancy fee were paid to a company directly owned by key management personnel of the Group.
- (ii) Secretarial fees, consultancy fee and rental expenses were paid to companies controlled by directors.