

RONGZUN INTERNATIONAL HOLDINGS GROUP LIMITED

榮尊國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1780)



2025

INTERIM REPORT

CONTENTS

Corporate Information	2
Management Discussion and Analysis	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Consolidated Statement of Financial Position	11
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to the Condensed Consolidated Financial Statements	14
Other Information	31



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Hiroshi Kaneko (*Chief Executive Officer*)

Non-executive Directors

Mr. Wang Xue Yan (*Chairman*)

Ms. Song Ningning

Independent non-executive Directors

Mr. Yiu To Wa

Mr. Jin Fan

Mr. Sung Ka Woon

AUDIT COMMITTEE

Mr. Yiu To Wa (*Chairman*)

Mr. Jin Fan

Mr. Sung Ka Woon

REMUNERATION COMMITTEE

Mr. Sung Ka Woon (*Chairman*)

Mr. Yiu To Wa

Mr. Jin Fan

NOMINATION COMMITTEE

Mr. Sung Ka Woon (*Chairman*)

Mr. Yiu To Wa

Dr. Hiroshi Kaneko

Ms. Song Ningning (*appointed on 18 July 2025*)

Mr. Jin Fan (*appointed on 22 July 2025*)

COMPANY SECRETARY

Mr. Tsang King Sun

AUTHORISED REPRESENTATIVES

Dr. Hiroshi Kaneko

Mr. Tsang King Sun

CORPORATE INFORMATION

REGISTERED OFFICE IN CAYMAN ISLANDS

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2803-2803A, Asia Trade Centre
No. 79 Lei Muk Road
Kwai Chung
New Territories
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

PATRICK MAK & TSE
Rooms 901-905, 9th Floor,
Wing On Centre,
111 Connaught Road Central,
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35th Floor, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKER

Shanghai Commercial Bank Limited
Shop G1-2, Ground Floor, Metro City Plaza III
The Metropolis
8 Mau Yip Road, Tseung Kwan O
New Territories
Hong Kong

COMPANY WEBSITE

www.bnd-strategic.com.hk

STOCK CODE

1780

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Rongzun International Holdings Group Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2025, together with the comparative figures for the corresponding six months ended 30 September 2024.

BUSINESS REVIEW AND OUTLOOK

We are a contractor specialising in alteration and addition works and civil engineering works in Hong Kong. In order to emphasise the specification on different fields of construction works, among our principal operating subsidiaries, Ka Shun Contractors Limited (“**Ka Shun Contractors**”) mainly focuses on the provision of alteration and addition works, while Ka Shun Civil Engineering Company Limited (“**Ka Shun Civil Engineering**”) and Ka Construction Company Limited (“**Ka Construction**”) mainly focus on the provision of civil engineering works which generally include site formation and foundation works.

We have obtained all material licenses, permits and registration required for carrying on our business activities, including the Registered General Building Contractors and Specialist Contractors-Site Formation Works granted by the Buildings Department; the Approved Contractors for: Public Works (Roads and Drainage) and the Approved Contractors for Public Works (Site Formation), both under Group B (probationary), granted by Works Branch of the Development Bureau of the Government of Hong Kong; and Subcontractor Registration Scheme of the Construction Industry Council under the group of general civil works.

In general, our customers primarily include property asset management companies, property developers and contractors in Hong Kong. We engage in projects in both public and private sectors. Public sector projects refer to projects of which the customer is a Government department, a statutory body or a Government controlled entity. During the six months ended 30 September 2025, we focused undertaking projects in the private sectors.

As at 30 September 2025, the Group had 11 contracts on hand (including contracts in progress and contracts which are yet to commence) with a total original contract value of approximately HK\$206.7 million.

After navigating an exceptionally challenging 2024 marked by declining residential transactions, falling prices, and rising shop vacancies, which intensified competition and reduced private sector contracts for our A&A works, our Group is strategically positioned for Hong Kong’s projected moderate market recovery in 2025. While we anticipate a gradual demand recovery in the A&A segment from retail and hospitality refurbishments, we are simultaneously accelerating our focus on the civil engineering sector. To capitalise on these dynamics, we are pivoting decisively toward public-sector contracts and ESG-focused developments, diversifying our customer base to offset cyclical volatility. By leveraging our rigorous cost control, diverse service capabilities, established market presence, and seasoned management, we are poised to strengthen our competitive position, remaining cautiously optimistic despite persistent risks like labour constraints and interest rate fluctuations.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue decreased from approximately HK\$43.3 million for the six months ended 30 September 2024 to approximately HK\$28.6 million for the six months ended 30 September 2025, representing a decrease of approximately 34.0%.

The decrease was primarily because less construction works were performed during the six months ended 30 September 2025 than that during the six months ended 30 September 2024.

Direct Costs

Our direct costs decreased from approximately HK\$47.2 million for the six months ended 30 September 2024 to approximately HK\$32.3 million for the six months ended 30 September 2025, representing a decrease of approximately 31.6%. This decrease in direct costs was mainly due to (i) lower labour, subtracting and material costs incurred because of reduced construction works, and (ii) less additional subcontracting and rework costs incurred during the six months ended 30 September 2025 to catch up with the progress and address unexpected project complexities when compared with the six months ended 30 September 2024.

Gross Loss and Gross Loss Margin of Operating Segments

Our gross loss amounted to approximately HK\$3.7 million for the six months ended 30 September 2025 when compared with the six months ended 30 September 2024 of HK\$3.9 million, represented a decrease of approximately 5.1%. The decrease in gross loss was primarily due to the decrease in direct costs as above mentioned.

Accordingly, the gross loss margin increased from approximately 9.0% for the six months ended 30 September 2024 to approximately 13.1% for the six months ended 30 September 2025.

Other Income

Our other income for the six months ended 30 September 2025 is approximately the same level as for the six months ended 30 September 2024 of approximately HK\$0.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (continued)

Administrative Expenses

Our administrative expenses amounted to approximately HK\$7.0 million for the six months ended 30 September 2025 when compared with that of approximately HK\$8.0 million for the six months ended 30 September 2024. The decrease was mainly due to the downsizing of the Group's operations and effective cost control of the operation during the current period.

Loss Before Tax and Income Tax Expense

Our loss before tax of approximately HK\$10.3 million for the six months ended 30 September 2025 maintains approximately the same level as for the six months ended 30 September 2024 of approximately HK\$10.5 million.

Our income tax expense remains Nil for both six months ended 30 September 2025 and 2024 because the Company and its subsidiaries do not have assessable profits for both periods.

Loss and Total Comprehensive Expenses for the Period

Our loss and total comprehensive expense for the period attributable to owners of the Company of approximately HK\$10.3 million for the six months ended 30 September 2025 maintains approximately the same level as for the six months ended 30 September 2024 of approximately HK\$10.5 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2025, the Company's issued capital was HK\$6.2 million and the number of its issued ordinary shares was 620,000,000 shares of HK\$0.01 each.

As at 30 September 2025, the Group had cash and cash equivalents, bank deposits with original maturity more than three months and restricted bank deposits in aggregate of approximately HK\$133.4 million (31 March 2025: approximately HK\$132.4 million).

The Group has funded the liquidity and capital requirements primarily through its internal financial resources for the six months ended 30 September 2025 as well as for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURES

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange exposure for the six months ended 30 September 2025 as well as for the six months ended 30 September 2024.

GEARING RATIO

Gearing ratio is calculated as total borrowings divided by total equity at the period end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2025 remained Nil (31 March 2025: Nil).

DEBTS AND CHARGES ON ASSETS

As at 30 September 2025, the Group had a performance bond of approximately HK\$3.4 million (31 March 2025: approximately HK\$2.5 million) given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contract entered into between the Group and its customer.

As at 30 September 2025 and 31 March 2025, the performance bond given by the bank was granted under the bank facilities of the Group which were secured by the restricted bank deposits and personal guarantee given by the director of the subsidiary of the Company, Mr. Tang Wing Kwok ("**Mr. Tang**") amounted to approximately HK\$3.4 million (31 March 2025: approximately HK\$2.5 million) in favour of the bank.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2025, the Group had no material capital commitments and contingent liabilities (31 March 2025: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 September 2025, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries and associated companies.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

There was no plan for material investments or capital assets as at 30 September 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, we employed a total of 49 full-time employees (including one executive director but excluding two non-executive directors and three independent non-executive directors), as compared to a total of 40 full-time employees as at 30 September 2024. The remuneration packages that the Group offers to employees includes salary, discretionary bonuses, staff benefits, contributions and retirement schemes as well as other cash subsidies. In general, the Group determines employee's salaries based on each employee's qualifications, position, experience and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the six months ended 30 September 2025 was approximately HK\$9.3 million compared to approximately HK\$11.9 million in the corresponding six months ended 30 September 2024.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2025 and 30 September 2024.

EVENTS AFTER THE SIX MONTHS ENDED 30 SEPTEMBER 2025

Save as disclosed, in note 17 of the notes to the condensed consolidated financial statements of this interim report, the Board is not aware of any significant event requiring disclosure that has been occurred after 30 September 2025 and up to the date of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Notes	Six months ended 30 September	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4, 5	28,606	43,338
Direct costs		(32,347)	(47,245)
Gross loss		(3,741)	(3,907)
Other income	6	562	616
Other gains		–	18
Reversal of (allowance for) impairment losses under expected credit loss model, net		(79)	754
Administrative expenses		(7,032)	(7,972)
Finance costs		–	–
Loss before tax	8	(10,290)	(10,491)
Income tax	7	–	–
Loss and total comprehensive expense for the period		(10,290)	(10,491)
Loss per share – Basic (HK cents)	10	(1.66)	(1.69)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

	Notes	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		791	1,975
Rights-of-use assets		179	–
Equity instrument designated at fair value through other comprehensive income	11	–	–
Restricted bank deposits	12	9,417	15,917
		10,387	16,982
Current assets			
Trade and other receivables, deposits and prepayments	12	14,390	9,518
Contract assets	13	30,570	38,434
Bank deposits with original maturity more than three months		15,797	–
Restricted bank deposits		3,360	2,490
Cash and cash equivalents		114,195	129,905
		178,312	180,347
Current liabilities			
Trade, retention and other payables	14	31,938	30,609
Amount due to a related company		2,203	1,943
Lease liability		182	–
Deferred income		115	136
		34,438	32,688
Net current assets		143,874	147,659
Net assets		154,261	164,551
Capital and reserves			
Share capital	15	6,200	6,200
Reserves		148,061	158,351
Total equity		154,261	164,551

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 April 2024 (Audited)	6,200	109,572	14,939	56,385	187,096
Loss and total comprehensive expense for the period	–	–	–	(10,491)	(10,491)
Balance at 30 September 2024					
(Unaudited)	6,200	109,572	14,939	45,894	176,605
Balance at 1 April 2025 (Audited)	6,200	109,572	14,939	45,894	176,605
Loss and total comprehensive expense for the period	–	–	–	(10,290)	(10,290)
Balance at 30 September 2025					
(Unaudited)	6,200	109,572	14,939	35,604	166,315

Note: Other reserve mainly represents (i) the excess of the assets acquired and liabilities recognised over the cash consideration arising from acquisitions of 100% of shareholding of Ka Shun Civil Engineering and 60% of shareholding of Ka Shun Contractors on 27 October 2015; (ii) the differences between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid arising from acquisitions of a total of additional 49% of shareholding of Ka Construction and additional 40% of shareholding of Ka Shun Contractors during the years ended 31 March 2016 and 2017; and (iii) the difference between the share capital and share premium of the Company issued, and the share capital of Joy Goal Limited ("Joy Goal") exchanged pursuant to the reorganisation, upon completion of which Ka Shun Civil Engineering, Ka Shun Contractors, Ka Construction and Joy Goal became wholly-owned subsidiaries of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
OPERATING ACTIVITIES		
Cash used in operations	(6,106)	(11,693)
NET CASH USED IN OPERATING ACTIVITIES	(6,106)	(11,693)
INVESTING ACTIVITIES		
Placement of bank deposits with original maturity more than three months	(16,667)	(64,710)
Withdrawal of bank deposits with original maturity more than three months	6,500	–
Proceeds from disposal of property, plant and equipment	–	280
Purchases of property, plant and equipment	–	(194)
Interest received	620	588
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(9,547)	(64,036)
FINANCING ACTIVITIES		
Repayments of lease liabilities	(57)	(61)
NET CASH USED IN FINANCING ACTIVITIES	(57)	(61)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,710)	(75,790)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	129,905	123,949
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by bank balances and cash	114,195	48,159

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL INFORMATION

Rongzun International Holdings Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 24 April 2018 and its shares (the “**Shares**”) have been listed (the “**Listing**”) on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 30 April 2019 (the “**Listing Date**”). Its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is located at Room 2803-2803A, Asia Trade Centre, 79 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The businesses of the Company and its subsidiaries (collectively referred to as the “**Group**”) are mainly conducted through three major operating subsidiaries, namely, (i) Ka Shun Civil Engineering; (ii) Ka Shun Contractors; and (iii) Ka Construction; and are principally involved in provision of services on alteration and addition works (including alteration and addition of building layout and structural works that comprising design of new structural works, fitting-out works, changes in facilities configuration, construction of a new extensive to existing buildings, conversion of an existing buildings, conversion of an existing building to different type, etc.) and civil engineering works in Hong Kong.

The ultimate controlling party of the Group is Mr. Kenichi Yanase. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Group is Kyosei Technology Inc., a company incorporated in the British Virgin Islands.

On 28 October 2025, 372,000,000 shares, representing 60% of the existing issued share capital of the Company held by Kyosei Technology Inc., a company which 28.05% owned by Dr. Hiroshi Kaneko and 65.45% owned by Mr. Yanase Kenichi, were successfully placed to 12 placees at HK\$0.446 per share under private placing. As a result, neither Mr. Yanase Kenichi nor Dr. Hiroshi Kaneko nor the Kyosei Technology Inc. is a controlling party of the Company.

The unaudited condensed consolidated financial statements (the “**Interim Financial Information**”) are presented in Hong Kong dollars (“**HK\$**”), which is also the same as the functional currency of the Company and its subsidiaries.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

2. BASIS OF PREPARATION

The Interim Financial Information for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Interim Financial Information does not include all of the information required in annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2025.

3. SIGNIFICANT ACCOUNTING POLICIES

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

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

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

HKFRS 18 “Presentation and Disclosure in Financial Statements” (continued)

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

4. REVENUE

Disaggregation of revenue from contracts with customers

Revenue of the Group represents the fair value of amounts received and receivable from the provision of services on alteration and addition works and civil engineering works in Hong Kong (all recognised over time under construction contracts in Hong Kong) during the six months ended 30 September 2025 and 2024.

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Contract revenue from provision of services on alteration and addition works	20,912	28,896
Contract revenue from provision of services on civil engineering works	7,694	14,442
	28,606	43,338

Included in the Group’s revenue during the six months ended 30 September 2025 is contract revenue of approximately HK\$6,835,000 (Unaudited) (six months ended 30 September 2024: approximately HK\$6,835,000 (Unaudited)) derived from provision of services on alteration and addition works to customers in public sector. Other revenue is derived from provision of services on alteration and addition works and civil engineering works to customers in private sector.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

5. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “**CODM**”), being the executive directors of the Company, in order for CODM to allocate resources and assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group’s reporting and operating segments under HKFRS 8 *Operating Segments* are as follows:

- Alteration and addition works; and
- Civil engineering works.

The CODM makes decisions according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating segments:

For the six months ended 30 September 2025

	Alteration and addition works HK\$'000 (Unaudited)	Civil engineering works HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue – external	20,912	7,694	28,606
Segment results	566	(4,386)	(3,820)
Other income and other gains			562
Administrative expenses			(7,032)
Loss before tax			(10,290)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

5. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the six months ended 30 September 2024

	Alteration and addition works HK\$'000 (Unaudited)	Civil engineering works HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue – external	28,896	14,442	43,338
Segment results	(4,792)	1,639	(3,153)
Other income and other gains			634
Administrative expenses			(7,972)
Loss before tax			(10,491)

6. OTHER INCOME

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Other income:		
Interest income	541	588
Government grants	21	–
Others	–	28
	562	616

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

7. INCOME TAX

No Hong Kong Profits Tax is provided for profits arising in Hong Kong since the Company and its subsidiaries do not have assessable profits for the six months ended 30 September 2025 and 2024.

8. LOSS BEFORE TAX

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss before tax has been arrived at after charging:		
Staff costs (including emoluments of the Company's directors):		
Salaries and other benefits	8,974	11,632
Retirement benefit scheme contributions	279	291
	9,253	11,923
Auditor's remuneration:		
– the Company	–	–
– subsidiaries of the Company	141	135
	141	135
Depreciation of property, plant and equipment	184	314
Depreciation of right-of-use assets	60	60
Gain on disposal of property, plant and equipment	–	18
Short-term lease expenses	179	418

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

9. DIVIDENDS

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 September 2025 and 30 September 2024.

10. LOSS PER SHARE

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

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss for the period attributable to the owners of the Company	10,290	10,491
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	620,000	620,000

For the six months ended 30 September 2025 and 2024, diluted loss per share equals basic loss per share as there was no potential ordinary share in issue during both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

11. EQUITY INSTRUMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Financial asset measured at FVTOCI:		
– Unlisted equity security	–	–

On 31 January 2024, a direct wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into an equity transfer agreement (“**Equity Transfer Agreement**”) with an independent third party (the “**Vendor**”) pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase 5% equity interest in a private company incorporated in BVI where its major asset is an investment in the form of equity capital in a company established in the People’s Republic of China and is principally engaged in research and development of the technologies in acellular cartilage matrix which can be applied to surgeries for tackling the disease of cataract (the “**Research and Development Company**”). The unlisted equity security was acquired at a total consideration of HK\$13,000,000 and completed on 31 January 2024. The Vendor also guaranteed the Purchaser in the Equity Transfer Agreement the right to put back the instrument to the Vendor at original consideration of HK\$13,000,000 (the “**Put Option**”) if the R&D Company cannot obtain the specified license within 10 months from the date of acquisition (the “**Put Option Expiry Date**”). On 20 March 2024, a supplemental agreement was entered into between the Vendor and the Purchaser to further extend the Put Option Expiry Date to 31 December 2025. The Put Option is a separate instrument from the equity instrument designated at FVTOCI and is accounted for a derivative financial instrument measured at FVTPL.

The directors of the Company are of the view that the unlisted equity security investment is not held for trading and they do not expect that the Group will realise the unlisted equity investment within 12 months after the end of the reporting period. Accordingly, the directors of the Company designated the unlisted equity security at FVTOCI and classified it as a non-current asset.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

11. EQUITY INSTRUMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

During the year ended 31 March 2025, the R&D Company encountered significant operational funding constraints, adversely impacting its research activities and submission process for obtaining the Third Medical Device Registration License regulatory approval from China's National Medical Products Administration. As of 31 March 2025, despite active efforts by existing shareholders of the R&D Company to secure new funding and investors, no viable funding sources had been identified. As at 31 March 2025, the fair value of the Group's unlisted equity security is based on net asset value of the Investee and its investment and a fair value decrease of the investment at FVTOCI amounting to HK\$13,000,000 is recognised during the year ended 31 March 2025. Given the current financial situation of the R&D Company at 31 March 2025, the directors of the Company assessed the fair value of the derivative financial instrument and concluded that it remains insignificant at 31 March 2025 due to the high non-performance risk associated with the Vendor should the Purchaser exercise the Put Option.

In the opinion of the Directors, there was no change in the fair value during the six months ended 30 September 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade receivables (Note (a))	8,157	2,550
Less: Allowance of credit losses for trade receivables	(80)	(24)
	8,077	2,526
Other receivables	317	434
Less: Allowance of credit losses for other receivables	–	–
	317	434
Advances to sub-contractors and suppliers	4,346	5,149
Prepayments and deposits	1,650	1,409
Deposit paid for potential acquisition of land use rights	–	6,500
Escrow deposit for potential investment (Note (b))	9,417	9,417
	23,807	25,435
Analysed as:		
Non-current assets	9,417	15,917
Current assets	14,390	9,518
	23,807	25,435

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Trade receivables

Note (a)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the directors of the Company regularly. The Group allows generally a credit period ranging from 30 to 90 days (31 March 2024: 30 to 90 days) to its customers.

The following is an aged analysis of trade receivables presented based on dates of work certified at the end of the reporting period, net of allowance for expected credit losses.

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
1–30 days	5,905	2,480
31–60 days	1,890	–
61–90 days	–	44
Over 90 days	222	2
	8,077	2,526

During the six months ended 30 September 2025, a net allowance for impairment losses under expected credit loss model of approximately HK\$56,000 was charged to the profit or loss (six months ended 30 September 2024: reversal of impairment loss under expected credit loss model of approximately HK\$403,000 was credited to the profit or loss).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Trade receivables (continued)

Note (b)

During the year ended 31 March 2025, a wholly-owned subsidiary of the Company (the “**Subsidiary**”) entered into an arrangement (the “**Arrangement**”) with a company controlled by Dr. Hiroshi Kaneko (the “**Related Company**”) for placing a good faith deposit of United States Dollar (“**US\$**”) 1,295,000 (the “**Good Faith Deposit**”), representing one-tenth of the bidding price in connection with a potential acquisition of assets, assumption of certain liabilities and an option to acquire the casino license held by a liquidating company through a public bidding in Saipan, the capital of Commonwealth of the Northern Mariana Islands (“**CNMI**”). The Subsidiary paid US\$1,200,000 (equivalent to approximately HK\$9,417,000) to the Related Company and the Related Company paid the Good Faith Deposit to an independent licensed escrow agent which is held in a segregated trust account administered by it as at 31 March 2025.

In addition, under the Arrangement, the Subsidiary can terminate the Arrangement with not less than 1 month notice in writing to the Related Company. The Related Company should refund the Subsidiary’s contribution of US\$1,200,000 (equivalent to approximately HK\$9,417,000) within a commercially reasonable period when the Subsidiary withdraws from the bidder project.

The Related Company was awarded the bid during the year ended 31 March 2025. As of the date these unaudited condensed consolidated financial statements were authorised for issuance, no asset purchase agreement has been executed due to ongoing negotiations between the Related Company and the CNMI government regarding the additional requirements imposed by the CNMI government.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

13. CONTRACT ASSETS

The carrying amounts of the Group's contract assets as at 30 September 2025 and 31 March 2025 amounted to approximately HK\$30,570,000 (Unaudited) and approximately HK\$38,434,000 (Audited) (included impairment losses under expected credit loss model amounted to approximately HK\$508,000 (Unaudited) and approximately HK\$643,000 (Audited)), respectively, represent the Group's rights to considerations from customers for the provision of services on alteration and addition works and civil engineering works, which arise when: (i) the Group completed the relevant services under such contracts but yet certified by architects, surveyors or other representatives appointed by the customers; and (ii) the customers withhold certain certified amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months after completion of the relevant works.

The Group's contract assets are analysed as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Provision of services on alteration and addition works		
– Retention receivables	10,307	9,532
– Others	12,835	18,985
Provision of services on civil engineering works		
– Retention receivables	2,526	5,826
– Others	5,410	4,734
	31,078	39,077
Less: Allowance of credit losses	(508)	(643)
	30,570	38,434

Changes of contract assets were mainly due to: (1) changes in retention receivables as a result of changes in number of ongoing and completed contracts under the defect liability period; and (2) changes in the size and number of contract works that the relevant services were completed but yet been certified at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

13. CONTRACT ASSETS (continued)

The Group's contract assets included retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within one year	6,518	10,045
After one year	6,315	5,313
	12,833	15,358
Less: Allowance of credit losses	(175)	(234)
	12,658	15,124

14. TRADE, RETENTION AND OTHER PAYABLES

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade payables	16,061	14,767
Retention payables	11,335	10,522
Staff costs payables	2,814	3,128
Other payables	1,728	2,192
	31,938	30,609

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

14. TRADE, RETENTION AND OTHER PAYABLES (continued)

Trade payables

The credit period of trade payables granted by the Group's suppliers are usually within 60 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
1–30 days	9,291	12,504
31–60 days	–	1,553
61–90 days	49	–
Over 90 days	6,721	710
	16,061	14,767

Retention payables

Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works.

The retention payables are to be settled, based on the expiry of maintenance period, at the end of the reporting period as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
On demand or within one year	6,431	6,472
After one year	4,904	4,050
	11,335	10,522

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

15. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of Shares	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 April 2024 (Audited), 31 March 2025(Audited) and 30 September 2025 (Unaudited)	5,000,000,000	50,000
Issued:		
As at 1 April 2024 (Audited), 31 March 2025 (Audited) and 30 September 2025 (Unaudited)	620,000,000	6,200

16. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the interim report, the Group had the related party transactions in respect of the remuneration of the directors of the Company of the Group, during the period as below:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Short-term benefits	1,166	2,711
Retirement benefit scheme contributions	35	63
	1,201	2,774

17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, a final dividend of HK4.0 cents per ordinary share in respect of the year ended 31 March 2025, in an aggregate amount of HK\$24,800,000 has been paid on 17 October 2025.

OTHER INFORMATION

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2025 and 30 September 2024.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SECURITIES

As at 30 September 2025, the interest and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”)) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), notified to the Company and the Stock Exchange were as follow:

Long position in the Shares

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held/ interested in	Percentage of shareholding
Dr. Hiroshi Kaneko (Note)	Interest in controlled corporation	465,000,000	75%

Note:

These 465,000,000 Shares are held by Kyosei Technology Inc.. Dr. Hiroshi Kaneko beneficially owns 28.05% of the entire issued share capital of Kyosei Technology Inc. Therefore, Dr. Hiroshi Kaneko is deemed to have an interest in the above Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Dr. Hiroshi Kaneko is the director of Kyosei Technology Inc., the substantial shareholder of the Company.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to the Section 336 of the SFO, or which would be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held/ interested in	Percentage of shareholding
Kyosei Technology Inc.	Interest in controlled corporation	465,000,000	75%
Mr. Kenichi Yanase (Note)	Interest in controlled corporation	465,000,000	75%

Note:

465,000,000 Shares are beneficially owned by Kyosei Technology Inc.. Kyosei Technology Inc. is owned as to 65.45% by Mr. Kenichi Yanase and therefore Mr. Kenichi Yanase is deemed to be interested in the same number of shares held by Kyosei Technology Inc..

Save as disclosed above, as at 30 September 2025, the directors were not aware of any person or corporation (other than the directors and the chief executives) who had any interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

OTHER INFORMATION

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and chief executive's interest in securities" above and the paragraph headed "Share Option Scheme" below, at no time during the six months ended 30 September 2025 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holdings company, or/and any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the six months ended 30 September 2025, there were no connected transactions or continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders' approval requirements under the Listing Rules.

Save as disclosed under the "Related Party Transactions" in Note 16 to the Notes to the condensed consolidated financial statements, there were no transaction, arrangement or contract of significance, to which the Company, any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, whether directly and indirectly, subsisted as at 30 September 2025 or any time during the six months ended 30 September 2025, nor was there any other transaction, arrangement or contract of significance in relation to the Group's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

OTHER INFORMATION

SHARE OPTION SCHEME

Pursuant to written resolutions passed on 4 April 2019, the Company adopted a share option scheme (the **“Share Option Scheme”**). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Under the Share Option Scheme, the board of directors of the Company may, at its discretion, grant options to subscribe for ordinary shares of the Company to eligible participants (“**Eligible Participants**”) who contribute to the long-term growth and profitability of the Company. Eligible Participants include (i) directors and employees of the Company or any of its subsidiaries (including persons who are granted shares or options under the scheme as an inducement to enter into employment contracts with these companies); (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) the persons who provide services to the Group on a continuing and recurring basis in their ordinary and usual course of business which are in the interests of the long term growth of the Group.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 10% of the ordinary share capital of the Company in issue from time to time.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the ordinary shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s ordinary shares at the date of the grant) in excess of HK\$5,000,000, within any twelve-month period, are subject to shareholders’ approval in advance in a general meeting.

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. The exercise period of the share options granted is determinable by the directors of the Company, save that such period shall not be more than ten years from the date of the offer of the share options, subject to the provisions for early termination as set out in the Share Option Scheme.

Unless otherwise determined by the directors of the Company at their absolute discretion, there is no requirement of a minimum period for which an option must be held before an option can be exercised. In addition, there is no performance target which must be achieved before any of the options can be exercised.

OTHER INFORMATION

SHARE OPTION SCHEME (continued)

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's ordinary shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's ordinary shares for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Company's ordinary shares on the date of the offer.

The Share Option Scheme will remain in force for a period of ten years commencing on the date of the adoption (i.e. 4 April 2019) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless otherwise terminated earlier by the shareholders in general meeting. As at 31 March 2025, the remaining life of the Share Option Scheme was more than five years.

No share options had been granted under the Share Option Scheme since the adoption of the Scheme. During the period between the adoption date of the Share Option Scheme and the date of this interim report, no share option has been granted, exercised, cancelled or lapsed. There was no outstanding share option under the Share Option Scheme as at 31 March 2025 and the date of this interim report. As at 31 March 2025 and the date of this interim report, the total number of shares available for issue under the Share Option Scheme was 62,000,000, representing 10% of the entire issued share capital of the Company.

The Company does not have any other share scheme other than the Share Option Scheme adopted on 4 April 2019.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed in achieving a high standard of corporate governance standard. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance its corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Compliance with Corporate Governance Code

The Company has adopted the principles and all relevant code provisions as set out under the Corporate Governance Code (the “**CG code**”) contained in Appendix C1 to the Listing Rules.

Pursuant to code provision C.6.1 of Part 2 of the CG Code, an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. Mr. Tsang does not act as an individual employee of the Company, but as an external service provider in respect of the appointment of Mr. Tsang as the Company Secretary of the Company. In this respect, the Company has nominated Dr. Hiroshi Kaneko as its contact point with Mr. Tsang. While the Company is well aware of the importance of the company secretary in supporting the Board on governance matters, after having considered Mr. Tsang’s prior experience in acting as the company secretary of other companies listed on the Stock Exchange, both the Company and Mr. Tsang are of the view that there will be sufficient experience as well as time, resources and support for fulfilment of the company secretary requirements of the Company. In view of Mr. Tsang’s experience in company secretarial functions, the Directors believe that Mr. Tsang has the appropriate company secretarial expertise for the purposes of Rule 8.17 of the Listing Rules.

Code provision D.1.2 of Part 2 of the CG Code requires management to provide all members of the board with monthly updates on the issuer’s business. The management of the Company currently reports to the Board on a half-yearly basis on the Group’s performance, position and prospects and will promptly escalate to the Board if any material issues is noted. The Board believes that, with the executive Directors overseeing the daily operations of the Group and the effective communication between the executive Directors, management, and the non-executive Directors (including the independent non-executive Directors) on the Group’s affairs, the current practice is sufficient for the Board members to discharge their duties. The Board will continue to review this practice and will make any necessary changes when appropriate, reporting to the shareholders accordingly.

Save for the above, the Company had complied with all code provisions as set out in the CG Code throughout the six months ended 30 September 2025 and, where appropriate, the applicable recommended best practices of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

OTHER INFORMATION

CORPORATE GOVERNANCE (continued)

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she had complied with the required standards as set out in the Model Code throughout the six months ended 30 September 2025 and up to the date of this interim report.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries for the six months ended 30 September 2025 and up to the date of this interim report.

NON-COMPETITION UNDERTAKING

In order to avoid any possible competition between our Group and our former controlling shareholders, each of Mr. Tang Wing Kwok, Mr. Lo Wing Hang and Sky Winner as former controlling shareholders entered into a deed of non-competition with our Company (for itself and as trustee for subsidiaries of our Group) on 4 April 2019. Pursuant to the deed of non-competition, each of the former controlling shareholders has irrevocably and unconditionally undertaken to our Company (for itself and as trustee for its subsidiaries) that, as long as the deed on non-competition remains effective, he/it shall not, and shall procure his or its close associates (other than any member of our Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether on its own account or with each other or in conjunction with or on behalf of any person or company or otherwise, the development, participation, management and operation of any existing business which in competition with or likely to be in competition, whether directly or indirectly, with the existing business activity of any member of our Group or such other business activity our Group may engage from time to time in future.

The former controlling shareholders have confirmed to the Company of their compliance with the deed of non-competition dated 4 April 2019 for disclosure in this interim report for the six months ended 30 September 2025 and up to the date of this interim report.

All the independent non-executive Directors are delegated with the authority to review the deed of non-competition given by the former controlling shareholders. The independent non-executive Directors were not aware of any non-compliance of the deed of non-competition for the six months ended 30 September 2025 and up to the date of this interim report.

OTHER INFORMATION

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that was publicly available and with the knowledge of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules as at the date of the interim report.

CHANGE OF DIRECTORS

There was no change in director during the six months ended 30 September 2025 and up to the date of this interim report.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) is currently comprised of three independent non-executive Directors, namely Mr. Jin Fan, Mr. Sung Ka Woon and Mr. Yiu To Wa, Mr. Yiu To Wa currently serves as the chairman of the Audit Committee.

The interim financial results of the Group for the six months ended 30 September 2025 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

By Order of the Board

Dr. Hiroshi Kaneko

Executive Director and Chief Executive Officer

Hong Kong, 28 November 2025