



PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

2025 INTERIM REPORT



** For identification purpose only*

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Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"Company"	PT International Development Corporation Limited
"Current Period"	the six months ended 30th September, 2025
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC"	People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	shareholders of the Company
"HK\$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"%"	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Yeung Kim Ting
Mr. Wong Kung Ho, Alexander

Non-executive Director

Ms. Wong Man Ming, Melinda
(re-designated from executive Director to non-executive Director on 26 July 2025)

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson *(Chairman)*
Mr. Yam Kwong Chun
Mr. Lam Yik Tung

REMUNERATION COMMITTEE

Mr. Lam Yik Tung *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung
Ms. Wong Man Ming, Melinda

CORPORATE GOVERNANCE COMMITTEE

Mr. Ching Man Chun, Louis *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

COMPANY SECRETARY

Ms. Lo Yuen Mei

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

LEGAL ADVISOR

CLKW Lawyers LLP

PRINCIPAL BANKERS

DBS Bank (HK) Limited
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China
(Asia) Limited
Nonghyup Bank
The Hong Kong and Shanghai Banking
Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor
Centre Point
181-185 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04,
33th Floor,
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

WEBSITE

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STOCK CODE

Hong Kong Stock Exchange 372

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2025

		(Unaudited) Six months ended 30th September,	
	NOTES	2025 HK\$'000	2024 HK\$'000 (Restated)
Continuing operations			
Revenue	3		
Contracts with customers		62,018	76,034
Cost of sales		(48,371)	(71,741)
Gross profit		13,647	4,293
Other income and expenses, other gains and losses	4	(617)	(2,533)
Net losses on financial instruments	5	(5,765)	(27,882)
Selling and distribution expenses		(46)	(148)
Administrative expenses		(30,353)	(28,645)
Finance costs	6	(7,660)	(8,272)
Share of results of a joint venture		(33)	(57)
Net gain on deconsolidation of a subsidiary	11	–	16,204
Loss before taxation	7	(30,827)	(47,040)
Income tax expense	8	–	–
Loss for the period from continuing operations		(30,827)	(47,040)
Discontinued operation	11		
Loss for the period from discontinued operation		–	(956)
Loss for the period		(30,827)	(47,996)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		1,617	3,923
Released on deconsolidation of a subsidiary		–	10,637
Other comprehensive income for the period		1,617	14,560
Total comprehensive expenses for the period		(29,210)	(33,436)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2025

		(Unaudited) Six months ended 30th September,	
	NOTE	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss for the period attributable to owners of the Company			
– from continuing operations		(26,818)	(40,269)
– from discontinued operation		–	(861)
Loss for the period attributable to owners of the Company		(26,818)	(41,130)
Loss for the period attributable to non-controlling interests			
– from continuing operations		(4,009)	(6,771)
– from discontinued operation		–	(95)
Loss for the period attributable to non-controlling interests		(4,009)	(6,866)
		(30,827)	(47,996)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(26,879)	(31,593)
Non-controlling interests		(2,331)	(1,843)
		(29,210)	(33,436)
		HK cents	HK cents (Restated)
Loss per share:	10		
From continuing and discontinued operations			
Basic and diluted		(8.86)	(13.58)
From continuing operations			
Basic and diluted		(8.86)	(13.30)

Condensed Consolidated Statement of Financial Position

At 30th September, 2025

	NOTES	(Unaudited) At 30th September, 2025 HK\$'000	(Audited) At 31st March, 2025 HK\$'000
Non-current assets			
Property, plant and equipment	12	296,576	295,742
Right-of-use assets	12	140,674	136,579
Interest in an associate		1,550	1,522
Interest in a joint venture		160	193
		438,960	434,036
Current assets			
Trade and other receivables	14	60,605	69,550
Equity investments held for trading		55	47
Financial assets at fair value through profit or loss	13	108,478	114,251
Restricted bank balances		2,397	3,245
Cash and cash equivalents		27,870	33,586
		199,405	220,679
Current liabilities			
Trade and other payables	15	88,439	91,838
Contract liabilities		1,134	1,350
Bank and other borrowings	16	120,770	111,354
Lease liabilities – due within one year	17	372,131	367,613
		582,474	572,155
Net current liabilities		(383,069)	(351,476)
Total assets less current liabilities		55,891	82,560
Non-current liabilities			
Lease liabilities – due after one year	17	4,130	1,589
		4,130	1,589
Net assets		51,761	80,971
Capital and reserves			
Share capital	18	30,274	30,274
Share premium and reserves		116,055	142,934
Equity attributable to the owners of the Company		146,329	173,208
Non-controlling interests		(94,568)	(92,237)
Total equity		51,761	80,971

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2025

	Attributable to the owners of the Company						Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
At 1st April, 2025 (audited)	30,274	984,885	908	(10,651)	(832,208)	173,208	(92,237)	80,971
Loss for the period	-	-	-	-	(26,818)	(26,818)	(4,009)	(30,827)
Exchange differences arising on translation of foreign operations	-	-	-	(61)	-	(61)	1,678	1,617
Total comprehensive expenses for the period	-	-	-	(61)	(26,818)	(26,879)	(2,331)	(29,210)
At 30th September, 2025 (unaudited)	30,274	984,885	908	(10,712)	(859,026)	146,329	(94,568)	51,761
At 1st April, 2024 (audited)	30,274	984,885	908	(15,692)	(656,240)	344,135	(67,054)	277,081
Loss for the period	-	-	-	-	(41,130)	(41,130)	(6,866)	(47,996)
Exchange differences arising on translation of foreign operations	-	-	-	6,755	-	6,755	(2,832)	3,923
Released on derecognition of a subsidiary	-	-	-	2,782	-	2,782	7,855	10,637
Total comprehensive expenses for the period	-	-	-	9,537	(41,130)	(31,593)	(1,843)	(33,436)
At 30th September, 2024 (unaudited)	30,274	984,885	908	(6,155)	(697,370)	312,542	(68,897)	243,645

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2025

		(Unaudited) Six months ended 30th September,	
	NOTES	2025 HK\$'000	2024 HK\$'000
Net cash from (used in) operating activities			
Loss before taxation – continuing operations		(30,827)	(47,040)
Loss before taxation – discontinued operation		–	(956)
Adjustments for:			
Net unrealised losses on financial instruments		5,765	27,882
Decrease in trade and other receivables		8,963	73
Decrease in equity investments held for trading		–	834
Decrease in trade and other payables		(3,399)	(10,633)
Decrease in contract liabilities		(239)	(1,336)
Other operating activities		20,398	26,138
		661	(5,038)
Net cash used in investing activities			
Interest received		353	641
Withdrawal (Placement) of restricted deposit		904	(34)
Acquisition of property, plant and equipment	12	(5,302)	(4,506)
Investment to joint venture		(33)	(443)
		(4,078)	(4,342)
Net cash used in financing activities			
Repayment of lease liabilities		(1,005)	(4,821)
Interest paid		(9,704)	(10,195)
Repayment of borrowings		(546)	(563)
Additional bank borrowing	16	8,000	–
		(3,255)	(15,579)
Net decrease in cash and cash equivalents		(6,672)	(24,959)
Cash and cash equivalents at beginning of the period		33,586	81,999
Effect of foreign exchange rate changes		956	(5,237)
Cash and cash equivalents at end of the period, represented by bank balances and cash		27,870	51,803

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

Going concern assessment

Going concern basis

The following conditions indicate the existence of material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group is subject to legal claims in relation to sale and leaseback arrangements and debt dispute (details set out in note 23) and such claims amounted to approximately Renminbi (“**RMB**”) 538,657,000 (equivalent to HK\$587,864,000) in aggregate as at 30th September, 2025. Under certain legal proceedings in relation to sale and leaseback arrangements and debt dispute, the Group has received property preservation orders to restrict the disposition of certain assets and the withdrawal of bank deposits (details set out in note 20) since August 2022.

- As at 30th September, 2025, the Group has an outstanding bank loan with a carrying amount of HK\$112,770,000. Due to the property preservation orders received from the court, the Group has breached certain covenants of the bank loan thus the bank may request immediate repayment of the loan. On discovery of the breach, the directors of the Company commenced negotiations of the terms of the loan with the relevant bank. Since those negotiations had not been concluded, the loan has been classified as a current liability as at 30th September, 2025.
- As at 30th September, 2025, due to the property preservation orders received from the court, the Group has breached certain terms of the sale and leaseback contracts of oil storage tanks thus the lessor may request immediate repayment of the remaining lease payments. Accordingly, the relevant outstanding lease liabilities arising from sale and leaseback arrangements of oil storage tanks with a carrying amount of HK\$263,818,000 have been classified as current liabilities as at 30th September, 2025.
- The Group recorded net current liabilities of HK\$383,069,000 as at 30th September, 2025 and reported a loss of approximately HK\$30,827,000 for the six months ended 30th September, 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

1. BASIS OF PREPARATION (continued)

Going concern assessment (continued)

Going concern basis (continued)

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and the financial position of the Group and the Group's available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, including:

- (i) The Group has been in negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants as mentioned above;
- (ii) The Group has been in negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks;
- (iii) The Group will continue to work with the People's Republic of China (the "PRC") legal advisers of the Group to gather evidence to defend itself against civil complaints filed by the civil litigants;
- (iv) The Group will continue to seek additional loans of financing from banks or other financial institutions or other financing; and
- (v) The Group will continue to liaise with the general partner of the unlisted fund on the possibility of disposal of the underlying assets of the investment in an unlisted fund and distribution of the proceeds from the disposal.

The directors of the Company have prepared the Group's cash flow projections which cover a period of not less than twelve months from 30th September, 2025. The directors of the Company are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures by the Group are in progress and no written contractual agreements are available to the Group as at the date of the approval for issuance of the condensed consolidated financial statements, material uncertainties exist as to whether the management of the Group will be able to achieve its plans and measures as mentioned above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve the financial position of the Group through the following:

- (i) Successful negotiation with a bank for revising the loan covenants and not demanding immediate repayment of existing bank loan due to the breach of loan covenants;
- (ii) Successful negotiation with the lessor for extension of the remaining sale and leaseback contracts of oil storage tanks;

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

1. BASIS OF PREPARATION (continued)

Going concern assessment (continued)

Going concern basis (continued)

- (iii) Successfully defending the Group against civil complaints filed by the civil litigants;
- (iv) Successfully obtaining additional loans of financing from banks or other financial institutions or other financing; and
- (v) Successfully obtaining distribution of the proceeds from the disposal of the underlying assets of investment in an unlisted fund.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, or to recognise a liability for any contractual commitments that might have become onerous, where appropriate. The effect of these adjustments have not been reflected in the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st March, 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st April, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

3. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of the Group's revenue from continuing operations for the period is as follows:

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
– Trading income	11,133	46,549
– Port and port-related services income	23,258	24,724
– Equity and insurance brokerage income	27,627	4,761
	62,018	76,034

Disaggregation of revenue from contracts with customers

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Types of goods or services		
Trading income		
– Chemicals and energy	11,133	46,549
Port and port-related services income	23,258	24,724
Equity and insurance brokerage income	27,627	4,761
	62,018	76,034
Timing of revenue recognition		
A point in time	38,760	51,310
Over time	23,258	24,724
	62,018	76,034
Geographical location (based on the locations of transactions conducted)		
Hong Kong	71	46
The PRC excluding Hong Kong	34,391	71,273
Mauritius	27,556	4,715
	62,018	76,034

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

3. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Set out below is the reconciliation of revenue from contracts with customers from continuing operations with amounts disclosed in the segment information.

Continuing operations

Six months ended 30th September, 2025

	Trading HK\$'000	Long-term investment HK\$'000	Petrochemical HK\$'000	Financial institute business HK\$'000	Finance HK\$'000	Other investment HK\$'000	Total HK\$'000
Trading income	11,133	-	-	-	-	-	11,133
Port and port-related services income	-	-	23,258	-	-	-	23,258
Equity and insurance brokerage income	-	-	-	27,627	-	-	27,627
Total revenue from continuing operations	11,133	-	23,258	27,627	-	-	62,018

Six months ended 30th September, 2024

	Trading HK\$'000	Long-term investment HK\$'000	Petrochemical HK\$'000	Financial institute business HK\$'000	Finance HK\$'000	Other investment HK\$'000	Total HK\$'000
Trading income	46,549	-	-	-	-	-	46,549
Port and port-related services income	-	-	24,724	-	-	-	24,724
Equity and insurance brokerage income	-	-	-	4,761	-	-	4,761
Total revenue from continuing operations	46,549	-	24,724	4,761	-	-	76,034

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), being the executive directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

Trading	– trading of commodities
Long-term investment	– investments including long-term debt instruments and equity investments
Petrochemical	– storage, unloading and loading services for petrochemical products
Financial institute business	– provision of asset management, equity and insurance brokerage and related services
Finance	– loan financing services
Other investment	– investment in trading of securities
Metal recycling	– recycling and trading of metals

An operating segment engaging in the metal recycling was discontinued during the year ended 31st March, 2024. Segment information reported below does not include any amounts for this discontinued operation. Details of which are set out in note 11.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Information regarding the above operating segments, which are also reportable segments of the Group, is reported below:

Continuing operations

Segment revenue and results

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

Six months ended 30th September, 2025

	Trading HK\$'000	Long-term investment HK\$'000	Petrochemical HK\$'000	Financial institute business HK\$'000	Finance HK\$'000	Other investment HK\$'000	Adjustments and eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	11,133	-	23,258	27,627	-	-	-	62,018
RESULTS								
Segment results	(805)	(9,859)	(8,453)	5,389	(9)	-	-	(13,737)
Central administration costs								(16,832)
Other income and expenses, other gains and losses								21
Finance costs								(246)
Share of results of a joint venture								(33)
Loss before taxation from continuing operations								(30,827)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Continuing operations (continued)

Segment revenue and results (continued)

Six months ended 30th September, 2024

	Trading HK\$'000	Long-term investment HK\$'000	Petrochemical HK\$'000	Financial institute business HK\$'000	Finance HK\$'000	Other investment HK\$'000	Adjustments and eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	46,549	-	24,724	4,761	-	-	-	76,034
RESULTS								
Segment results	(1,150)	(33,068)	(13,907)	(354)	(11)	(123)	335	(48,278)
Central administration costs								(14,824)
Other income and expenses, other gains and losses								16,111
Finance costs								(49)
Loss before taxation from continuing operations								(47,040)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the result of each segment without allocation of central administration costs, including directors' salaries, certain other income and expenses, other gains and losses, certain finance costs and share of results of a joint venture. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

4. OTHER INCOME AND EXPENSES, OTHER GAINS AND LOSSES

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Government grants	–	32
Interest income on loan to a third party	234	109
Bank interest income	170	592
Loss on disposal of property, plant and equipment	(49)	(5)
Late repayment charge on construction payables	–	(1,599)
Net foreign exchange losses	(641)	(1,639)
Others	(331)	(23)
	(617)	(2,533)

5. NET LOSSES ON FINANCIAL INSTRUMENTS

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Decrease in fair value of financial assets at fair value through profit or loss	(5,773)	(27,684)
Increase (decrease) in fair value of equity investments held for trading	8	(198)
	(5,765)	(27,882)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

6. FINANCE COSTS

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Interest on lease liabilities	6,268	6,919
Interest on bank and other borrowings	3,436	3,530
Total borrowing costs	9,704	10,449
Amounts capitalised in the cost of qualifying assets	(2,044)	(2,177)
	7,660	8,272

Borrowing costs capitalised during the period ended 30th September, 2025 that arose on the general borrowing pool are calculated by applying a capitalisation rate of 5.71% (six months ended 30th September, 2024: 6.06%) per annum to expenditures on qualifying assets.

7. LOSS BEFORE TAXATION

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	7,407	9,852
Depreciation of right-of-use assets	5,316	6,327
Total depreciation	12,723	16,179

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

8. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT has been made as the relevant subsidiaries had no assessable profits arising in the PRC for both periods.

Income tax is calculated at 15% of the assessable profit for the subsidiary in Mauritius. No provision has been made as the relevant subsidiary's assessable profit for both periods was absorbed by tax losses carried forward.

9. DISTRIBUTIONS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

10. LOSS PER SHARE

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

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss for the purpose of calculating the basic and diluted loss per share		
– from continuing operations	(26,818)	(40,269)
– from discontinued operation	–	(861)
Loss for the period	(26,818)	(41,130)
Number of shares (note a)	302,742,424	302,742,424
Loss per share from continuing and discontinued operations attributable to equity shareholders of the Company for the period		
Basic and diluted (HK cents) (note b)		
– from continuing operations	(8.86)	(13.30)
– from discontinued operation	N/A	(0.28)
Loss per share for the period	(8.86)	(13.58)

Notes:

- The number of shares for the purpose of calculated the basic and diluted loss per share for the six months ended 30th September, 2024 have been adjusted to reflect the share consolidation in December 2024.
- The diluted loss per share is equal to basic loss per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30th September 2025 and 2024.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

11. DISCONTINUED OPERATION

In March 2024, the Group has commenced the process to appoint administrators in Cupral Group Ltd. ("**Cupral**"), a subsidiary engaged in recycling and trading of metals, in the United Kingdom pursuant to the Insolvency Act 1986 of the United Kingdom. The appointment of the administrators has brought into effect a statutory moratorium which prevents any legal action by the creditors of Cupral so that the administrators can effect the realisation of its assets. The appointment of administrators was completed on 9th April, 2024.

Upon the appointment, the legal control of the business of Cupral was transferred from the directors of Cupral to the administrators acting as agent of the affairs of Cupral. As the management of the Company has terminated the trading of recycled metals with the intention to dispose the assets of Cupral before 31st March, 2024, the relevant assets which represents property, plant and equipment of Cupral was presented under assets held for sales as at 31st March, 2024. Cupral was deconsolidated from the Group on 9th April, 2024 and net gain of HK\$16,204,000 was recognised in the corresponding period in 2024.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30th September, 2025, the Group acquired property, plant and equipment of HK\$5,318,000. In addition, the Group recognised right-of-use assets of HK\$4,996,000 and lease liabilities of HK\$4,996,000 on lease commencement.

During the six months ended 30th September, 2024, the Group acquired property, plant and equipment of HK\$4,506,000. In addition, the Group recognised right-of-use assets of HK\$850,000 and lease liabilities of HK\$850,000 on lease commencement.

The Group is required to make fixed monthly payments. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss mainly represent the Group's investment in an unlisted fund.

On 21st June, 2018, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares of a private equity fund established in Korea (the "**Fund**"), as a limited partner, for an aggregate consideration of United States Dollar ("**US\$**") 20,000,000 (equivalent to HK\$156,000,000) in cash. The Fund principally invests in shares of companies listed on the Korea Exchange. The Fund is managed by a fund manager, while limited partners of the Fund do not have rights to engage in the management of the Fund. The Group, as a limited partner in the Fund, does not have the power to participate in the financial and operating policy decisions of the Fund. As such, the Group does not have significant influence over the Fund and the Fund is not accounted for as an associate. The shares of the Fund held by the Group represent approximately 29.71% (31st March, 2025: 29.71%) of the issued share capital of the Fund as at 30th September, 2025.

The Fund is accounted for as a financial asset at fair value through profit or loss. As at 30th September, 2025, the fair value of the Fund is HK\$108,478,000 (31st March, 2025: HK\$114,251,000). During the six months ended 30th September, 2025, fair value loss of HK\$5,773,000 (six months ended 30th September, 2024, fair value loss: HK\$27,684,000) was recognised in profit or loss.

According to the subscription agreement, unless all partners agree to extend the maturity date, the maturity date of the Fund will be within 12 months after the year ended 31st March, 2025. The directors of the Company expect to realise the investment in the Fund and not to extend the maturity date of the Fund and therefore the financial asset at FVTPL has been classified as current asset as at 31st March, 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

14. TRADE AND OTHER RECEIVABLES

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Trade receivables from contracts with customers	10,441	7,236
Value-added tax ("VAT") and other taxes recoverable	2,359	2,832
Amount due from a non-controlling shareholder of a subsidiary (Note i)	6,597	6,597
Loans to third parties (Note ii)	3,056	5,558
Prepayments	27,391	26,377
Rental, utility and other deposits	1,116	991
Other receivables	9,645	19,959
	60,605	69,550

Notes:

- (i) The amount due from a non-controlling shareholder of a subsidiary is unsecured, interest-free, non-trade related and repayable on demand.
- (ii) As at 30th September, 2025 and 31st March, 2025, the loan is secured, interest-bearing at 12% per annum and has a maturity date in November 2025. It is secured by a pledge of certain properties in the PRC. As at 31st March, 2025, one of the loans to third party is unsecured and interest-bearing at 10% per annum has been settled during the six months ended 30th September, 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

14. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade receivables based on the date of revenue recognition at the end of each reporting period:

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Trade receivables		
0 – 30 days	8,576	4,721
31 – 60 days	19	866
61 – 90 days	17	67
Over 90 days	1,829	1,582
	10,441	7,236

15. TRADE AND OTHER PAYABLES

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Trade payables	6,656	1,518
Payables for acquisition of property, plant and equipment (Note i)	46,125	45,850
Other payables	21,063	27,506
Accrued expense	14,595	16,964
	88,439	91,838

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

15. TRADE AND OTHER PAYABLES (continued)

Note:

- (i) As at 30th September, 2025, the Group has payables for acquisition of property, plant and equipment amounting to HK\$46,125,000, among which HK\$31,548,000 is related to a legal action involving the outstanding construction payable while the corresponding accrued interests of HK\$10,260,000 are included in accrued expenses. In May 2021, Guangxi Guangming Warehouse Storage Limited* (廣西廣明碼頭倉儲有限公司) (“**Guangming**”) became a defendant in a legal action involving the outstanding payment in relation to the fee for construction of port infrastructure from a construction company in the PRC. The case was settled under a civil mediation in May 2022 and Guangming is liable to pay construction fees of RMB90,504,000, where RMB30,675,000 has been settled during the year ended 31st March, 2023. In August 2022, the court has issued an enforcement order to Guangming on settling the remaining amount of the construction fee. In March 2023, the Group has entered a settlement agreement with the construction company, pursuant to which the enforcement order previously issued by the court was set aside as agreed upon by both parties to the proceedings. Under the settlement agreement, repayments of RMB30,000,000 were due on or before 30th June, 2023 (the “**First Tranche**”) and the remaining balance of RMB29,829,000 (equivalent to HK\$32,554,000) together with the corresponding interest will be due on or before 31st December, 2023. The First Tranche has been settled in December 2023.

In December 2024 and July 2025, the Group received a notice from the construction company for extending the settlement of the remaining balance to 30th June, 2025 and 31st December, 2025 respectively. The remaining balance has not been settled up to the date of approval for issuance of the condensed consolidated financial statements.

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

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Trade payables		
0 – 30 days	4,226	1,340
31 – 60 days	1,260	54
61 – 90 days	174	7
Over 90 days	996	117
	6,656	1,518

* For identification purposes only

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

16. BANK AND OTHER BORROWINGS

	At 30th September, 2025 <i>HK\$'000</i>	At 31st March, 2025 <i>HK\$'000</i>
Bank borrowing	112,770	111,354
Loan from a third party	8,000	–
	120,770	111,354

The carrying amounts of the above borrowings are repayable:

	At 30th September, 2025 <i>HK\$'000</i>	At 31st March, 2025 <i>HK\$'000</i>
Within one year	85,301	64,890
Within a period of more than one year but not exceeding two years	23,646	23,232
Within a period of more than two years but not exceeding five years	11,823	23,232
	120,770	111,354
Less: Amount due for settlement within 12 months	(8,000)	–
Less: Amount that is repayable on demand due to breach of loan covenants	(112,770)	(111,354)
Amount due for settlement after 12 months (shown under non-current liabilities)	–	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

16. BANK AND OTHER BORROWINGS (continued)

Bank borrowings

As at 30th September, 2025, the bank borrowings are secured by right-of-use assets amounting to HK\$13,570,000 (31st March, 2025: HK\$13,161,000) and are guaranteed by a non-controlling shareholder of a subsidiary. The Group's bank borrowings carry interests at variable rates of 5.71% (31st March, 2025: 5.81%) per annum as at 30th September, 2025 with reference to the Benchmark Interest Rates for Deposits and Loans of Financial Institutions quoted by the People's Bank of China.

Loan from a third party

During the period ended 30th September, 2025, the Group obtained a loan from a third party for the purpose of the operation of the Company. The loan carried interest at fixed rate of 10% per annum.

17. LEASE LIABILITIES

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Lease liabilities payable:		
Within one year	111,376	111,223
Within a period of more than one year but not more than two years	32,220	30,173
Within a period of more than two years but not exceeding five years	231,716	226,906
Within a period of more than five years	949	900
	376,261	369,202
Less: Amount due for settlement within 12 months	(108,313)	(109,224)
Less: Amount that is repayable on demand due to breach of lease contracts terms	(263,818)	(258,389)
Amount due for settlement after 12 months (shown under non-current liabilities)	4,130	1,589

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

17. LEASE LIABILITIES (continued)

The borrowing rates applied to lease liabilities range from 2.61% to 7.10% (31st March, 2025: 2.61% to 7.10%) per annum.

As at 30th September, 2025, the Group has outstanding lease liabilities arising from sale and leaseback arrangements with carrying amounts of HK\$370,056,000 (31st March, 2025: HK\$364,573,000), including HK\$106,238,000 (31st March, 2025: HK\$106,184,000) repayable within 12 months and HK\$263,818,000 (31st March, 2025: HK\$258,389,000) repayable after 12 months according to the repayment schedules. During the six months ended 30th September, 2025, due to the property preservation orders received from the court, the Group has breached certain terms of the sale and leaseback contracts thus the lessor may request immediate repayment of the certain remaining lease payments. Accordingly, the lease liabilities arising from sale and leaseback arrangements with breach of terms of HK\$263,818,000 (31st March, 2025: HK\$258,389,000) have been classified as current liabilities as at 30th September, 2025.

In February 2022, Guangming received a civil complaint filed by Lianwei (Shanghai) Finance Lease Limited* (聯蔚(上海)融資租賃有限公司) ("Lianwei") in respect of a dispute over the sale and leaseback arrangements of two oil storage tanks. During the six months ended 30th September, 2025, Guangming has entered into a settlement agreement with Lianwei for this civil complaint. Under the settlement agreement, remaining rent for the remaining lease period will be paid from May 2024 to December 2025 and therefore lease liabilities of HK\$106,238,000 have been classified as current liabilities as at 30th September, 2025.

Lease liabilities arising from sale and leaseback arrangements are pledged by the relevant right-of-use assets as disclosed in note 20.

* For identification purposes only

18. SHARE CAPITAL

	Number of shares		Value	
	2025	2024 (Restated)	2025 HK\$'000	2024 HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised:				
At 1st April and 30th September	10,280,000,000	10,280,000,000	1,028,000	1,028,000
Issued and fully paid:				
At 1st April and 30th September	302,742,424	3,027,424,240	30,274	30,274
Share consolidation (Note)	–	(2,724,681,816)	–	–
At 30th September	302,742,424	302,742,424	30,274	30,274

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

18. SHARE CAPITAL (continued)

Note:

The Company completed the share consolidation (“**Share Consolidation**”) on 11th December, 2024. It was approved by the shareholders at the special general meeting held on 9th December, 2024. The Company’s shares of every ten issued and unissued existing shares of par value HK\$0.01 each will be consolidated into one consolidated share of par value HK\$0.10 each.

19. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these condensed consolidated financial statements, the Group has the following transactions with related parties:

Compensation of key management personnel

	Six months ended 30th September,	
	2025 HK\$'000	2024 HK\$'000
Fees	347	420
Salaries and other emoluments	5,045	4,872
	5,392	5,292

20. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The Group’s borrowings and sale and leaseback arrangement had been secured by the pledge of the Group’s assets and the carrying amounts of the respective assets are as follows:

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Right-of-use-assets	123,173	126,216

Restrictions on assets

During the year ended 31st March, 2023, the Group received property preservation orders from the court in the PRC as a result of litigations of Guangming and Guangming Subsidiaries. Details of the litigation are disclosed in note 23. As at 30th September, 2025, the Group’s right-of-use assets of HK\$13,570,000 (31st March, 2025: HK\$13,161,000) and bank balances of HK\$2,397,000 (31st March, 2025: HK\$3,245,000) are restricted as a result of the property preservation orders.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements of financial instruments

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1: fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30th September, 2025 HK\$'000	31st March, 2025 HK\$'000		
Equity investments – Listed equity securities	55	47	Level 1	Quoted bid prices in an active market.
Financial assets at fair value through profit or loss – Unlisted fund	108,478	114,251	Level 2	Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares.

There were no transfers between Levels 1, 2 and 3 during the current and prior periods.

For financial instruments that are recorded at amortised cost, fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

22. CAPITAL COMMITMENT

At the end of the reporting period, the Group had the following capital commitments:

	At 30th September, 2025 HK\$'000	At 31st March, 2025 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	72,750	73,138

23. LITIGATIONS AND CONTINGENT LIABILITIES

As at 30th September, 2025, the material litigations that the Group has been involved are listed below.

Litigations in relation to sale and leaseback arrangements

The Group received certain civil complaints filed by Lianwei (Shanghai) Finance Lease Limited* (聯蔚(上海)融資租賃有限公司) ("Lianwei") in respect of disputes over the sale and leaseback arrangements entered into with Lianwei. The details of four ongoing civil complaint are as follows:

- (i) In March 2025, Guangming received a recommended civil complaint filed with the Shanghai Pudong New Area People's Court against it in respect of the dispute over the sale and leaseback contracts of one oil storage tank (which was originally commenced in October 2022). Under the civil complaint, Lianwei has requested the court to order: (i) Guangming to pay to Lianwei the damages in the amount of RMB52,800,000 (equivalent to HK\$57,623,000) and the late default payment accrued thereon from 10th October, 2022, until payment at the daily rate of 0.05%; (ii) Guangming to pay to Lianwei RMB250,000 (equivalent to HK\$273,000), being the reasonable expenses incurred for exercising the right of relief; and (iii) Guangming to bear the costs. Details are disclosed in the announcement of the Company dated 28th October, 2022. A trial was conducted on 20th May, 2025 which has been adjourned as at the date of this report.

* For identification purposes only

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

23. LITIGATIONS AND CONTINGENT LIABILITIES (continued)

Litigations in relation to sale and leaseback arrangements (continued)

- (ii) In July 2024, Guangming, received three recommenced civil complaints filed with the Shanghai Pudong New Area People's Court by Lianwei against it in respect of the disputes over the sale and leaseback contracts of three oil storage tanks (which were originally commenced in May 2023). Under the three civil complaints, Lianwei has requested the court to order: (i) Guangming to pay to Lianwei the damages in the amounts of RMB58,465,000 (equivalent to HK\$63,806,000), RMB58,850,000 (equivalent to HK\$64,226,000) and RMB58,850,000 (equivalent to HK\$64,226,000) respectively and the late default payments accrued thereon from 29th October, 2022, 8th November, 2022 and 8th November, 2022 respectively, until payment at the daily rate of 0.05%; (ii) Guangming to pay to Lianwei RMB160,000 (equivalent to HK\$175,000), RMB160,000 (equivalent to HK\$175,000) and RMB160,000 (equivalent to HK\$175,000) respectively, being the reasonable expenses incurred for exercising the right of relief; and (iii) Guangming to bear the costs. The trial was conducted on 20th May, 2025 and there was a further trial conducted on 30th June, 2025 and on 9th July, 2025. At the request of the court, the Group has submitted a mediation proposal. On 28th August, 2025, the Company received a judgment (the "**Judgment**") handed down by the court on 26th August, 2025 ordering that Guangming do pay to Lianwei the remaining rent for the remaining lease period for the oil tanks in full, being RMB52,800,000 (equivalent to HK\$57,623,000) for each of the three leases, and retention purchase price of RMB100 (equivalent to HK\$109) and the legal costs of Lianwei, within 10 days from the effective date of the Judgment. As the date of this report, the Group is appealing against the Judgment and as advised by the PRC legal advisers, the enforcement of the orders as set out in the Judgment will be stayed until the appeal has concluded. Details are disclosed in the announcements of the Company dated 29th August, 2025, 17th July, 2024 and 5th May, 2023.

As disclosed in note 17, in view of the civil complaints, the relevant lease liabilities are classified as current liabilities as at 30th September, 2025. However, based on the advice from the PRC legal advisers, the directors of the Company consider that the Group is not probable to be legally liable to immediately pay the remaining lease payments of HK\$249,881,000 (31st March, 2025: HK\$264,900,000) as a result of the enforcement order and property preservation orders issued by the court.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

23. LITIGATIONS AND CONTINGENT LIABILITIES (continued)

Litigation in relation to debt dispute

In July 2022, Guangming and Guangming Subsidiaries, and an individual (the “**Individual**”), received a civil complaint filed by a civil litigant (the “**Civil Litigant**”) in respect of the dispute over loans provided to the Individual. The Individual is not a director nor the legal representative of Guangming or the Guangming’s subsidiaries. Under the civil complaint, the Civil Litigant has requested the court to order Guangming and the Individual jointly to pay to the Civil Litigant the principal debt amount of RMB110,658,000 (equivalent to HK\$120,766,000), default payment thereon (which was RMB31,373,000 (equivalent to HK\$34,239,000) as at 30th September, 2024 and will further accrue at the rate of 20% above the one-year loan market rate until full repayment) and other related litigation costs. The trial had been completed and no judgment has been handed down by the court as at the date of this report. In another litigation case where the Civil Litigant claimed against the Individual for the same alleged loan, the claim by the Civil Litigant was dismissed by the Intermediate People’s Court of Qinzhou, Guangxi Zhuang Autonomous Region (the “**Qinzhou Court**”) on the ground that the Individual was only the nominee of Guangming for the alleged loan, which is categorically denied by Guangming. Such unfounded and mistaken determination by the Qinzhou Court would have a negative impact on the outcome of the civil complaint. As such, Guangming had filed an application with the Guangxi High People’s Court to request for a retrial of such case. After being submitted by the president of the Qinzhou Court to the adjudication committee of the Qinzhou Court for discussion, it was decided that there were mistakes in the judgment and a retrial should be conducted. The Qinzhou Court has thus ordered a retrial of such case. The Group will continue to work with the PRC legal advisers to defend itself in such case and the Civil Complaint. Details are disclosed in the announcements of the Company dated 28th October, 2022 and 20th November, 2025.

The directors of the Company consider that the Civil Litigant had only entered into loan agreements with the Individual and had only provided loans to the Individual and not to Guangming. The Individual is not a director nor the legal representative of Guangming or the Guangming Subsidiaries, and no evidence has been provided by the Civil Litigant to show that such loan amounts were used in the production operations of Guangming. Based on the advice from the PRC legal advisers, the directors of the Company consider that it is not probable that the Group will be legally liable to aforesaid loans principal, late default payment and the other related litigation costs.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

23. LITIGATIONS AND CONTINGENT LIABILITIES (continued)

Arbitration

In April 2024, Jiangsu Hong Mao Storage Company Limited* (江蘇宏貿倉儲有限公司) (“**Jiangsu Hong Mao**”), an indirect non-wholly owned subsidiary of the Company, received an arbitration notice in respect of an application for arbitration filed by China Construction Third Engineering Bureau Third Construction Engineering Company Limited* (中建三局第三建設工程有限責任公司) (“**CCTE**”) against Jiangsu Hong Mao in respect of the dispute over a construction contract for a liquid chemicals storage and logistics project which was suspended in 2017. Under the application for arbitration, CCTE has claimed for the followings: (i) Jiangsu Hong Mao shall pay the construction fee of RMB15,901,000 (equivalent to HK\$17,354,000) to CCTE ; (ii) Jiangsu Hong Mao shall pay to CCTE the progress payment interest of RMB241,000 (equivalent to HK\$263,000) and settlement payment interest accrued on the outstanding settlement payment at the loan prime rate announced by the National Interbank Funding Center from the date of commencement of the application for the arbitration to the actual repayment date; (iii) to the extent of the amount of the outstanding construction fee, CCTE shall have the priority right to be repaid from the appraised or auction price of the project; and (iv) Jiangsu Hong Mao shall pay the legal costs and other miscellaneous costs relating to the arbitration to CCTE. Details are disclosed in the Company’s announcement dated 23rd April, 2024. As at the date of this report, the arbitration process is still ongoing and no hearing date has been fixed.

Based on the advice from the PRC legal advisers, the directors of the Company consider that it is not probable that the Group will be legally liable to aforesaid construction fee, progress payment interest and settlement payment interest and the other related litigation costs.

As at the date of the approval for issuance of the condensed consolidated financial statements, the above arbitration is still ongoing.

* For identification purposes only

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2025

23. LITIGATIONS AND CONTINGENT LIABILITIES (continued)

Petition against subsidiary of the Company

In December 2023, Mr. Zhu Bin (“**Mr. Zhu**”), a substantial shareholder of the Company and a 35% shareholder of Thousand Vantage, filed a petition in the High Court of the Hong Kong Special Administrative Region against Thousand Vantage, PT OBOR Financial Holdings Limited (“**PT OBOR**”) and HK United Investment Holdings Limited (“**HK United**”) (a wholly-owned subsidiary of the Company) for:

- (i) an order that Thousand Vantage be wound up under section 177(1)(f) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (ii) alternatively, an order that Mr. Zhu do purchase PT OBOR’s and HK United’s shares in Thousand Vantage at a price to be determined by the Court in such manner as it shall think fit;
- (iii) such further or other relief and all necessary and consequential directions as the court may think fit; and
- (iv) costs.

Details are disclosed in the announcement of the Company dated 18th December, 2023. The trial of Mr. Zhu’s petition has been completed in November 2025. As at the date of this report, no judgment has been handed down by the court.

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

During the Current Period, the Group, pursuant to its long-term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation through close liaisons with the management of the Group's invested companies, continued to strategically invest or hold significant interests, in a portfolio of listed companies in Korea and explore high-potential private companies and funds, financial assets and securities, and engaged in trading of commodities, petrochemical storage business, port and port-related services, financial institute business and loan financing services.

For the Current Period, the Group reported a loss of HK\$26,818,000 attributable to the owners of the Company (2024: loss of HK\$41,130,000) and basic loss per share of HK8.86 cents (2024: loss per share HK13.58 cents). The decrease in the Current Period loss was mainly due to the combined effect of (i) increase in the gross profit of the Group in the Current Period due to the increase in the equity brokerage income which contributed a higher gross profit margin in the Current Period; (ii) less unrealised fair value loss of the Group's investment in AFC Mercury Fund for the Current Period comparing with the corresponding period in 2024; and (iii) the absence of one-off net gain on deconsolidation of a subsidiary in the Current Period as compared to the one-off net gain on deconsolidation of a subsidiary of approximately HK\$16,204,000 in the corresponding period in 2024.

Trading

During the Current Period, the Group generated a segment revenue of HK\$11,133,000 (2024: HK\$46,549,000) and a segment loss of HK\$805,000 (2024: HK\$1,150,000). The management has taken a more prudent approach to control the risk of this segment. Moving forward, the management will closely monitor the marco economy and interest rates outlook before increasing exposure towards the trading business.

Metal Recycling

On 16th April, 2021, several independent third-party individuals and the Group entered into an investment and shareholders' agreement in relation to the subscription of 24,999,050 ordinary shares in aggregate in Cupral at a total subscription amount of British Pound Sterling ("**GBP**") 2,500,000 (equivalent to approximately HK\$26,955,000) (the "**Cupral Subscription**"). On completion of the Cupral Subscription, the Group has been allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to approximately HK\$24,260,000), which represents 90% of the enlarged issued share capital of Cupral.

During the Current Period, the Group's metal recycling business recorded a revenue of nil (2024: HK\$579,000) and a segment loss of nil (2024: HK\$956,000).

On 9th April, 2024, Cupral filed a notice of appointment of administrators in the United Kingdom pursuant to the Insolvency Act 1986 of the United Kingdom. Details of discontinued operation are set out in note 11 to the condensed consolidated financial statements.

Management Discussion and Analysis

Long-term Strategic Investments

During the Current Period, the Group's long-term investment contributed nil segment revenue (2024: nil) and a segment loss of HK\$9,859,000 (2024: HK\$33,068,000). The segment loss for the Current Period was mainly attributed to the unrealised fair value loss of financial instruments from the Group's investment in AFC Mercury Fund.

AFC Mercury Fund

In June 2018, the Group, through its subsidiary, entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares in AFC Mercury Fund, as a limited partner, at an aggregate consideration of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

AFC Mercury Fund principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited (stock code: 011810) and STX Green Logis Ltd. (stock code: 465770). STX Corporation Limited is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and STX Green Logis Ltd. is primarily engaged in the business of shipping and logistics. The shares of the AFC Mercury Fund held by the Group represent approximately 29.71% of the issued share capital of the AFC Mercury Fund as at 30th September, 2025.

During the Current Period, an unrealised fair value loss of HK\$5,773,000 (2024: HK\$27,684,000) was made.

Petrochemical

Jiangsu Hong Mao (江蘇宏貿倉儲) (owned as to 90% by the Group)

The Group invested in Yangtze Prosperity Development (HK) Limited ("YPD (HK)") through the capitalisation of a loan in 2019. YPD (HK) is incorporated in Hong Kong as an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司, which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating petrochemical storage and related facilities thereon.

Such investment reinforces the Group's commitment towards sustainable development and it will broaden the income stream of the Group in the future. This business segment has not commenced operation as at 30th September, 2025.

Management Discussion and Analysis

Thousand Vantage (owned as to 65% by the Group)

Thousand Vantage is an investment holding company. Its subsidiaries are principally engaged in the provision of petrochemical port and storage services as well as port-related services through operation of a terminal at Yingling Terminal Operation Area of Qinzhou Port, in Guangxi, the PRC. It has become a subsidiary of the Group on 11th October, 2021.

The assets held by Thousand Vantage and its subsidiaries (the **"Thousand Vantage Group"**) mainly include right-of-use assets (representing land and sea areas use right) and property, plant and equipment thereon (representing mainly port infrastructure, oil tanks and related facilities, plant and machinery and construction in progress).

During the Current Period, the Thousand Vantage Group contributed a revenue of HK\$23,258,000 (2024: HK\$24,724,000) and a loss of HK\$7,940,000 (2024: HK\$13,406,000).

Financial Institute Business

Our insurance brokerage firm, PT Insurance Brokers Company Limited, a member of the Hong Kong Confederation of Insurance Brokers, is allowed to carry out insurance brokerage business in the long term (including linked) insurance in Hong Kong. This Company was disposed subsequent to the period end.

Muhabura Capital Limited (**"MCL"**), a subsidiary of the Company incorporated in Mauritius, was granted an investment banking licence by Financial Services Commission of Mauritius (**"FSC"**).

For the Current Period, the Group's financial institute business reported a segment revenue of HK\$27,627,000 (2024: HK\$4,761,000) and a segment gain of HK\$5,389,000 (2024: loss of HK\$354,000). Increase in revenue and profit are attributed to improvement in the business of MCL during the period.

Loan Financing Services

For the Current Period, the Group's loan financing operation reported a segment revenue of nil (2024: nil) and a segment loss of HK\$9,000 (2024: HK\$11,000).

Other Investment

During the Current Period, the Group's other investment contributed nil segment revenue (2024: nil) and a segment loss of nil (2024: HK\$123,000).

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30th September, 2025, the Group has total assets of HK\$638,365,000 (31st March, 2025: HK\$654,715,000) represented a decrease of HK\$16,350,000 or 2.5% when compared with 31st March, 2025.

As at 30th September, 2025, equity attributable to owners of the Company amounted to HK\$146,329,000 (31st March, 2025: HK\$173,208,000), representing an decrease of HK\$26,879,000 or 15.5% as compared to 31st March, 2025. The decrease was mainly due to the combined effect of (i) increase in the gross profit of the Group in the Current Period due to the increase in the equity brokerage income which contributed a higher gross profit margin in the Current Period; (ii) less unrealised fair value loss of the Group's investment in AFC Mercury Fund for the Current Period comparing with the corresponding period in 2024; and (iii) the absence of one-off net gain on deconsolidation of a subsidiary in the Current Period as compared to the one-off net gain on deconsolidation of a subsidiary of approximately HK\$16,204,000 in the corresponding period in 2024.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

As at 30th September, 2025, current assets and current liabilities of the Group were HK\$199,405,000 (31st March, 2025: HK\$220,679,000) and HK\$582,474,000 (31st March, 2025: HK\$572,155,000) respectively. Accordingly, the Group's current ratio was about 0.34 (31st March, 2025: 0.39).

Gearing Ratio

As at 30th September, 2025, the Group had cash and cash equivalents of HK\$27,870,000 (31st March, 2025: HK\$33,586,000) and bank and other borrowings of HK\$120,770,000 (31st March, 2025: HK\$111,354,000). The Group's gearing ratio was 63.5% at 30th September, 2025 (31st March, 2025: 44.9%). The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank deposits, cash and cash equivalents from borrowings.

Material Acquisitions or Disposals and Future Plans for Material Investment

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures nor were there material investments authorised by the Board at the date of this report.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Korean Won, Renminbi and United States dollars. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Management Discussion and Analysis

Litigations and Contingent Liabilities

Details of the litigations and contingent liabilities are disclosed in the note 23 to the condensed consolidated financial statements.

Pledge of or Restrictions on Assets

Details of pledge of or restrictions on assets are disclosed in the note 20 to the condensed consolidated financial statements.

Capital Commitment

Details of capital commitment are disclosed in the note 22 to the condensed consolidated financial statements.

Capital Structure

As at 30th September 2025, the Company's issued share capital was HK\$30,274,000 (31st March, 2025: HK\$30,274,000) and the number of its issued ordinary shares was 302,742,424 (31st March, 2025: 302,742,424) of HK\$0.10 each.

EMPLOYEES AND REMUNERATION POLICY

As at 30th September, 2025, the Group had a total of 153 employees (including executive Directors) (as at 31st March, 2025: 154 employees (including executive Directors)). The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share option was granted during the Current Period and there was no outstanding share option as at 30th September, 2025 and as at the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is exposed to various risks in the operations of the Group's business and the Group believes that risk management is important to the Group's success. A discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" set out on pages 4 to 10 of the 2025 annual report of the Company.

Management Discussion and Analysis

PROSPECTS

Looking forward, the Group will continue to reinforce the development of the existing business segments by widening its product scope, range of services and customer base, while also seeking for new business opportunities to diversify its business development into new potential business lines, whether through trading, retail or otherwise. The global economic environment is expected to remain highly volatile amidst ongoing geopolitical uncertainties, inflationary pressures, and the risk of a global economic downturn, in particular US-China trade tensions which contributed to the weak Chinese economy. Mainland China's economy remains uncertain due to domestic challenges such as weak consumer demand, liquidity concerns within the property sector, coupled with heightened volatility in financial markets and weak investor sentiment. During the Current Period, Thousand Vantage saw continued stable activities in the oil port and storage operations of the Group. The Directors believe that nearby infrastructure construction projects within Guangxi region may boost local fuel demand which could contribute to generate revenue for the Group. The Group will continue to explore possible funding to commence construction of a new berth to maximize throughput utilization of our Group's oil storage tanks. In line with President Xi's introduction of new quality productive force (新質生產力), the management is looking for new methods and technologies to improve productivity, increase our petrochemical sales and provide better and more efficient services for our oil storage business customers.

During the Current Period, the Group continued to adopt a more prudent approach to control the risk of the petrochemical commodities segment, where margins have been volatile due to overcapacity coupled with external factors such as trade tensions and the Russian/Ukraine war, while cost of capital brought on by the high interest rates. Moving forward, the management will closely monitor the global economic and interest rates outlook before increasing exposure towards the trading business. Business at the Group's investment bank in Mauritius has seen an increase in revenue and strengthened business activities on the island state. The Group will strive to increase revenue contribution and will continue to explore on further expansion opportunities for the business. In light of the above, the Group anticipates further challenges and uncertainties for our business in the latter half of 2025 and into 2026. In alignment with government policy guidance and industry development trends, the Group will continue to adopt prudent measures and implement various strategies to mitigate the adverse impact of market environment challenges on its business while closely monitoring the market environment.

In line with the recent disposal of the Group's insurance brokerage subsidiary, PT Insurance Brokers Company Limited, the Group will continue to look for opportunities to dispose of assets or under-performing businesses where necessary. We expect our cooperation with PipeChina to be formally launched later this year or early next year. Our terminal is set to become the sole sea access point (入海點) for PipeChina in Guangxi province. We anticipate that this strategic partnership will significantly boost business volumes at our terminal and storage facilities, as the use of this pipeline will substantially reduce transportation costs for our customers and partners.

Management Discussion and Analysis

During the Current Period, the Group's non-wholly owned subsidiary, Guangxi Guangming Warehouse Storage Limited* ("**Guangming**"), entered into a non-legally binding memorandum of understanding ("**MOU**") with Guangxi Linghang International Logistics Company Limited* (廣西領航國際物流有限公司), which is a subsidiary of Guangxi Pilot Free Trade Zone Qinzhou Port Area Development and Investment Group Company Limited* (廣西自貿區欽州港片區開發投資集團有限責任公司), a state-owned enterprise in the PRC, as previously disclosed in the Company's announcement dated 11th November 2025. The MOU sets out a framework for potential investment into Guangming by way of a potential subscription for 31.97% equity interest of Guangming after dilution by way of capital injection of tentatively RMB282 million, which, if materialised, may create new opportunities for the Group. As the MOU is non-legally binding and the cooperation remains at a preliminary stage, there is no assurance that any definitive agreement will be concluded or that any transaction will proceed.

After all, the Directors have noted the shift of global economic trends and are studying various opportunities that may benefit the Group and its shareholders as a whole.

* For identification purpose only

Supplementary Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching Man Chun, Louis (“ Mr. Ching ”)	Beneficial owner	15,000,000	4.95%
	Interest of controlled corporation	138,897,353 (Note 1 and 2)	45.88%

Notes:

- (1) 73,200,000 shares of the Company are beneficially owned by Champion Choice Holdings Limited (“**Champion Choice**”), which is wholly and beneficially owned by Mr. Ching. Mr. Ching is also the sole director of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 73,200,000 shares of the Company directly held by Champion Choice under the SFO.
- (2) 65,697,353 shares of the Company are beneficially owned by MARCHING GREAT LIMITED (“**MARCHING GREAT**”), which is wholly and beneficially owned by Mr. Ching. Mr. Ching is also the sole director of MARCHING GREAT. Accordingly, Mr. Ching is deemed to be interested in 65,697,353 shares of the Company directly held by MARCHING GREAT under the SFO.

Save as disclosed above, as at 30th September, 2025, none of the Directors and chief executive of the Company or any of their close associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Supplementary Information

SHARE OPTION SCHEME

The existing share option scheme of the Company (the “**Share Option Scheme**”) shall be valid and effective for a period of 10 years until 19th August, 2031. As a result of the Share Consolidation becoming effective on 11th December, 2024 and in accordance with the Share Option Scheme, the maximum number of share options which can be granted under the Share Option Scheme, being initially 201,828,282 Existing Shares (subject to adjustment), was adjusted pursuant to the terms of the Share Option Scheme to 20,182,828 Consolidated Shares, representing 6.67% of the number of shares in issue of the Company as at the date of this report.

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contributions to, and continuing efforts to promote the interests of, the Company or any of its subsidiaries and/or any of its invested entities.

Pursuant to the Share Option Scheme, the Board may, on or before 19th August, 2031, in its absolute discretion, subject to the terms of the Share Option Scheme, offer to grant share options to, inter alia, (i) employees (whether full time or part time), executive or non-executive directors of the Company or any of its subsidiaries or any of its invested entities; (ii) any shareholders of the Company or any of its subsidiaries or any of its invested entities; (iii) any advisors (professional or otherwise), consultants, any person or entity who has contributed or will contribute to the growth and development of the Group; (iv) suppliers; (v) customers; (vi) any person or entity that provides research, development or other technological support to any member of the Group or any of its invested entities; and (vii) joint venture partners, business alliance partners or any person or entity who has contributed or may contribute by way of other business arrangement to the development and 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 scheme(s) adopted by the Group shall not, in aggregate, exceed 30% of the share capital of the Company in issue from time to time.

The exercise price in respect of any options shall be at the discretion of the Board (subject to any adjustments made pursuant to the Share Option Scheme), provided that it shall not be lower than the nominal value of the shares of the Company and shall be the highest of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the offer.

Supplementary Information

The Board may in its absolute discretion determine the period in respect of any options, save that such period shall not be more than 10 years from the date of the grant of option, and the minimum period for which a share option must be held before it can be exercised. Unless otherwise determined by the Board and stated in the offer to a grantee, the Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 20th August, 2021. The total number of shares issued and to be issued upon exercise of the share options granted to each participant except for independent non-executive directors and substantial shareholders of the Company (including exercised, cancelled and outstanding options) within any 12-month period under the Share Option Scheme and any other share option scheme(s) of the Company and/or any of its subsidiaries shall not exceed 1% of the number of shares in issue of the Company for the time being.

Any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the number of shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to (and subject to acceptance by) such person under the relevant scheme, in excess of HK\$5 million, such further grant of share options shall be subject to prior approval by resolution of the shareholders of the Company (voting by way of poll).

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned for 21 days from the date of the grant of option. A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of share option.

No share option under the Share Option Scheme was granted, cancelled, exercised or lapsed during the Current Period nor outstanding as at 30th September, 2025.

Supplementary Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 30th September, 2025, the Directors and chief executive of the Company are not aware of any person who had interests or short positions 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching	Beneficial owner	15,000,000	4.95%
	Interest of controlled corporation	138,897,353 (Note 1 and 2)	45.88%
Champion Choice	Beneficial owner	73,200,000 (Note 1)	24.18%
MARCHING GREAT	Beneficial owner	65,697,353 (Note 2)	21.70%
Mr. Zhu Bin ("Mr. Zhu")	Beneficial owner	31,288,276 (Note 3)	10.33%
	Interest of controlled corporation	234,000 (Note 3)	0.07%

Notes:

- (1) The 73,200,000 shares of the Company are beneficially owned by Champion Choice, which is wholly and beneficially owned by Mr. Ching. Mr. Ching is also the sole director of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 73,200,000 shares of the Company directly held by Champion Choice under the SFO.
- (2) 65,697,353 shares of the Company are beneficially owned by MARCHING GREAT, which is wholly and beneficially owned by Mr. Ching. Mr. Ching is also the sole director of MARCHING GREAT. Accordingly, Mr. Ching is deemed to be interested in 65,697,353 shares of the Company directly held by MARCHING GREAT under the SFO.
- (3) Based on the disclosure of interest filing of Mr. Zhu as at 18th August, 2023 and as a result of the Share Consolidation becoming effective on 11th December, 2024, Mr. Zhu owns 31,288,276 shares of the Company and owns the entire issued share capital of One Perfect Group Ltd ("**One Perfect**"), which holds 234,000 shares of the Company. Accordingly, Mr. Zhu is deemed to be interested in 234,000 shares of the Company held by One Perfect under the SFO.

Supplementary Information

EVENTS AFTER THE REPORTING PERIOD

On 11 November 2025, Guangxi Guangming Warehouse Storage Limited* ("**Guangming**"), a non-wholly owned subsidiary of the Group established in the People's Republic of China (the "**PRC**"), entered into a non-legally binding memorandum of understanding (the "**MOU**") with Guangxi Linghang International Logistics Company Limited* (the "**Potential Subscriber**"), which is a subsidiary of Guangxi Pilot Free Trade Zone Qinzhou Port Area Development and Investment Group Company Limited*, a state-owned enterprise in the PRC, in relation to its potential subscription for 31.97% equity interest after dilution in Guangming by way of capital injection of tentatively RMB282 million (the "**Potential Subscription**"). The net proceeds from the Potential Subscription (if materialised) will be applied for the repayment of the outstanding debts, including but not limited to (i) the loans to be due on 31 December 2025 in the amount of approximately RMB100 million owed to Lianwei (Shanghai) Financial Leasing Company Limited* ; (ii) the outstanding project payments in the amount of approximately RMB33 million owed to China Communications First Navigation Bureau Fifth Engineering Company Limited*; and (iii) the mortgage loan in the amount of approximately RMB100 million owed to Qinzhou branch of Guilin Bank Company Limited*.

As at the date of this report, the equity interest of Guangming is owned as to 75% by Thousand Vantage Investment Limited ("**Thousand Vantage**"), a company incorporated in Hong Kong with limited liability and the issued share capital of which is owned as to 65% by the Group. Should the Potential Subscription materialise and complete assuming that the Potential Subscriber subscribes for 31.97% equity interest after dilution in Guangming, the equity interest of Guangming owned by Thousand Vantage may decrease to approximately 51.02% and Guangming will remain an indirect non-wholly owned subsidiary of the Company.

Pursuant to the MOU, completion of the Potential Subscription shall be conditional upon the fulfilment of certain conditions. Up to the date of this report, no definitive agreement in relation to the Potential Subscription has been entered between the Potential Subscriber and Guangming.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the Current Period (2024: nil).

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

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

CORPORATE GOVERNANCE

The Company has, throughout the six months ended 30th September, 2025, complied with the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules except for the following deviations with reasons as explained:

* For identification purpose only

Supplementary Information

Code Provision C.2.1 of Part 2 of the CG Code

Under the code provision C.2.1 of Part 2 of the CG Code, it stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation

Mr. Ching Man Chun, Louis, an executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company with effect from 30th September, 2017. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans. The Board also believes that the balance of power and authority is adequately ensured.

Code Provision D.1.2 of Part 2 of the CG Code

Under the code provision D.1.2 of Part 2 of the CG Code, it stipulates that the management should provide the Board with monthly updates, giving a balanced and understandable assessment of the Group's financial and operating performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under rule 3.08 and Chapter 13 of the Listing Rules.

Deviation

Management considers that quarterly updates and periodic instant updates when developments arising out of the ordinary business instead of monthly updates are sufficient for the Board to discharge its duties.

Management will continue to provide the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company, which are considered to be sufficient for the Board to discharge its duties and allow each Director to give a balanced and understandable assessment of the same to serve the purpose required by the code provision D.1.2.

Supplementary Information

Code Provision F.1.3 of Part 2 of the CG Code

Under the code provision F.1.3 of Part 2 of the CG Code, it provides that the Chairman of the Board should attend the annual general meeting of the Company.

Deviation

Mr. Ching Man Chun, Louis, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 12th August, 2025 (the “**2025 AGM**”) due to his other business commitment. Mr. Wong Kung Ho, Alexander, an executive Director, was appointed to chair the 2025 AGM in replying to questions raised by shareholders of the Company at the 2025 AGM.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code. The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance with the CG Code.

CHANGES IN INFORMATION IN RESPECT OF DIRECTOR(S)

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors subsequent to the date of the 2025 Annual Report of the Company are set out below:

Ms. Wong Man Ming, Melinda has been appointed as a member of the nomination committee of the Company with effect from 2nd July, 2025 and re-designated as non-executive Director of the Company from an executive Director with effect from 26th July, 2025.

Save as disclosed above, there is no change in information of Directors that is required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has continued to adopt the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the Current Period. The Company has also continued to adopt a code of conduct governing securities transactions by employees and directors of the subsidiaries who may possess or have access to inside information relating to the Company or its securities.

Supplementary Information

AUDIT COMMITTEE

The audit committee of the Company was established with written terms of reference in accordance with Appendix 14 to the Listing Rules. The audit committee is delegated by the Board to be responsible for reviewing the accounting policies and practices adopted by the Group as well as reviewing financial controls, risk management and internal control systems of the Company. There were no disagreements from the audit committee on the accounting policies adopted by the Company.

The audit committee is comprised of three independent non-executive directors namely Mr. Wong Yee Shuen, Wilson (Chairman of the audit committee), Mr. Yam Kwong Chun and Mr. Lam Yik Tung. The audit committee has reviewed the unaudited interim results of the Company for the six months ended 30th September 2025.

On behalf of the Board

Ching Man Chun, Louis

Chairman and Managing Director

Hong Kong, 28th November, 2025