

SIN STAR

中國華星

中國華星集團有限公司

China Sinostar Group Company Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 485



2025/2026
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Wang Jing (Chairman)
Wang Xing Qiao (Chief Executive Officer)

Non-Executive Director

Zhao Hongxia

Independent Non-Executive Directors

Su Bo
Tang Shengzhi
Zeng Guanwei
(resigned with effect from
1 December 2025)
Liu Xiaofeng
(appointed with effect from
1 December 2025)

COMPANY SECRETARY

Lam Wai Kei

AUDITOR

Forvis Mazars CPA Limited

AUDIT COMMITTEE

Su Bo (Chairman)
Tang Shengzhi
Zeng Guanwei
(resigned with effect from
1 December 2025)
Liu Xiaofeng
(appointed with effect from
1 December 2025)

REMUNERATION COMMITTEE

Tang Shengzhi (Chairman)
Su Bo
Zeng Guanwei
(resigned with effect from
1 December 2025)
Liu Xiaofeng
(appointed with effect from
1 December 2025)

NOMINATION COMMITTEE

Wang Jing (Chairman)
Tang Shengzhi
Zeng Guanwei
(resigned with effect from
1 December 2025)
Liu Xiaofeng
(appointed with effect from
1 December 2025)

PRINCIPAL BANKER

The Hongkong and Shanghai Banking
Corporation Limited

SOLICITOR

Loeb & Loeb LLP

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services
(Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

REGISTERED OFFICE

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2 Church Street
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Bermuda

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The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of China Sinostar Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Company for the six months ended 30 September 2025 which has been reviewed by the audit committee of the Board (the “**Audit Committee**”).

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
		HK\$'000	HK\$'000
	Notes	(unaudited)	(unaudited)
Revenue	3	14,858	14,740
Cost of sales		(7,387)	(11,965)
Gross profit		7,471	2,775
Other gain	5	6	250
Administrative expenses		(6,652)	(5,002)
Finance costs		(1,490)	(1,445)
Loss before tax	6	(665)	(3,442)
Income tax expenses	7	(131)	(166)
Loss for the period		(796)	(3,588)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		4,574	7,820
Total comprehensive income for the period		3,778	4,232
		HK cents	HK cents
Loss per share			
– Basic and diluted	9	(0.37)	(1.69)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
	Notes		
Non-current assets			
Investment properties	10	108,267	106,372
Property, plant and equipment	10	22,596	23,341
Right-of-use assets	10	57	228
		<u>130,920</u>	<u>129,941</u>
Current assets			
Trade receivables, deposits and other receivables	11, 13	36,124	29,521
Properties for sale under development	12	14,271	14,021
Properties held for sale		47,231	53,870
Bank balances and cash		10,267	6,597
		<u>107,893</u>	<u>104,009</u>
Current liabilities			
Amount due to immediate holding company	13	955	—
Trade payables and accrued charges	14	29,614	27,956
Lease liabilities		60	237
Contract liabilities		1,495	2,717
Current tax liabilities		5,213	5,127
Borrowings	15	20,737	20,374
Bonds payable	16	6,182	6,760
		<u>64,256</u>	<u>63,171</u>
Net current assets		<u>43,637</u>	<u>40,838</u>
Total assets less current liabilities		<u>174,557</u>	<u>170,779</u>
NET ASSETS		<u>174,557</u>	<u>170,779</u>
Capital and reserves			
Share capital	17	2,128	2,128
Reserves		172,429	168,651
TOTAL EQUITY		<u>174,557</u>	<u>170,779</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2025 (audited)	2,128	394,379	(30,342)	577,204	64,349	(836,939)	170,779
Loss for the period	-	-	-	-	-	(796)	(796)
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	-	-	4,574	-	-	-	4,574
Total comprehensive income for the period	-	-	4,574	-	-	(796)	3,778
At 30 September 2025 (unaudited)	2,128	394,379	(25,768)	577,204	64,349	(837,735)	174,557
At 1 April 2024 (audited)	2,128	394,379	(28,869)	577,204	64,349	(812,602)	196,589
Loss for the period	-	-	-	-	-	(3,588)	(3,588)
Other comprehensive income:							
Exchange difference arising on translation of foreign operations	-	-	7,820	-	-	-	7,820
Total comprehensive income for the period	-	-	7,820	-	-	(3,588)	4,232
At 30 September 2024 (unaudited)	2,128	394,379	(21,049)	577,204	64,349	(816,190)	200,821

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)
OPERATING ACTIVITIES		
Net cash generated from operating activities	2,172	2,251
INVESTING ACTIVITIES		
Interest received	2	3
Purchase of property, plant and equipment	–	(71)
Net cash from (used in) investing activities	2	(68)
FINANCING ACTIVITIES		
Advance from immediate holding company	1,262	742
Repayment from a director	21	–
Interest paid on bonds payable	(244)	(148)
Interest paid on lease liabilities	(5)	(17)
Repayment of bonds payable	(578)	(200)
Repayment of lease liabilities	(177)	(166)
Net cash from financing activities	279	211
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,453	2,394
Cash and cash equivalents at beginning of the reporting period	6,597	4,571
Effect of foreign exchange rate changes	1,217	1,530
Cash and cash equivalents at end of the reporting period, represented by bank balances and cash	10,267	8,495

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (“Listing Rules”).

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual consolidated financial statements for the year ended 31 March 2025 except for the adoption of the revised HKFRS Accounting Standards issued by the HKICPA effective as of 1 April 2025.

This condensed consolidated financial information has not been audited.

2. ADOPTION OF REVISED HKFRS ACCOUNTING STANDARDS

The Group has adopted the Amendments to HKAS 21 “The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability” issued by the HKICPA that is relevant to the Group and effective for the current period. The amendments do not have any significant impact on the Group’s condensed consolidated financial statements in the current and prior periods as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within HKFRS 15:		
Development and sale of properties	8,537	11,041
Properties management	18	118
Operation and management of hydroelectric power stations	4,314	2,969
	<u>12,869</u>	<u>14,128</u>
Revenue from other sources:		
Rental income from operating leases:		
– fixed lease payments	1,446	501
– variable lease payments	543	111
	<u>1,989</u>	<u>612</u>
	<u>14,858</u>	<u>14,740</u>

In addition to the information shown in segment disclosures in note 4 to the condensed consolidated financial statements, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

Six months ended 30 September 2025				
	Development and sale of properties HK\$'000 (unaudited)	Properties management HK\$'000 (unaudited)	Operation and management of hydroelectric power stations HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<i>Type of transaction price:</i>				
At fixed price	8,537	18	4,314	12,869
<i>Timing of revenue recognition:</i>				
At a point in time	8,537	–	–	8,537
Over time	–	18	4,314	4,332
	8,537	18	4,314	12,869
Six months ended 30 September 2024				
	Development and sale of properties HK\$'000 (unaudited)	Properties management HK\$'000 (unaudited)	Operation and management of hydroelectric power stations HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<i>Type of transaction price:</i>				
At fixed price	11,041	118	2,969	14,128
<i>Timing of revenue recognition:</i>				
At a point in time	11,041	–	–	11,041
Over time	–	118	2,969	3,087
	11,041	118	2,969	14,128

As all of the revenue of the Group are attributable to the market in the People's Republic of China (the "PRC"), no geographical information is presented.

4. SEGMENT INFORMATION

The Group's operating divisions are as follows:

- (1) Development and sale of properties ("Properties development")
- (2) Properties investment
- (3) Properties management
- (4) Operation and management of hydroelectric power stations ("Hydroelectric power business")

Segment revenue and results

For the six months ended 30 September 2025					
	Properties development HK\$'000 (unaudited)	Properties investment HK\$'000 (unaudited)	Properties management HK\$'000 (unaudited)	Hydroelectric power business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue	8,537	1,989	18	4,314	14,858
Segment results	897	1,224	3	841	2,965
Interest income					2
Unallocated expenses					(2,142)
Finance costs					(1,490)
Loss before tax					(665)
For the six months ended 30 September 2024					
	Properties development HK\$'000 (unaudited)	Properties investment HK\$'000 (unaudited)	Properties management HK\$'000 (unaudited)	Hydroelectric power business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue	11,041	612	118	2,969	14,740
Segment results	(441)	(48)	(50)	419	(120)
Interest income					3
Unallocated expenses					(1,860)
Finance costs					(1,445)
Loss before tax					(3,422)

5. OTHER GAIN

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income	2	3
Others	4	247
	<u>6</u>	<u>250</u>

6. LOSS BEFORE TAX

This is stated after charging:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Staff costs (including directors' remuneration):		
– wages and salaries	1,715	1,683
– contribution to defined contribution schemes	101	194
Cost of inventories sold	7,352	10,954
Depreciation:		
– property, plant and equipment	1,481	1,478
– right-of-use assets	171	171
Interest expenses on:		
– borrowings	1,241	1,238
– bonds payable	244	190
– lease liabilities	5	17
	<u>5</u>	<u>17</u>

7. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2024: 16.5%) of the estimated assessable profits for the period. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for each of the six months ended 30 September 2025 and 2024.

The PRC Enterprise Income Tax ("EIT") in respect of operations in the PRC is calculated at a rate of 25% (six months ended 30 September 2024: 25%) on the estimated assessable profits for the six months ended 30 September 2025 based on existing legislation, interpretations and practices in respect thereof.

The PRC Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value.

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current period		
LAT	<u>131</u>	<u>166</u>

8. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 30 September 2025 (six months ended 30 September 2024: nil). The Directors have determined that no dividend will be paid in respect of the six months ended 30 September 2025 (six months ended 30 September 2024: nil).

9. LOSS PER SHARE

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

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period	<u>(796)</u>	<u>(3,588)</u>
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares for the basic and diluted loss per share	<u>212,839,878</u>	<u>212,839,878</u>
	<i>HK cents</i>	<i>HK cents</i>
Basic and diluted loss per share	<u>(0.37)</u>	<u>(1.69)</u>

Diluted loss per share is same as the basic loss per share for the six months ended 30 September 2025 and 2024. The Company did not have any dilutive potential ordinary shares during the six months ended 30 September 2025 and 2024.

10. INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2025, the Group has not acquired or disposed of any items of investment properties and right-of-use assets (six months ended 30 September 2024: nil).

During the six months ended 30 September 2025, the Group has not acquired or disposed of any items of property, plant and equipment (six months ended 30 September 2024: acquisition of HK\$71,000).

11. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

The ageing analysis of trade receivables, net of loss allowance, based on invoice dates which approximate the respective recognition dates, at the end of the reporting period is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
0–30 days	–	–
31–60 days	2,360	–
61–90 days	474	–
Over 90 days	7,394	7,827
	<u>10,228</u>	<u>7,827</u>

The Group allows an average credit period ranging from 0 to 365 days (31 March 2025: 0 to 365 days) to its trade customers.

12. PROPERTIES FOR SALE UNDER DEVELOPMENT

At 30 September 2025, properties for sale under development of HK\$14,271,000 (31 March 2025: HK\$14,021,000) were pledged to secure banking facility with an aggregate principal amount of HK\$25,921,000 (31 March 2025: HK\$25,467,000) granted to third parties. All properties for sale under development are located in the PRC.

13. AMOUNT DUE FROM/TO A DIRECTOR/IMMEDIATE HOLDING COMPANY

At 30 September 2025, the amount due to immediate holding company is interest-free, unsecured and repayable on demand (31 March 2025: the amounts due from a director and the immediately holding company, included in other receivables, of HK\$21,000 and HK\$307,000, respectively, were interest-free, unsecured and repayable on demand).

14. TRADE PAYABLES AND ACCRUED CHARGES

The ageing analysis of trade payables based on invoice dates at the end of the reporting period is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
0–30 days	–	–
31–60 days	–	–
61–90 days	–	–
Over 90 days	1,934	2,007
	<u>1,934</u>	<u>2,007</u>

The average credit period is 90 days (31 March 2025: 90 days) and certain suppliers grant longer credit period on a case-by-case basis.

15. BORROWINGS

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Other borrowings, secured		
Current liabilities	20,737	20,374

As at 30 September 2025, other borrowings are denominated in Renminbi, interest-bearing at 12% per annum (31 March 2025: 12%), secured by investment properties of HK\$15,116,000 (31 March 2025: HK\$14,851,000) and repayable on 2 May 2026 (31 March 2025: 2 May 2025).

16. BONDS PAYABLE

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Corporate bonds		
Current liabilities	6,182	6,760

As at 30 September 2025, the Company had corporate bonds with principal amount of HK\$6,182,000 (31 March 2025: HK\$6,760,000) issued under the placing agreement dated 13 November 2018 for bonds issuance with an aggregate principal amount of up to HK\$200,000,000 (the "Placing Agreement"). Pursuant to the Placing Agreement, the bonds carry fixed interest rates ranging from 6% to 6.5% per annum. The bonds are with a maturity period ranging from three to five years from the issue date, and the interests are paid semi-annually in arrears on 30 June and 31 December in each year and on the maturity date.

On 17 May 2024, the Company received a winding-up petition (the "Petition") which was filed against the Company on the same date at the High Court of the Hong Kong Special Administrative Region (the "Hong Kong High Court") by a bond holder (the "Petitioner") for the winding up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Petition is relating to the outstanding amount of certain bonds payable in an aggregate amount of HK\$3,902,000 (the "Outstanding Amount"). On 28 June 2024, the Petitioner has entered into an agreement with a third party and completed the transfer of the Outstanding Amount to such third party who is independent of and not connected with the Company and its connected person and not otherwise a connected person of the Company. As such, the Petitioner has ceased to be a bond holder of the Company and has agreed to withdraw the Petition. The Company received a court order from the Hong Kong High Court dated 22 July 2024, which ordered, among other things, that the Petition be withdrawn. Please refer to the announcements of the Company dated 20 May 2024, 24 May 2024, 28 June 2024 and 31 July 2024 for details.

During the year ended 31 March 2025, the Company entered certain supplemental deed polls with bond holders to extend the maturity date of certain bonds payable in an aggregate principal amount of HK\$5,987,000 to 30 June 2025 and amended the interest rate to 0.7% per month during the extended period.

As at 31 March 2025, all bonds payable were unsecured. The bonds payable of an aggregate principal amount of HK\$5,987,000 was interest bearing at the interest rate of 0.7% per month and repayable on 30 June 2025. The remaining bonds payable of an aggregate principal amount of HK\$773,000 was overdue and interest free.

On 20 June 2025, certain bond holders agreed to further extend the maturity date of certain bonds payable in an aggregate principal amount of HK\$5,987,000 to 31 December 2025 with all other terms remain unchanged.

The Company has been actively communicating and maintaining constructive dialogue with the bond holders and is in the process of amicable negotiation with the bond holders in respect of the repayment plans.

As at 30 September 2025, all bonds payable were unsecured. The bonds payable of an aggregate principal amount of HK\$5,410,000 was interest bearing at the interest rate of 0.7% per month and repayable on 31 December 2025. The remaining bonds payable of an aggregate principal amount of HK\$772,000 was overdue and interest free.

17. SHARE CAPITAL

	Nominal value per share HK\$	Number of shares	Amount HK\$'000
Authorised:			
At 1 April 2024, 31 March 2025 and 30 September 2025	0.01	50,000,000,000	500,000
Issued and fully paid:			
At 1 April 2024, 31 March 2025 and 30 September 2025	0.01	212,839,878	2,128

18. CAPITAL COMMITMENTS

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Properties for sale under development: Contracted but not provided for in the condensed consolidated financial statements	586	576

19. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions:

	Six months ended 30 September 2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Remuneration of key management personnel	1,006	989

Key management personnel are deemed to be the members of the Board which has responsibility for planning, directing and controlling the activities of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

To align with the Group's business strategies and directions, the Group has reallocated its resources and reorganised its asset portfolio to enlarge its business scale in properties development and related services sectors in the past years. For the six months ended 30 September 2025, most of the Group's revenue were derived from properties development and hydroelectric power business, with a small proportion of revenue derived from properties investment and properties management business.

During the six months ended 30 September 2025, the properties market in the PRC remained volatile and unpredictable, facing structural challenges of high level of unsold inventory, weak demand and affordability issues. The national real estate development investment, sales area and volume continued to decline. According to the National Bureau of Statistics in the PRC, from January to September 2025, the national investment in real estate development amounted to approximately RMB6,771 billion, representing a year-on-year decrease of 14%, of which approximately RMB5,205 billion was invested in residential housing, representing a year-on-year decrease of 13%; and all major indicators declined. The sales of commodity housing in the PRC were approximately RMB6,304 billion, representing a year-on-year decrease of 8%, of which the sales of residential housing decreased by 8%; and the sales area of commodity housing in the PRC was approximately 658 million sq.m., representing a year-on-year decrease of 6%, of which the sales area of residential housing decreased by 6%.

While the PRC central government implemented various policy measures aimed at stabilising the properties market, including lowering of mortgage rates, relaxing of purchase restrictions in certain cities and introducing initiatives to convert unsold housing into affordable units, the outcome has been limited. These measures helped to slow the pace of decline but have not reversed the downward trend.

This negative trend reflects a structural correction and a consistent decline in the properties market in the PRC, rather than a short-term cycle. As a result, the operations and financial performance of the Group were inevitably affected during the six months ended 30 September 2025.

For the six months ended 30 September 2025, the Group recorded a revenue of approximately HK\$14,858,000 representing an increase of approximately 1% as compared to the revenue of approximately HK\$14,740,000 for the corresponding period in 2024. Administrative expenses increased from approximately HK\$5,002,000 for the six months ended 30 September 2024 to approximately HK\$6,652,000 for the six months ended 30 September 2025, which was mainly due to the increased repairs and maintenance incurred on the hydroelectric power stations. For the six months ended 30 September 2025, the Group recorded finance costs of approximately HK\$1,490,000, representing an increase of approximately 3% as compared to that of approximately HK\$1,445,000 for the corresponding period in 2024, which was resulted from the borrowings and bonds payable for the Group's refinancing and general corporate purpose.

As a result, the Group recorded a loss for the period at the amount of approximately HK\$796,000 for the six months ended 30 September 2025, representing a decrease of approximately 78% as compared to that of approximately HK\$3,588,000 for the six months ended 30 September 2024.

Properties Development

Leveraging on the experience and connection of the management and following the business directions of the Company, the Group started to engage in properties development business since the financial year of 2018.

During the six months ended 30 September 2025, the Group owned two properties development projects in the PRC, namely Xiguan Project and Bagua Town Project II. Particulars of which are as follows:

Project name	Location	Approximate site area (sq.m.)	Approximate gross floor area (sq.m.)	Group's interest	Type	Property Status
Xiguan Project	No. 1, Group 13, Fumen Street, Huanren County, Benxi City, Liaoning Province, the PRC* (中國遼寧省本溪市桓仁縣福民街1號13組)	46,243	80,462	100%	Residential and commercial	Completed
Bagua Town Project II	No.1, Unit 0, Block 0, Group 05, Huanren County Center, Huanren County, Benxi, Liaoning Province, the PRC* (中國遼寧省本溪市桓仁縣桓仁鎮中心05組0幢0單元1號)	9,188	14,700	100%	Commercial	Preliminary stage of preparation

* For identification purposes only

Xiguan Project

Xiguan Project contained 19 buildings that created 775 residential and 30 commercial units and 121 parking units. The construction work of the Xiguan Project was completed during the financial year of 2019.

For the six months ended 30 September 2025, the Group sold approximately 4% of the gross floor area and achieved total contracted sales of approximately HK\$8,537,000, while approximately 4% of the gross floor area was sold and total contracted sales of approximately HK\$11,041,000 was recorded for the six months ended 30 September 2024.

Bagua Town Project II

Bagua Town Project II is at the preliminary stage of preparation ahead of construction. Bagua Town Project II is planned to include pedestrian streets, retail stores, shopping malls, and tourism, historical and cultural facilities, and expected to enhance future business performance of the Group. Together with Bagua Town Project I, the two projects are expected to be a combination of work, life, education and tourism, located near the government square of Huanren Manchu Autonomous County, Liaoning Province, the PRC.

The Group acquired the land use rights for Bagua Town Project II during the financial year of 2020. However, the Natural Resources Bureau of Huanren Manchu Autonomous County (the “**Bureau**”), responsible for delivering vacant possession of the land, experienced prolonged delays due to relocation disputes with two remaining holdout households who had demanded excessive compensation. Following the issuance of forced demolition orders, relocation compensation terms were agreed between the Bureau and the holdout households in October 2025. The vacant possession of the land is now expected to be delivered to the Group before December 2025, the construction of Bagua Town Project II is expected to commence in December 2025 and is targeted to be completed by the end of December 2026, whereas marketing and sale of completed units are expected to commence in the first half of 2027. In addition, the Group has applied to the Bureau for an increase in total gross floor area of the development of Bagua Town Project II. The Bureau has agreed in principle to an increase of total gross floor area from 14,700 sq.m. to 19,700 sq.m., but the formal approval has yet to be obtained.

For the six months ended 30 September 2025, revenue from properties development were derived from the sale of remaining completed properties of the Xiguan Project. The property market in the PRC remained under downward pressure and the housing supply and prices continued to be dragged down by the weakened demands. For the six months ended 30 September 2025, segment revenue was approximately HK\$8,537,000, representing a decrease of 23% as compared to approximately HK\$11,041,000 for the six months ended 30 September 2024. Segment profit of approximately HK\$897,000 for the six months ended 30 September 2025 was recorded as compared to a segment loss of approximately HK\$441,000 for the six months ended 30 September 2024.

Sales performance has not witnessed significant improvement yet, however, policy relaxations and support measures for both supply and demand sides are expecting to take effect. The central government has taken proactive steps to support the property market, including monetary easing and targeted housing initiatives. These measures have contributed to a slower rate of decline, yet the sector continues to face structural headwinds. We remain cautiously optimistic and committed to navigating the evolving landscape with resilience and agility. The Board is positive towards the properties development industry in the PRC and will proactively align and respond to the adjustment and calling of such policies and capture the potential opportunities in the properties development market in order to enhance shareholder's value. Further, the Group will also enhance its portfolio of the existing projects and strive to generate a better result for the Group.

Properties Investment

Revenue generated from properties investment was mainly derived from the leasing of commercial properties and carparks located in Benxi City, Liaoning Province, the PRC. Particulars of which are as follows:

Location	Use	Approximate gross floor area (sq.m.)	Group's interest	Lease expiry
No. 1, the first floor, Block 5, 1 Shengli Road, Pingshan District, Benxi City, Liaoning Province, the PRC* (中國遼寧省本溪市平山區勝利路5幢1層1號)	Commercial	808	100%	2055
Zhanqian, Pingshan District, Benxi City, Liaoning Province, the PRC* (中國遼寧省本溪市平山區站前)	Carparks	7,000	100%	2036
Xinglong Street, Pingshan District, Benxi City, Liaoning Province, the PRC* (中國遼寧省本溪市平山區興隆街)	Carparks	6,867	100%	2046
Yuming Road, Mingshan District, Benxi City, Liaoning Province, the PRC* (中國遼寧省本溪市明山區峪明路)	Carparks	2,171	100%	2046
Qian Jie Commercial Street, Bagua Town, Center Street, Huanren County, Benxi City, Liaoning Province, the PRC* (中國遼寧省本溪市桓仁縣中心大街八卦城乾街商業街)	Commercial	7,543	100%	2058

* For identification purposes only

For the six months ended 30 September 2025, segment revenue was approximately HK\$1,989,000, representing an increase of 225% as compared to approximately HK\$612,000 for the six months ended 30 September 2024. The leasable area increased due to the changed of use of Bagua Town Project I from properties held for sale to leasing for rental income in October 2024, segment revenue therefore increased accordingly. As a result, segment profit of approximately HK\$1,224,000 for the six months ended 30 September 2025 was recorded as compared to a segment loss of approximately HK\$48,000 for the six months ended 30 September 2024.

Properties Management

To complement the properties development business, the Group started to engage in properties management business and delivered comprehensive property management services for residential and commercial properties since the financial year of 2020.

The segment revenue and segment profit for the six months ended 30 September 2025 were approximately HK\$18,000 and approximately HK\$3,000, respectively, whereas the segment revenue and segment loss for the six months ended 30 September 2024 were approximately HK\$118,000 and approximately HK\$50,000, respectively. The Group is gradually exiting from the properties management business and thus resulted in the decrease in both segment revenue and segment profit.

Hydroelectric Power Business

The Group started to engage in the business of clean and renewable energy since the financial year of 2016. Revenue was generated from the operation and management of two hydroelectric power stations located in the northern PRC which are connected to the national power grid and mainly for industrial use. The business of clean and renewable energy contributed to the stable income of the Group during the year.

The segment revenue and segment profit for the six months ended 30 September 2025 was approximately HK\$4,314,000 and approximately HK\$841,000, respectively, whereas the segment revenue and segment profit for the six months ended 30 September 2024 was approximately HK\$2,969,000 and approximately HK\$419,000, respectively.

Needless to say, the sustainable development in clean and renewable energy is the global trend. The Group believes that continued investments in renewable energy business will benefit the Group in the long run and generated sustainable revenue to the Group.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2025, bank balances and cash denominated mainly in Hong Kong dollars and Renminbi amounted to approximately HK\$10,267,000, representing an increase of approximately 56% as compared to approximately HK\$6,597,000 as at 31 March 2025, which was mainly resulted from the operating cash inflows and the advance from the immediate holding company during the six months ended 30 September 2025.

As at 30 September 2025, gearing ratio was 0.15 (31 March 2025: 0.16), which was calculated based on the total borrowings and bonds payable divided by total equity. The Group will continue to monitor and manage its financial structure and their potential risks in the course of development.

As at 30 September 2025, the current ratio was 1.68 (31 March 2025: 1.65), which was calculated by dividing the total current assets by the total current liabilities.

Financing and Capital Structure

The Group adopts prudent funding and treasury policies, our liquidity requirements will be satisfied by combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time. We regularly monitor our liquidity requirements to ensure that we maintain sufficient financial resources for working capital and capital expenditure needs.

The Group finances its operations by a combination of equity and borrowings. As at 30 September 2025, the Group had borrowings of approximately HK\$20,737,000 (31 March 2025: HK\$20,374,000) and bonds payable of approximately HK\$6,182,000 (31 March 2025: HK\$6,760,000), which were for the Group's refinancing and general corporate purpose. Details regarding the borrowings and bonds payable of the Group are set out in notes 15 and 16 to the condensed consolidated financial statements.

Exposure to Fluctuation in Exchange Rates

For the six months ended 30 September 2025, the Group's transactions were mostly denominated in Hong Kong dollars and Renminbi. No foreign currency hedge was made during the six months ended 30 September 2025. The Group did not have significant exposure to foreign exchange fluctuation as the management monitors the related foreign currencies closely and will consider hedging for significant foreign currency exposure, if necessary.

Pledge of Assets

Details regarding the pledge of assets are set out in notes 12 and 15 to the condensed consolidated financial statements.

Contingent Liabilities

As at 30 September 2025, the Group had no material contingent liabilities (31 March 2025: nil).

STAFF

As at 30 September 2025, the Group had a total of 16 employees (31 March 2025: 28), of which 10 (31 March 2025: 24) were employed in the PRC. Details regarding the total amount of staff costs of the Group are set out in note 6 to the condensed consolidated financial statements.

The employees' remuneration, promotion, salary increments and discretionary bonus are assessed based on both individual's and the Group's performance, professional and working experience and by reference to prevailing market practice and standards. In addition, the Group also provides employee benefits such as employee insurance, retirement scheme and training programmes.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisitions or disposals during the six months ended 30 September 2025.

SIGNIFICANT INVESTMENT HELD

Save as disclosed in the paragraphs headed “Business Review”, the Group did not have any significant investment held as at 30 September 2025.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

Save as disclosed in the paragraphs headed “Business Review”, “Prospect” and “Material Acquisition and Disposal” in this section, the Group will actively seek potential opportunities in different industries and business sectors. However, the Group has not entered into any legally binding agreement in relation to material investment or acquisition of capital assets and did not have any plans relating to material investment or capital assets as at the date of this report.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of six months ended 30 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2025, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities.

EVENT AFTER REPORTING PERIOD

Change of independent non-executive Director and composition of board committees

On 1 December 2025, Mr. Zeng Guanwei, an independent non-executive Director, resigned as an independent non-executive Director, a member of Audit Committee, remuneration committee and nomination committee of the Board due to his intention to devote more time to his personal matters and other business commitments and Ms. Liu Xiaofeng was appointed as an independent non-executive Director, a member of the Audit Committee, remuneration committee and nomination committee of the Board. For details, please refer to the announcement of the Company dated 1 December 2025.

Save as disclosed, the Board is not aware of any important event affecting the Group which occurred after the end of the reporting period and up to the date of this report.

PROSPECT

Looking ahead, the Group will continue to adhere to its strategic business orientation, further strengthening its product branding and industry positioning. It remains committed to enhancing the quality and capabilities of its products and services, particularly in northern PRC. In addition, the Group will maintain its prudent investment and operational strategies, while actively pursuing business diversification across different sectors. These efforts aim to broaden revenue streams and drive sustainable growth, thereby delivering improved performance and long-term prospects for the Group.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 30 September 2025, the interests and short positions of the Directors or chief executive of the Company in the shares and share options of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance in Hong Kong (the "SFO")) which are required (a) 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 are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

(i) Long Position in the shares of the Company (the "Shares")

Name of Directors	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage of issued share capital in the Company
Executive Director				
Wang Jing	Long Position	Interest of controlled corporation	145,895,711 (Note)	68.55%
Wang Xing Qiao	Long Position	Beneficial Owner	163,750	0.08%
Independent non-executive Director				
Zeng Guanwei (resigned with effect from 1 December 2025)	Long Position	Beneficial Owner	275,500	0.13%

Note: These 145,895,711 Shares are held by Achieve Prosper Capital Limited, a company wholly and beneficially owned by Hong Kong Shihua Holdings Limited, which is in turn wholly and beneficially owned by Liaoning Shihua (Group) Property Development Limited* (遼寧實華(集團)房地產開發有限公司) ("Liaoning Shihua"). Mr. Wang Jing is the beneficial owner of 82.8% of the equity interest in Liaoning Shihua. By virtue of the SFO, Mr. Wang Jing is deemed to be interested in these 145,895,711 Shares.

* The English name is for identification purposes only.

(ii) **Directors' interests in the shares of associated corporations**

Name of associated corporation	Name of Director	Capacity	Long Position/ Short Position	Number of	Approximate
				ordinary shares in Achieve Prosper Capital Limited	percentage of issued share capital in Achieve Prosper Capital Limited
Achieve Prosper Capital Limited	Wang Jing	Interest of controlled corporation	Long Position	1,000,000	100%

Save as disclosed above and other than certain nominee shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at the date of this report, none of the Directors, chief executive of the Company nor their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as 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 is taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2025, the following persons, other than the interest disclosed in the paragraph headed "Directors and chief executive's interests and/or short positions in the Shares, underlying Shares and debentures of the Company or any specified undertaking of the Company or any other associated corporation", had 5% or more interest in the Shares and underlying Shares have notified to the Company and have been recorded in the register of substantial shareholders' interests in Shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Name of shareholders	Nature of interest	Number of Shares and underlying Shares	Aggregate percentage of issued share capital as at 30 September 2025
Achieve Prosper Capital Limited	Beneficial owner	145,895,711	68.55%
Hong Kong Shihua Holdings Limited	Interest of controlled corporation	145,895,711	68.55%
Liaoning Shihua	Interest of controlled corporation	145,895,711	68.55%
Hu Bao Qin	Spouse interest	145,895,711	68.55%
Hong Kong Huang Zi Shan Limited (Note 1 and Note 2)	Person having a security interest in shares	108,591,364	51.02%
Liaoning Huang Zi Shan Hot Spring Resort Development Limited* (遼寧皇子山溫泉度假城開發有限公司) (Note 2)	Interest of controlled corporation	108,591,364	51.02%
Asian-American Trade & Investment Corporation (Note 2)	Interest of controlled corporation	108,591,364	51.02%
Zou De Ben Benjamin (Note 2)	Interest of controlled corporation	108,591,364	51.02%

Notes:

1. These 108,591,364 Shares are held by Hong Kong Huang Zi Shan Limited, a company wholly and beneficially owned by Liaoning Huang Zi Shan Hot Spring Resort Development Limited* (遼寧皇子山溫泉度假城開發有限公司) (“**Liaoning Huang Zi Shan**”).
2. 108,591,364 Shares (the “**Charged Shares**”) was pledged by Achieve Prosper Capital Limited in favour of Lushan Investment Holding Limited (please refer to the announcement of the Company dated 16 March 2016 for details).

On 5 December 2024, Lushan Investment Holding Limited has completed the assignment of the Charged Shares to Hong Kong Huang Zi Shan Limited (“**Huang Zi Shan**”) (please refer to the announcement of the Company dated 9 December 2024 for details).

Huang Zi Shan is a company incorporated in Hong Kong and is solely owned by Liaoning Huang Zi Shan, a company incorporated in the PRC. Liaoning Huang Zi Shan is solely owned by Asian-American Trade & Investment Corporation, a company incorporated in Canada, which is in turn solely and beneficially owned by Mr. Zou De Ben Benjamin. By virtue of the SFO. Mr. Zou De Ben Benjamin was deemed to be interested in 108,591,364 Shares.

As at 30 September 2025, Achieve Prosper Capital Limited is wholly and beneficially owned by Hong Kong Shihua Holdings Limited, which is in turn wholly and beneficially owned by Liaoning Shihua. Mr. Wang Jing is the beneficial owner of 82.8% of the equity interest in Liaoning Shihua. By virtue of the SFO, Hong Kong Shihua Holdings Limited, Liaoning Shihua, Mr. Wang Jing and Ms. Hu Bao Qin, the spouse of Mr. Wang Jing, were deemed to be interested in the said 145,895,711 Shares held by Achieve Prosper Capital Limited.

Save as disclosed above, as at 30 September 2025, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests, short positions or long positions in the Shares.

CORPORATE GOVERNANCE

The Company adopted all the code provisions in Corporate Governance Code (the “**Code Provisions**”) set out in Appendix C1 to the Listing Rules on the Stock Exchange as its own code on corporate governance practices and guidance. During the six months ended 30 September 2025, in the opinion of the Directors, the Company has complied with all Code Provisions and, where appropriate, the applicable recommended best practices of the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopts the Model Code as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all the Directors that they have complied with the Model Code throughout the six months ended 30 September 2025.

On 1 December 2025, Mr. Zeng Guanwei resigned as an independent non-executive Director and Ms. Liu Xiaofeng was appointed as an independent non-executive Director. For details, please refer to the announcement of the Company dated 1 December 2025.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors and reports directly to the Board. The Audit Committee meets regularly with the Group's senior management and the external auditor to review the financial reporting and internal control systems of the Group as well as the financial statements of the Company. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 September 2025.

BOARD OF DIRECTORS

As at 30 September 2025, the Board comprises Mr. Wang Jing and Mr. Wang Xing Qiao as executive Directors; Ms. Zhao Hongxia as non-executive Director; and Mr. Su Bo, Mr. Tang Shengzhi and Mr. Zeng Guanwei as independent non-executive Directors.