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Ocean Star Technology Group Limited
海納星空科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8297)

FULFILMENT OF RESUMPTION GUIDANCE AND RESUMPTION OF TRADING

This announcement is made by Ocean Star Technology Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 27 June 2025, 2 July 2025, 10 October 2025, 15 October 2025, 25 November 2025, 15 December 2025, 9 January 2026, 13 February 2026, 6 March 2026, 10 March 2026, 2 April 2026, 16 April 2026, 30 June 2026, 15 July 2026 and 17 July 2026 in relation to, among others, (1) delay in publication or despatch of the outstanding financial results and reports ("**Outstanding Financial Results**"), including the annual results of the Group for the year ended 31 March 2025 (the "**2024/25 Annual Results**"), the annual report of the Group for the year ended 31 March 2025 (the "**2024/25 Annual Report**"), the interim results of the Group for the six months ended 30 September 2025 (the "**2025/26 Interim Results**"), and the interim report of the Group for the six months ended 30 September 2025 (the "**2025/26 Interim Report**"); (2) postponement of board meeting; (3) suspension of trading (the "**Suspension of Trading Announcements**"); (4) the resumption guidances set forth by the Stock Exchange (the "**Resumption Guidance Announcements**"); (5) the quarterly update on resumption progress; and (6) the despatch or publication by the Company of the 2024/25 Annual Results, 2024/25 Annual Report, 2025/26 Interim Results, 2025/26 Interim Report, the annual results of the Group for the year ended 31 March 2026 ("**2025/26 Annual Results**"); the annual report of the Group for the year ended 31 March 2026 ("**2025/26 Annual Report**") and (7) the key findings of Internal Control Review ("**Key IC Findings**"), up to the date of this announcement. (collectively, the "**Announcements**").

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company is pleased to announce that it has fulfilled the Resumption Guidance, details of which are set out below:

1. BACKGROUND

The Group experienced a suspension of trading due to delays in publishing its Outstanding Financial Results. The Company's shares on the Hong Kong Stock Exchange have been suspended from trading since 9:00 a.m. on 2 July 2025. As the Company takes the view that it has fulfilled all resumption guidance of the Stock Exchange (to be further particularized below), the Company has made an application to the Stock Exchange for resumption of trading in its shares.

2. REASONS FOR THE DELAY IN PUBLICATION OF THE OUTSTANDING FINANCIAL RESULTS

This suspension was primarily attributable to severe management instability, high staff turnover (particularly in key finance and leadership positions), operational and financial difficulties, and the resulting disruption to accounting records and audit processes.

(i) High Staff and Management Turnover during FY2024/25 until the Suspension of Trading Announcements:

Since 2024, the senior management of the Group experienced significant turnover, among which, the resignation and turnover of key financial and compliance executive in 2024 are highlighted as follow:

- Mr. Chiu G Kiu Bernard resigned as an executive Director, the Company Secretary, the Financial Controller, and the compliance officer on 29 July 2024 and his roles was replaced by Mr. Cheng Chok Yan as executive Director, the Company Secretary, the Financial Controller on the same date, who was, however, shortly resigned on 21 October 2024.

- Mr. Lee Kun Yin has been appointed as the Chief Financial Officer and Company Secretary on 8 November 2024, and

- Mr. Choi Pun Lap was appointed as Joint Company Secretary on 25 November 2024.

These departures severely disrupted month-end closing procedures, preparation of annual and interim financial information, and maintenance of complete accounting records.

- On 26 February 2025, the Company announced ongoing revenue decline in its lingerie segment since 2024, resulting in tightened operating cash flow. Challenges included rent and management fee pressures on ten retail stores (nine in Hong Kong, one in Macau), with some rents unpaid and one landlord obtaining a Land Tribunal eviction order. The Group also faced overdue notices and claims from service providers (e.g., financial printers, transfer agents). Such emerging financial distress might have created a distressed vibe, further driving high staff turnover, especially among key finance and compliance personnel at the holding company level.

- Mr. Choi Pun Lap was removed as joint Company Secretary on 11 April 2025 due to cost purposes. Ms. Chen Lizhu resigned as chief executive officer("**CEO**") (but remained Executive Director) on 18 March 2025. Ms. Mo Li (independent non-executive Director) resigned on 10 July 2025

Management continuity gaps hindered external auditors' verification of balances and supporting evidence.

- On 27 June 2025, the Company announced the delay in publishing the 2024/25 Annual Results and Annual Report. Trading in the Company's shares on the Stock Exchange was suspended from 9:00 a.m. on 2 July 2025.

Persistent turnover in the finance and executive roles, leading to inability to function financing reporting of the Group effectively, Notable turnover in critical finance and executive roles included:

- Mr. Lee Kun Yin (former CFO and company secretary) resigned on 15 September 2025
- Mr. Shi Zhu retired as a non-executive Director on 15 October 2025
- Ms. Zhou Ying retired as an executive Director on 15 October 2025
- Ms. Chen Lizhu retired as an executive Director on 15 October 2025
- Mr. Han Zhenghai retired as an independent non-executive Director on 15 October 2025
- Mr. Yang Mingyuan retired as an executive Director on 15 October 2025
- Mr. Lai Kim Fung retired as an independent non-executive Director on 1 December 2025
- Ms. Yang Xueling resigned as an executive Director from 19 December 2025

(ii) Restructuring since August 2025 and Remedial Actions Taken

In response to the high turnover in the finance and executive roles, since August 2025, the Company sought to recruit financial staff and external accounting to stabilise operations.

- Mr. Hong Sze Lung is appointed as independent non-executive Director on 25 August 2025
- Ms. Lee Hiu Tung is appointed as a Joint Company Secretary on 25 August 2025
- Mr. Hu Yanhui is appointed as an executive Director and the Chief Executive Officer on 4 November 2025

- Mr. Liu Jiawei is appointed as an executive Director on 4 November 2025

- Mr. Jiao Dejun, is appointed as an executive Director on 1 December 2025

- Mr. Li Hongwei appointed as independent non-executive Director on 1 December 2025)

- Ms. Li Tiejing appointed as independent non-executive Director on 1 December 2025)

Remedial measures commenced, including engagement of compliance officer and accounting professionals to reconstruct accounting records and stabilize month-end processes, including:

- Reconstruction of Financial Records – rebuilt accounting ledgers, reconciled bank statements, and restored scattered supporting documents.

- Close Collaboration with Auditors – provided supplementary information, management representations, and clarifications to expedite audit procedures.

- Recruitment of experienced management team, finance personnel and external professional accounting Team – recruited an experienced management team, financial staff and financial controller and external accounting team, including key personnel with relevant expertise in financial reporting, audit coordination, and internal controls, to enhance the finance team's capacity and stability and outsourcing professionals accounting team to stabilize month-end closing, sustain continuity and assist in audit preparation.

- Enhanced Board and Audit Committee Oversight – Established regular progress meetings and reporting mechanisms.

Auditors resumed procedures but required additional time due to incomplete historical data and reliance on reconstructed records. The Audit Committee increased oversight and monitoring of remediation progress. Upon appointing financial staff and controller and external finance team from August 2025 to January 2026, the Group has, strengthened finance leadership, accelerating preparation of overdue financial statements, and enhancing engagement with auditors and the Stock Exchange. By February 2026, auditors had completed the majority of required audit and review procedures, enabling the Company to prepare for publication of the delayed results.

(iii) Measures to Prevent Recurrence

- Strengthening the Finance Team Structure – Maintained sufficient qualified accountants and establishment of clear reporting lines.

- Ensuring Directors' Direct Access to Financial Information – Granted directors and the Audit Committee access to bank statements, key contracts, and financial records.

- Implementing Sustainable Financial Reporting Processes – Standardized month-end closing procedures, documentation requirements, and cloud-based data backup.

- Engaging Long-Term External Accounting Support – Retained professional accounting consultants to ensure continuity during potential staff turnover.

- Enhancing Internal Controls and Risk Management – Conducted regular internal control reviews, enforced segregation of duties, and introduced mandatory handover procedures for key finance roles.

- Establishing a Formal Handover Protocol – Developed written handover manuals and designated deputies for critical finance positions.

In summary, the core issues were a vicious cycle of financial/operational stress leading to repeated key personnel departures (especially in finance), which in turn prevented timely record-keeping, audit progress, and compliance with listing rules – resulting in prolonged delays and trading suspension. Remedial hiring and reconstruction efforts gradually addressed audit issues by early 2026.

To address these issues and strengthen its capabilities, the management recruited an experienced management team, financial staff and accounting team, including key personnel with relevant expertise in financial reporting, audit coordination, and internal controls, to enhance the finance team's capacity and stability.

After significant progress was made from August 2025 to February 2026 and the Auditor has completed their review process, the Company has resolved the previous major outstanding matters and has finalised the relevant reports in relation to (i) impairment assessment for the Group's loan receivables, trade and other receivables; (ii) impairment assessment for property, plant and equipment and right-of-use assets for My Heart Bodibra Limited and its subsidiaries; and (iii) the assessment of the Group's potential liabilities of long service payment.

3. RESUMPTION GUIDANCE

On 10 October 2025 and 13 April 2026, the Company received from the Stock Exchange the following resumption guidance (collectively, the "**Resumption Guidance**") for the resumption of trading in the Company's shares:

(a) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications;

(b) demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules; and

(c) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

(d) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules.

4. FULFILLMENT OF RESUMPTION GUIDANCE

The Board is pleased to announce that the Company has fulfilled the Resumption Guidance.

Resumption Guidance (a) – publish all Outstanding Financial Results required under the GEM Listing Rules and address any audit modifications

The Company has published:

(i) the 2024/25 Annual Results Announcement on 27 February 2026;

(ii) the 2024/25 Annual Report on 6 March 2026;

(iii) the 2025/26 Interim Results Announcement on 3 March 2026;

(iv) the 2025/26 Interim Report on 10 March 2026,

(v) the 2025/26 Annual Results Announcement on 30 June 2026, and

(vi) the 2025/26 Annual Report on 15 July 2026

As at the date of this announcement, all Outstanding Financial Results, 2025/26 Annual Results and 2025/26 Annual Report as required under the GEM Listing Rules have been published.

In view of the above, Resumption Guidance (a) has been fulfilled.

Resumption Guidance (b) – demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules

(A) Business model of the Group

The Group is a prominent specialist retailer and brand owner of shaping lingerie products in Hong Kong and in the People's Republic of China (the "**PRC**"). As brand owner and developer, the Group principally engages in the design, manufacture and sale of shaping lingerie under the "Bodibra" brand and its sub-brands "June", "ooobiki", "Bodicare" and "invisi". The Group's own branded shaping lingerie – designed to enhance body appearance – includes bras and panties, body-shaping underwear and chest-support vests. The Group also retails other related accessory products, principally breast cream, nude bras, panties, swimwear, bra straps and pads, and waistbands.

(i) Streamlined retail presence and asset-light production strategy

During year ended 31 March 2026 ("**FY2025/26**"), the Group's shift to an asset-light strategy has been pivotal in achieving cost optimisation and greater operational resilience. By reducing its physical retail presence from 10 stores as at 31 March 2025 to 8 Stores as at 31 August 2026 and fully relocating its Hong Kong production line to further subcontracting out the production to PRC manufacturers to reduce the manufacturing cost, rental expenses and staff costs.

This consolidation reflects the Group's ongoing efforts to optimise its physical footprint amid challenging retail conditions in Hong Kong, including weak consumer sentiment and competition from "northbound consumption" trends. By shifting towards an asset-light approach, the Company focuses on its core competencies in product design, brand management, quality control, and sales channel development, while fully outsourcing manufacturing to third-party manufacturers in the PRC.

This strategy enables the Group to reduce capital expenditure on fixed assets, enhance operational flexibility, and accelerate product iteration. The Company retains quality control over product specifications, branding, and quality standards, ensuring that outsourced production supports rather than dilutes its value proposition. This decreases depreciation expense and fixed overhead costs, strengthening the overall cost structure and supporting improved profitability margins. The model also enables faster product development cycles and enhances operational flexibility to better respond to changing market demand.

(ii) Procurement and Production

Following the discontinuation of the production function, the design function was organisationally merged into the procurement function to improve coordination and eliminate the previous operational disconnect between design and production. To develop product variations, the Group refines existing designs by proactively sourcing new and trendy materials based on market research and by systematically incorporating customer feedback accumulated over years. In practice, it shares inputs with its manufacturing partners through two channels: (i) brand user-experience feedback, including insights from marketing trial events, and (ii) customer requests captured by the sales team, such as calls for material upgrades or other improvements, which are then translated into execution instructions for external manufacturers. The Group has also placed greater emphasis on finished-goods procurement and on clearly communicating detailed design specifications (materials, sizing, colour, and product series). For wholly new products, it engages external manufacturers with in-house design capabilities and may collaborate with fashion or fitness specialists to co-design concepts and provide precise specifications to trusted manufacturers.

Going forward, as the Group strengthens partnerships with manufacturers that offer stronger design expertise, it will continue product testing and iterative refinement of designs and materials in response to market trends and user feedback, shifting from a mainly internally driven design approach to a collaborative, externally sourced design ecosystem.

(iii) *Working Capitals management*

Under the shift toward an asset-light business model, supported by collaboration with scalable partner manufacturers (including some without strict minimum order quantities), the Company is able to expand its product portfolio mix more rapidly through selection of partner-driven branded products. It also reduces reliance on raw-material procurement, bringing the inventory sourcing cycle down from roughly 90 days to around 30 days and improving overall inventory turnover. By aligning inventory levels more closely with actual sales performance, the Group enhances cash-flow efficiency through shorter inventory turnover days, while lowering inventory holding costs and reducing risks of obsolescence. In addition, working with selected suppliers that provide flexible credit terms – such as cash-on-delivery or settlement within 30/60/90 days i.e. long credit terms, – allows the Group to benefit from deferred payment arrangements, significantly improving working capital management compared with the prior model of owning manufacturing facilities.

(iv) *Inventory risk shift*

Retail operations generally require maintaining sufficient on-hand inventory across sizes and product portfolios, which can unavoidably lead to obsolescence. Under the franchise and distributor model, franchisees and distributors typically place advance purchase orders, and they bear the inventory risk. Strategically, this model shifts inventory risk to downstream partners, improving inventory security for the Group and enabling more flexible scaling while protecting margin.

(v) *Profit and Cost Impact:*

The asset-light strategy supports the Group through cost reduction, including lower fixed costs and capital expenditure as well as more competitive variable manufacturing costs achieved through partner scale. It also drives margin improvement, as higher asset turnover and reduced overheads contribute positively to gross and operating margins. In addition, outsourcing helps mitigate manufacturing-related risks – such as labour issues, equipment maintenance, and regulatory compliance – by transferring them to third parties, while the Company retains control over the higher-margin parts of the value chain, including design, branding, and quality. Overall, this approach strengthens the Group's business model by focusing resources on core competencies, improving operational agility, and enabling sustainable profit growth without compromising product quality or brand integrity; the Company will continue to monitor and optimize partnerships to maintain long-term supply chain resilience.

(vi) Sales and distribution:

The Group maintains a streamlined physical retail network of about eight stores (mainly in Hong Kong, plus one in Macau) and runs a customer loyalty/prepaid programme in which Hong Kong customers buy credit packages to gain membership and tiered discounts; these packages have a two-year validity that can be extended by up to two more years. Upfront cash receipts from credit package sales decreased significantly from HK$29.7 million in for the year ended 31 March 2024 FY2023/24 to HK$16.8 million in for the year ended 31 March 2025 ("**FY2024/25**") and further down to HK$16.0 million in FY2025/26. This contraction was primarily driven by a post-pandemic macroeconomic downturn and weaker discretionary spending, a consumer shift away from locked-in prepaid commitments toward immediate purchases amid economic uncertainty, the Group's strategic reduction of directly operated stores from 10 to 8 (with greater reliance on franchisees and distributors), which reduced direct prepaid package sales.

(vii) Development through the franchisee and distributorship model:

Since 2025, the Group has expanded through franchisee and distributor partnerships in Hong Kong and mainland China, granting brand rights and providing product and training while distributors manage marketing and sales. The Group will continue to retain only profitable or strategically important direct retail stores and partially shift expansion toward franchisees and distributors to stabilize bulk buy orders, reduce inventory holding costs, and lower obsolescence risk.

With the onboarding of Mr. Sun Tian, Mr. Jiao Dejun, Mr. Xu and other senior management since 2025, the Group has also focused on leveraging the value of its Bodibra and other brands to expand sales channels and product/service offerings. The Group's commercial transactions under both the franchisee and distributorship arrangements are legally structured and executed as direct wholesale sales (buy-sell model) rather than consignment arrangements. This strategic shift has enabled the Group to convert high fixed costs into more flexible variable costs, improve cash flow, and enhance operational resilience, while maintaining strong control over product design, quality, and brand development. For FY2025/26, the wholesale revenue recognized by the Group from this franchisee amounted to approximately HK$760,000 and recognized revenue of HK$4.1 million from this distribution channels, where the full year effect to the revenue is expected to to be realized in FY2026/27:

(a) Franchisee:

The Group currently operate eight directly operated retail stores with valid tenancy agreements that are considered strategically important for brand development, and collaborate with a franchise partner since June 2025 for retail operations at Shatin Plaza. The Group provides brand-related products, brand promotion and training, POS systems, and visual merchandising support. In general, franchisees bear localized operational risks and upfront capital requirements. From the Group's perspective, sales to franchisees are typically upfront and predictable, which substantially reduces the relevant retail operation cost, risk of inventory obsolescence and helps shield the Company from declining sales volumes of credit or membership packages during an economic downturn.

(b) Distributors:

In October 2025, the Group established distributorship relationship with Wellness International Capital Limited ("**Wellness International**") and VNS Capital Limited ("**VNS**"), with the ultimate beneficial owners, being Mr. Yue Ding Long and his business partner Mr. Chan Shue Keung, each owning 100% of their respective company, and both are independent third parties to the Group. After Wellness International went through sample sales, the Group enter a distributorship agreement with VNS, the Group received HK$2.5 million in total for a 5-year term and agreed a minimum purchase amount of HK$3.5 million each year. The Group works with regional distributors that manage distribution channels across PRC and e-commerce platforms. This enables the Group to scale quickly and efficiently by province and online marketplace segments while keeping costs controlled. Specifically, the distributor handle offline distribution channel and/or "flash selling" activities through a network of sub-distributors or "internet celebrity" operating under their own account across multiple e-commerce platforms and social channels, thereby accelerating market penetration and improving visibility of the Group's brand without requiring the Group to undertake market setup, promotional execution, or day-to-day direct marketing activities in the PRC. Also, on 1 July 2026, the Group also executed a formal cross-selling marketing campaign with a distributor, an independent third party, which has its own distribution channel.

(c) Cross-selling partner program through the existing membership and retail network:

On 1 April 2026, the Group entered into a collaboration agreement with Tai Hung Tao International Cultural Communication Co., Limited ("**Tao Hung Tao**") with the ultimate beneficial owners being 20% by Ms. Zheng Zhifei, 60% by Mr. Jiang Anxiang, 10% by Ms. Wang Lingling, and 10% by ATV Live Streaming Business Training Limited, with each of them being independent third party to the Group, under which the Group acts as a promotional and platform integration partner.

Building on the legacy of leading Yijing scholars（易學）and the spiritual inheritance of 蔣大鴻 and 蔣森元, Mr. Jiang Anxiang（蔣安祥）founded the cultural brand "Tai Hung Tao"（大鴻道）. In the field of cultural dissemination, he also pioneered "Cheng Wu Zhi"（承物誌）as a core intellectual property – positioned as a multimedia platform at the intersection of Intangible Cultural Heritage + Wellness. By leveraging the Group's established female body-shape and wellness-conscious membership ecosystem – spanning its official website, membership channels, and Bodibra Shop retail counters – the Group promotes Tai Hung Tao's "Oriental Women Fitness Course" to its member community. Customers learn about the programme through the Group's stores, membership channels, and social-media touchpoints, and the Group's staff performs cross-selling when customers purchase lingerie products or complete membership registration by introducing the course and relevant discounts, including the Bodibra member discount. Customers are informed that the course is delivered exclusively by the partner and that enrolment, delivery, booking, pricing confirmation, and fee collection are handled solely by Tai Hung Tao while the Group provides only supportive communication as a marketing/referral channel and charges a fee for these services. The programme is a 12-week "Oriental Female Body Fitness Programme" for Bodibra members, focusing on posture restoration, soft fascia flexibility, and qi and blood-flow circulation, and combining concepts from the Huangdi Neijing（黃帝內經）with modern training methods such as pilates and resistance training across four modules: oriental awakening, precise sculpting, mind-body healing, and image aesthetics. The course is taught by a team of body-aesthetics instructors with over 15 years of experience in Oriental body training.

The Group expects to recognize revenue from the collaboration with Tai Hung Tao mainly as a HK$2 million quarterly guaranteed income plus a variable 20% share of course fees for enrollments beyond the 200-person enrollment quarterly threshold, with the variable portion recognized when excess enrollments are confirmed, after Tai Hung Tao's post-quarter report. Going forward, the Group will continue to introduce different additional wellness（養生）programmes and female-focused related products through its membership ecosystem. The Directors consider that the fee arrangement and the associated guarantee are reasonable for several commercial and strategic reasons. The collaboration is fundamentally marketing-and referral-led. The transaction represents a normal commercial agreement entered into on arm's-length terms. The fixed fee component reflects the pre-committed commercial value of the Group's 8 physical store network, staff training overhead, counter space, and exclusive brand co-marketing to its 10,000+ female members where the guaranteed component compensates the Group for the promotional effort carried out by its sales and marketing team, the associated brand linkage, and the Group's accessibility to an established membership base built over more than 10 years. The revenue-sharing uplift provides a clear incentive and aligns the Group's interests with marketing outcomes, encouraging the Group to refer its members to Tai Hung Tao's course as prospective participants. The fee structure with Tai Hung Tao incentivizes scale by reducing the effective referral commission rate from 50% (at assumption of 200-person enrolment threshold is met) to 20% for enrolments exceeding the 200-student quarterly threshold, allowing Tai Hung Tao to maximize unit economics on expanded volume. For Tai Hung Tao, the fixed consideration operates as an initial customer acquisition expense and Tai Hung Tao's commitment to the baseline payment demonstrates confidence in the intrinsic value of its Oriental Women Fitness Course and related products within the "wellness" concept, and in the ability to generate sustainable enrolment volumes once introduced to a ready and highly relevant audience.

By leveraging the Group's existing customer and referral network, Tai Hung Tao benefits from the fastest and most cost-efficient route to market expansion, avoiding the time and cost of building a new customer base from scratch. On that basis, the Directors expect enrollments to continue and build over successive quarters. The receipt of the first-quarter payment in August 2026 further supports the commercial viability of the terms.

Going forward, the Group intends to continue acting as a marketing and referral collaborator and to test-run additional wellness programmes through the same channel, reinforcing the long-term strategic rationale of the arrangement.

(viii) Information on the new Board of Directors and their expertise.

The Board is structured to oversee the following key growth areas:

Director	Primary Strategic Focus & Relevant Experience
Mr. Jiao Dejun	**Supply Chain & Market Expansion:** Executive Director and Chairman, holds a Master's degree in Machinery Manufacturing Technology and Equipment from Dalian Railway Institute (now Dalian Jiaotong University) and a Master's degree in International Marketing from Ascencia Business School in Paris, France. He also currently serves as Executive Director of ZXZN Qi-House Holdings Limited (stock code: 8395, GEM-listed) and is a director of Kaishite Intelligent Technology (Dongguan) Co., Ltd., Shenzhen Linghang Biological Supply Chain Co., Ltd. and Dalian Jubojingmi Moulding Co., Ltd., Mr. Jiao has been providing valuable PRC operational and supply-chain insights and network for the Group's mainland expansion. Leverages technical manufacturing expertise and international marketing background to drive PRC operational efficiency and manage supply-chain logistics for rapid scaling.
Mr. Sun Tian	**Retail & Franchise Operations:** Mr. Sun is a seasoned business entrepreneur with extensive experience in business development and management, primarily within the beauty and healthcare consulting sector. Mr. Sun founded a chain of beauty and healthcare related business conglomerates in the PRC, and was responsible for its strategic planning and business development during the period from September 2009 to October 2019. Since September 2019, he has also founded, and has been playing a crucial role in managing and leading the business development of, a series of companies principally engaged in the beauty and healthcare consulting services as well as the related human resources management consulting services in the PRC. Utilizes extensive experience in scaling nationwide beauty and wellness chains (spanning over 2,000+ outlets) to manage our distributor network and implement effective cross-selling initiatives.

Director	Primary Strategic Focus & Relevant Experience
Mr. Xu Xue	**B2B & Wellness Integration:** serves as an advisor to the 簡艾宏康艾灸 brand (with 500 national chain stores) and 永保長壽醫學中心連鎖 (with 20 medical service points nationwide). He has over 20 years of management experience in manufacturing and electronics and previously served as an executive director of Republic Healthcare Limited (stock code: 8357, GEM-listed). His experience supports the Group's B2B corporate wellness and health-consulting cross-sales in the China market. Applies over 20 years of manufacturing and healthcare management experience to spearhead B2B corporate wellness programs and health-consulting cross-sales.
Mr. Hu Yanhui	**Growth & Channel Strategy:** focuses on growth through planning, resource allocation and innovative marketing, with particular emphasis on the PRC distributor channel. Directs resource allocation and innovative marketing, specifically focused on penetrating and expanding PRC distributor channels.
Mr. Liu Jiawei	**Systems & Efficiency:** Optimizes the Group's digital and physical infrastructure by leveraging extensive experience in IT systems, logistics, and cross-departmental management.

The Group has been revitalising its business operations by fully leveraging its strengthened management team, comprising relevant existing directors, newly appointed directors, and Ms. Flora Tang who is a highly experienced retail sales and operations professional with over 14 years of hands-on expertise in managing sales teams and driving business performance, primarily in the innerwear and personal-care sectors.

In June 2026, the Company appointed Mr. Peng Zhengdong (Mr. Peng) as Chief Operating Officer ("**COO**"). Mr. Peng brings more than 30 years of extensive experience in the fashion retail and brand management industry. He has held various senior leadership roles across multinational corporations and well-known brands, including New Balance, Meters/bonwe, Sunshine Fashion, and Pink Mary. His career spans sales management through to CEO and Chief Operating Officer responsibilities, where he has successfully driven brand development, business transformation, channel expansion, and operational excellence across Asia. He currently also serves as an Independent Director in several companies and as a Director and General Manager of a Shanghai-based consulting firm specialising in brand strategy, business management, and omnichannel marketing.

Mr. Peng's appointment is intended to deepen the Board's hands-on involvement in day-to-day operations. He will take direct responsibility for overseeing retail operations, sales execution, supply chain management, and product development on an ongoing basis. His expertise in brand strategy, product development, and retail operations positions him well in building and repositioning fashion brands, optimising product portfolios, and implementing effective merchandising and channel strategies, Mr. Peng brings the experience and industry insight needed to support the Group at both strategic and operational levels.

Together with Mr. Sun Tian, Mr. Jiao Dejun, and other senior management, the Board is now actively engaged in both strategic oversight and day-to-day operational decision-making.

The current executive Directors bring deep expertise in retail chain management, franchise operations, and supply-chain optimisation. This experience directly supports the Group's pivot toward personal care, beauty, and health consulting, as well as the continued expansion of our distributor network.

(B) Sufficient Operations

The audited consolidated statement of comprehensive income of the Group for FY2024/25 and FY2025/26 are set out as below:

	2026	2025
	HK$'000	*HK$'000*
Revenue	**27,001**	29,532
Cost of sales	**(3,801)**	(5,844)
Gross profit	**23,200**	23,688
Other income	**687**	262
Other gains and losses, net	**(1,339)**	(204)
Fair value gains on financial assets at fair value through profit or loss ("**FVTPL**")	**20**	1,295
Impairment losses for deposits and other receivables	**(4,515)**	(3,765)
Reversal of/(allowance for) impairment losses for loan receivables	**3,181**	(2,304)
Selling expenses	**(8,728)**	(12,301)
Administrative and other operating expenses	**(17,487)**	(35,738)
Loss from operations	**(4,981)**	(29,067)
Finance costs	**(267)**	(948)
Loss before tax	**(5,248)**	(30,015)
Income tax expense	**–**	–
Loss for the year	**(5,248)**	(30,015)
Other comprehensive (loss)/income for the year, net of tax:		
Item that will not be reclassified to profit or loss:		
Remeasurement gains on defined benefit pension plans	**18**	236
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(280)**	478
Other comprehensive (loss)/income for the year	**(262)**	714
Total comprehensive loss for the year	**(5,510)**	(29,301)

In February 2025, the Company announced that the ongoing revenue decline in its lingerie segment since 2024, resulting in tightened operating cash flow and total comprehensive loss of HK$29.3 million for FY2024/25, the aforementioned turnover of management and finance personnels. Challenges included rent and management fee pressures on ten retail stores with some rents unpaid and one landlord obtaining a Land Tribunal eviction order. The Group also faced overdue notices and claims from service providers (e.g., financial printers, transfer agents).

According to annual report, the total revenue of the Group decreased from approximately HK$29.5 million during FY2024/2025 to approximately HK$27.0 million during FY2025/2026. As disclosed, the Group operated within a highly volatile retail environment characterized by a significant shift in regional consumption patterns. In Hong Kong, the retail sector faced "northbound consumption" and "online-shopping" trends, where a surge in outbound travel to mainland China and overseas dampened local weekend spending. The decrease in revenue as a result of the reduced number of retail stores and weak retail sales of lingerie products caused by the weak consumer sentiment in Hong Kong despite the Group's expansion to its sales channel through distributor partnership (where the full year impact to the overall revenue of the Group has yet taken effect during FY2025/26). The gross profit remained stable at HK$23.7 million and HK$23.2 million for FY2024/25 and FY2025/26, respectively.

The Group's selling expenses decreased significantly by approximately HK$3.6 million from approximately HK$12.3 million during FY2024/25 to approximately HK$8.7 million during FY2025/26, which was mainly due to the decrease in staff related costs and depreciation of right-of-use assets in relation to rental of retail stores, as a result of the downscaling of the physical retail stores. The Group's administrative and other operating expenses decreased significantly by approximately HK$18.2 million from approximately HK$35.7 million during FY2024/25 to approximately HK$17.5 million during FY2025/26. These savings primarily resulted from the implementation of cost-control measures, including resigning higher-cost management and replacing it with a management team operating at a lower budget, minimizing legal and professional expenses after settling non-recurring legal matters, and reduction of staff cost and depreciation after retiring the manufacturing arm in Hong Kong in late 2025.

As a result of the foregoing, the Group has significant reduced its total comprehensive loss to HK$5.5 million for FY2025/26 compared with a total comprehensive loss of approximately HK$29.3 million for FY2024/25.

The Directors are of the view that the Group's principal businesses have demonstrated resilience and operational stability and constant improvement despite ongoing macroeconomic challenges. Nevertheless, the Group has implemented proactive and strategic measures to mitigate these risks and position itself for sustainable long-term growth.

As a result of the foregoing measures – strategically retaining only profitable or strategically important direct stores to limit capital expenditure amid the Hong Kong retail downturn, shifting expansion toward franchisees and distributors to stabilise observable purchase orders, reduce inventory costs and lower obsolescence risk, pursue cross-selling opportunities through its membership network, and implementing cost optimisation through stringent control over administrative expenses as well as selling and distribution expenses – the Group expects a continued improvement in its profitability going forward for the year ending 31 March 2027.

(C) Sufficient Assets

According to the 2025/26 Annual Report, the Group was on track to move the loss-making position toward break-even and only incurred total comprehensive loss of approximately HK$5.5 million for FY2025/2026 and as at 31 March 2026, the Group had net current liabilities and net liabilities of approximately HK$32.3 million and HK$31.4 million, respectively. In addition, the Group maintained total cash and bank balances at approximately HK$1.7 million as at 31 March 2026.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group.

The validity of the Group to operate as a going concern is dependent upon the successful outcomes of the Group to:

(i) attain profitable and positive cash flows from operations; and

(ii) obtain external source of funding, at a level sufficient to finance the working capital requirements of the Group for the next twelve months.

In order to strengthen the Group's capital base and liquidity in the foreseeable future, the Group has taken the following measures:

- the directors of the Company have been taking various cost control measures to tighten the costs of operations and implementing various strategies to enhance the Group's revenue.

- during the reporting period, the Group obtained loan facilities of HK$5 million from Mr. Yue Dinglong, who was also the business owner of a distributor of the Group and an independent third party, at an annual interest rate of 7%, for the period from 1 October 2025 to 31 October 2026. Since the grant of the loan facilities up to 31 August 2026, the Company had not drawn down any of the loan facilities.

The Management have prepared the cash flow projections of the Group for a period of twelve months from the date of approval of these consolidated financial statements. After taken into account the available financial resources of the Group with the above measures, the Directors are of the opinion that the Group is able to continue as a going concern and the Group will have sufficient financial resources to meet their financial liabilities as and when they fall due for the next twelve months. Accordingly, the Directors are of the view that it is appropriate to adopt going concern basis in preparing these consolidated financial statements.

The Management would like to further added that the net liabilities position as at 31 March 2026 includes HK$41.0 million in contract liabilities arising from the sale of customer credit packages. These are recognised as liabilities under applicable accounting standards, as they represent the Group's obligation to provide future services or benefits to customers. However, in the view of the Directors these contract liabilities do not pose an imminent cash outflow risk for the following reasons:

- They arise from prepaid cash receipts already received from customers, which enhanced liquidity at the time of sale rather than requiring future cash expenditures.

- Customer credit packages are typically utilised within one to two years, consistent with the Group's ordinary course of business and service delivery timeline.

- Historical experience indicates a low likelihood of cash repayments.

Although the HK$41.0 million contract liabilities (arising from prepaid customer credit packages) are presented as a liability on the balance sheet, they do not represent a significant future cash outflow or heavy inventory burden. Customers have already paid in full upfront, providing immediate liquidity to the Group.

The actual cost to fulfil these packages is limited to the cost of goods sold inventory cost, which could be reference to the Group's consistently high gross margin of above 85% during FY2025/2026. This means the Group only needs to incur around 15% of the contract value in inventory and production costs to deliver the products. The remaining 85% is embedded gross profit that will be recognised upon fulfilment. As a result, the real economic burden on inventory and working capital is roughly estimated as approximately HK$6.2 million (instead of the full HK$41.0 million), making these liabilities less burdensome than they appear and supporting the Group's going-concern assessment.

The Group's previously overdue liabilities mainly comprised labour claims for wage and allowance arrears, advisory and secretarial fee arrears. These were fully settled through payments totaling roughly HK$0.5 million for the main labour claims, a further labour claim of about HK$0.4 million, advisory fees of about HK$0.7 million. All such settlements and their financial impacts have already been reflected in the annual report of FY2025/2026. The remaining matter is a set of small-claims actions for secretarial fees aggregating about HK$0.2 million that remains ongoing and is expected to proceed to court in November. The Directors are of the view that this will not have a material adverse impact on the Group's financial position, and the potential impact is expected to be limited to the amount claimed. Following the Group's restructuring and its efforts to settle its overdue liabilities throughout FY2025/26, the Group has been progressively improving its previously low cash and bank balances position, which increased from approximately HK$0.5 million as at 31 March 2025 to approximately HK$1.7 million as at 31 March 2026, driven by cash inflow generated from operating activities, and further increased to approximately HK$2.6 million as at 31 July 2026. The trade payable and other payables of the Group increased from HK$14.8 million for FY2024/25 to HK$21.8 million for FY2025/26. This was primarily due to (i) an advance deposit of HK$2.4 million received from a distributor, and (ii) the Group no longer sourcing raw materials for production. These changes helped improve the liquidity mismatch by reducing the timing difference between payables and actual cash receipts upon sales. However, the Group now directly sources final products from manufacturers. As purchases of final products are generally higher than raw materials, and the Group's manufacturers of final products usually provide credit terms with 60 days in average, as compared to certain payment in advance or cash on stock delivery requests from raw materials providers, this transition has resulted in a higher level of trade payables at that point in time, improving the Group's overall liquidity. The Group expects the cash level of the Group will grow organically from its expansion through distributors and cross selling.

(D) Possibility of Fundraising Activities upon Resumption of Trading

While the Group appeared to liquidity pressure with its relatively low level of cash, the Group is actively exploring opportunities to raise fund through a share placing, rights issue, or a combination of both, to support its ongoing turnaround and growth initiatives under the asset-light strategy.

The Company is exploring the issuance of new shares (pursuant to the general mandate or a specific mandate to be sought from Shareholders if required). The final issue size may be adjusted upward or downward based on market feedback at the time of resumption. The actual amount raised, timing, method (placing, rights issue, or otherwise), and issue price remain subject to prevailing market conditions, investor demand, the trading price and liquidity of the Shares upon resumption of trading, and overall capital market sentiment.

The Company confirms that it did not take any potential fund-raising activities into account in the above assessments of its sufficient levels of operations and assets and that, insofar, it has no intention or plan on fund raising activities that would result in a theoretical dilution effect of 25% or more in the next 12 months in accordance to the Rules 10.44A of the GEM Listing Rules.

Any fundraising will comply strictly with the GEM Listing Rules and applicable regulatory requirements. Further announcements will be made as and when appropriate.

Accordingly, the Directors are of the view that it is appropriate to adopt going concern basis in preparing these consolidated financial statements. In light of the above factors (excluding the possibility of fundraising activities upon resumption of trading) – including the adjusted financial position (having taken into account of the nature of non-cash contract liabilities), secured funding support, demonstrated business resilience, cost-control initiatives, expansion strategies, the Board is of the view that the Group maintains a sufficient level of operations and assets of sufficient value to support its operations, thereby satisfying the requirements under Rule 17.26 of the GEM Listing Rules. Accordingly, the Group has fulfilled Resumption Guidance (b).

Resumption Guidance (c) – inform the market of all material information for the Company's shareholders and investors to appraise its position

Since the suspension of trading in the shares of the Company, the Company has disclosed all material information relating to the Company to the shareholders and investors through the Announcements and this announcement. Accordingly, the Company considers that it has fulfilled Resumption Guidance (c).

Resumption Guidance (d) – Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules.

(A) Findings and Recommendations of Internal Control Review

Notwithstanding the eventual publication of the Outstanding Financial Results, the Company has voluntarily adopted a proactive and prudent approach by engaging VAG Consultant Limited (an "**Independent Consultant**") on 24 October 2025 to undertake an independent internal control review of the aforementioned audit concerns leading to the prolonged delay on the publication of the Outstanding Financial Results. The Independent Consultant has also considered the enquiries raised by the Stock Exchange in relation to the internal control review and updated the internal control procedures or review report where necessary and appropriate. Thereafter, the Company has announced the Key IC Findings on 3 September 2026.

In conducting the internal control review, the Independent Consultant have (i) conducted interviews with the Group's relevant management and staff, inspected the relevant documentation in order to understand the existing processes and controls; (ii) performed walk through tests to confirm their understanding of the relevant processes and controls and to determine whether the controls have been implemented as intended by the management of the Group; (iii) performed test of samples to assess whether the controls are operating effectively as intended by the Management based on the operating policies and procedures for the selected samples; and (iv) identified findings based on the work performed above and developed appropriate recommendations for improvement, where appropriate.

The Board has reviewed and discussed the report with the Independent Consultant. A summary of the findings is set out in the announcement of Key IC Findings, which primarily relate to the prolonged high turnover of key finance and executive personnel, the resulting disruption to accounting records and month-end processes, financial distress, and management continuity gaps. These issues, together with the relevant recommended measures and the action plan taken or to be taken by the Company, are further detailed in the Company's announcements and the related background events.

(B) Completion of the Internal Control Review

As at the date of this announcement, the Group has adopted and implemented all the relevant remediation work in accordance with the Rectification Recommendations as detailed above. For those internal control issues which the Independent Consultant was unable to perform verification on the implementation and execution of some of the revised internal control policies due to lack of the relevant business activities during the Follow-Up Review period, the Board and the Internal Control Consultant will continue to review the effectiveness of its internal control system, including but not limited to conducting sample testing on the above business activities to assess the implementation and execution of the revised internal control policies, and make adequate disclosures in the corporate governance report set out in the annual report for the financial year ended 31 March 2027 pursuant to the Corporate Governance Code under Appendix C1 to the Listing Rules.

(C) Opinions of the Audit Committee and the Board

Having considered the report of Internal Control Review and the remedial actions taken by the Group, both the Audit Committee of the Company and the Board (including the independent non-executive Directors) are of the view that the enhanced internal control measures implemented by the Group based on the Rectification Recommendations are adequate and sufficient to address the key findings of the report of the Internal Control Review in order to prevent, monitor and detect occurrence of similar incidents as those leading to the delay of publishing Outstanding Financial Results and a subsequent trading suspension which may cause the Company's failure to meet its obligations under the Listing Rules. The Company has adopted all advice and recommendations suggested by the Independent Consultant, and has adopted, revised and/or strengthened (as applicable) relevant policies and procedures of the Company. The Independent Consultant has conducted a follow-up review after the implementation of relevant remedial measures on the Rectification Recommendations by the Group.

After considered the Internal Control Review report and the remedial measures taken by the Company, the Board and the Independent Consultant is of the view that:

(a) all internal control deficiencies identified in the Internal Control Report have been adequately addressed through appropriate recommended rectifications;

(b) the remedial measures taken by the Company are sufficient and adequate; and

(c) the Company has established sufficient and reliable governance, internal control, and reporting systems to perform its obligations under the Listing Rules.

The Company reaffirms its commitment to regulatory compliance and corporate governance excellence. It has exercised the highest levels of diligence and professionalism in addressing the relevant matters and has maintained continuous, transparent engagement with the Auditor throughout the audit process. All necessary actions have been undertaken to ensure that financial reporting is accurate, timely, and fully compliant with applicable accounting and regulatory standards. The Board and Audit Committee consider that the Company has in place adequate and reliable corporate governance, internal control and financial reporting systems and procedures to fulfill its obligations under the GEM Listing Rules. Accordingly, the Company considers that it has fulfilled Resumption Guidance (d).

RESUMPTION OF TRADING

As illustrated above, the Company takes the view that it has fulfilled all Resumption Guidance.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2025 and will remain suspended until further notice. As the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 11 September 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company

By order of the Board
Ocean Star Technology Group Limited
Jiao Dejun
Chairman and Executive Director

Hong Kong, 10 September 2026

As at the date of this announcement, the executive Directors are Mr. Jiao Dejun, Mr. Sun Tian, Mr. Xu Xue, Mr. Hu Yanhui and Mr. Liu Jiawei; and the independent non-executive Directors are Mr. Tong Zhu, Mr. Hong Sze Lung, Ms. Li Tiejing and Mr. Li Hongwei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its publication and will also be published on the Company's website at www.bodibra.com.