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HKC INTERNATIONAL HOLDINGS LIMITED

香港通訊國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 248)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The board of directors (the “Board”) of HKC International Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2026 together with audited comparative figures for the year ended 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	3	56,643	85,561
Cost of sales		<u>(35,952)</u>	<u>(53,863)</u>
Gross profit		20,691	31,698
Other income, gains and losses	4	(535)	787
Fair value loss on investment properties		(8,200)	(18,300)
Reversal of impairment loss on trade receivables and contract assets, net		426	278
Selling and distribution expenses		(4,650)	(3,531)
Administrative and other operating expenses		(40,054)	(30,708)
Finance costs	5	<u>(6,016)</u>	<u>(6,972)</u>

* *For identification purpose only*

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
Loss before taxation	6	(38,338)	(26,748)
Taxation	7	<u>—</u>	<u>—</u>
Loss for the year attributable to equity holders of the Company		<u>(38,338)</u>	<u>(26,748)</u>
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of overseas operations		<u>(1,213)</u>	<u>1,783</u>
Other comprehensive (expense) income for the year		<u>(1,213)</u>	<u>1,783</u>
Total comprehensive expense attributable to equity holders of the Company		<u>(39,551)</u>	<u>(24,965)</u>
LOSS PER SHARE – (HK CENTS)			(Restated)
– basic and diluted	8	<u>(22.39)</u>	<u>(16.75)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		46,293	47,697
Investment properties		125,500	146,900
Financial assets at fair value through profit or loss ("FVTPL")		1,012	9,777
		<u>172,805</u>	<u>204,374</u>
CURRENT ASSETS			
Inventories		11,416	13,701
Contract assets	10	71,738	104,324
Financial assets at FVTPL		–	498
Trade receivables	11	6,198	13,838
Prepayments, deposits and other receivables		14,429	12,227
Tax recoverable		122	24
Pledged bank deposits		772	2,765
Cash and bank balances		11,855	9,127
		<u>116,530</u>	<u>156,504</u>
CURRENT LIABILITIES			
Trade payables	12	2,343	3,091
Accruals and other payables	12	5,302	1,242
Contract liabilities		2,612	2,446
Amount due to a director		2,654	3,000
Lease liabilities		116	126
Bank borrowings		77,109	133,482
Tax payable		14	46
		<u>90,150</u>	<u>143,433</u>

	<i>Note</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
NET CURRENT ASSETS		<u>26,380</u>	<u>13,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>199,185</u>	<u>217,445</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		<u>49</u>	<u>49</u>
		<u>49</u>	<u>49</u>
NET ASSETS		<u>199,136</u>	<u>217,396</u>
CAPITAL AND RESERVES			
Share capital	13	18,680	12,453
Reserves		<u>180,456</u>	<u>204,943</u>
TOTAL EQUITY		<u>199,136</u>	<u>217,396</u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”). They have been prepared under the historical cost convention, except for certain financial instruments and investment properties, which have been measured at fair values. These consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand except where otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to a HKFRS Accounting Standard

In the current year, the Group has applied, for its first time, the following amendments to a HKFRS Accounting Standard issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2025.

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKAS 21 in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

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

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. SEGMENTAL INFORMATION

Information reported to the executive directors, as chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments are as follows:

1. Sales of mobile phones in Hong Kong
2. Sales of internet of things (“IOT”) solutions in Hong Kong
3. Sales of IOT solutions in Mainland China and other countries in South East Asia
4. Property investment

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than financial assets at FVTPL.
- all liabilities are allocated to reportable segments other than deferred tax liabilities.

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

Segment revenues and results

For the year ended 31 March 2026

	Sales of mobile phones in Hong Kong <i>HK\$'000</i>	Sales of IOT solutions in Hong Kong <i>HK\$'000</i>	Sales of IOT solutions in Mainland China and other countries in South East Asia <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Inter-segment elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUES						
Revenue	4,913	45,296	18,059	3,568	(15,193)	56,643
Less: inter-segment revenue	–	(1,095)	(12,965)	(1,133)	15,193	–
Reportable segment revenue-external	<u>4,913</u>	<u>44,201</u>	<u>5,094</u>	<u>2,435</u>	<u>–</u>	<u>56,643</u>
Reportable segment loss	<u>(511)</u>	<u>(22,805)</u>	<u>(5,450)</u>	<u>(732)</u>	<u>–</u>	<u>(29,498)</u>
Segment assets and liabilities:						
Reportable segment assets	447	138,021	12,382	137,473	–	288,323
Reportable segment liabilities	<u>55</u>	<u>86,768</u>	<u>2,552</u>	<u>775</u>	<u>–</u>	<u>90,150</u>
Other segment information:						
Amounts included in the measure of segment profit or loss or segment assets						
Interest income from bank deposits	–	(124)	–	–	–	(124)
Finance costs	–	5,460	242	314	–	6,016
Depreciation	45	1,292	470	24	–	1,831
Reversal of impairment of trade receivables	–	(9)	(112)	–	–	(121)
Reversal of impairment of contract assets	–	(82)	(223)	–	–	(305)
Additions to non-current assets	<u>–</u>	<u>–</u>	<u>407</u>	<u>–</u>	<u>–</u>	<u>407</u>

For the year ended 31 March 2025

	Sales of mobile phones in Hong Kong HK\$'000	Sales of IOT solutions in Hong Kong HK\$'000	Sales of IOT solutions in Mainland China and other countries in South East Asia HK\$'000	Property investment HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
REVENUES						
Revenue	5,921	75,018	17,993	1,703	(15,074)	85,561
Less: inter-segment revenue	–	–	(14,864)	(210)	15,074	–
Reportable segment revenue-external	<u>5,921</u>	<u>75,018</u>	<u>3,129</u>	<u>1,493</u>	<u>–</u>	<u>85,561</u>
Reportable segment (loss) profit	<u>(4,235)</u>	<u>483</u>	<u>(4,126)</u>	<u>(575)</u>	<u>–</u>	<u>(8,453)</u>
Segment assets and liabilities:						
Reportable segment assets	5,867	171,106	9,893	163,737	–	350,603
Reportable segment liabilities	<u>25,050</u>	<u>115,309</u>	<u>2,652</u>	<u>422</u>	<u>–</u>	<u>143,433</u>
Other segment information:						
Amounts included in the measure of segment profit or loss or segment assets						
Interest income from bank deposits	(453)	–	–	–	–	(453)
Finance costs	878	5,978	17	99	–	6,972
Depreciation	106	1,571	275	32	–	1,984
Write-off of inventories	212	–	–	–	–	212
Provision for (reversal of) impairment of trade receivables	3	(36)	(9)	–	–	(42)
Reversal of impairment of contract assets	–	(236)	–	–	–	(236)
Additions to non-current assets	<u>–</u>	<u>36</u>	<u>94</u>	<u>–</u>	<u>–</u>	<u>130</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss from) profit earned by each segment without allocation of fair value change in financial assets at FVTPL and fair value loss on investment properties. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the Group's operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenues from external customers		Non-current assets*	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Hong Kong (place of domicile)	<u>51,549</u>	<u>82,432</u>	<u>171,442</u>	<u>194,313</u>
Chinese Mainland	469	1,124	116	133
Singapore	<u>4,625</u>	<u>2,005</u>	<u>235</u>	<u>151</u>
	<u>5,094</u>	<u>3,129</u>	<u>351</u>	<u>284</u>
	<u><u>56,643</u></u>	<u><u>85,561</u></u>	<u><u>171,793</u></u>	<u><u>194,597</u></u>

* Non-current assets exclude financial assets at FVTPL.

Reconciliations of reportable segment profit or loss before taxation

	2026 HK\$'000	2025 HK\$'000
PROFIT OR LOSS		
Total reportable segment loss	(29,498)	(8,453)
Fair value loss on investment properties	(8,200)	(18,300)
Fair value (loss) gain on financial assets at FVTPL	<u>(640)</u>	<u>5</u>
Consolidated loss before taxation	<u><u>(38,338)</u></u>	<u><u>(26,748)</u></u>

Reconciliations of reportable segment assets and liabilities

	2026 HK\$'000	2025 HK\$'000
ASSETS		
Total reportable segment assets	288,323	350,603
Unallocated corporate assets	<u>1,012</u>	<u>10,275</u>
Consolidated total assets	<u><u>289,335</u></u>	<u><u>360,878</u></u>
LIABILITIES		
Total reportable segment liabilities	90,150	143,433
Deferred tax liabilities	<u>49</u>	<u>49</u>
Consolidated total liabilities	<u><u>90,199</u></u>	<u><u>143,482</u></u>

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Customer A ¹	11,156	31,984
Customer B ¹	7,797	18,286
	<u>11,156</u>	<u>18,286</u>

¹ Revenue from sales of IOT solutions in Hong Kong segment

4. OTHER INCOME, GAINS AND LOSSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Bank interest income	124	453
Dividend income	3	3
Fair value (loss) gain on FVTPL	(640)	5
Loss on disposal of the property, plant and equipment	–	(119)
Exchange gains	14	215
Government grant (<i>Note</i>)	35	47
Others	(71)	183
	<u>(535)</u>	<u>787</u>

Note:

During the year ended 31 March 2026, the Group recognised government grants of HK\$35,000 (2025: HK\$47,000) relating to the subsidy from the Singapore government. There are no unfulfilled conditions and other contingencies attached to the receipts of the subsidy.

5. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on bank borrowings	5,552	6,484
Interest on lease liabilities	3	23
	<u>5,555</u>	<u>6,507</u>
Total interest expenses	5,555	6,507
Bank charges	461	465
	<u>6,016</u>	<u>6,972</u>

6. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging (crediting):

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Auditor's remuneration	600	620
Depreciation on:		
– Property, plant and equipment	1,493	1,603
– Right-of-use assets	338	381
	<u>1,831</u>	<u>1,984</u>
Employee benefits expenses (including directors' emoluments)		
– Salaries, allowances and benefits in kind	28,446	31,158
– Retirement benefit scheme contributions (<i>Note (i)</i>)	1,729	1,969
	<u>30,175</u>	<u>33,127</u>
Total staff costs	30,175	33,127
Reversal of impairment loss on trade receivables	(121)	(42)
Reversal of impairment loss on contract assets	(305)	(236)
Write-off of inventories (included in cost of sales) (<i>Note (ii)</i>)	–	212
Gross rental income from investment properties under operating leases less outgoings of HK\$604,000 (2025: HK\$777,000)	(1,831)	(716)
	<u>(1,831)</u>	<u>(716)</u>

Notes:

- (i) Forfeited contributions in respect of unvested benefits of employees leaving the Group's employment cannot be used to reduce ongoing contributions.
- (ii) During the year ended 31 March 2025, the Group wrote off certain inventories of HK\$212,000 as they are no longer suitable for use.

7. TAXATION

The Group's subsidiaries operating in Hong Kong are subject to Hong Kong Profits Tax. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax was made for the years ended 31 March 2026 and 2025 as there were no assessable profits generated during both years.

Taxes on profits assessable in elsewhere have been calculated at the rates of tax prevailing in those places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. In general, the Group's subsidiaries operating in the PRC are subject to the Enterprise Income Tax rate of 25% and those operating in Singapore and Thailand are subject to Singapore Corporate Tax rate and Thailand Corporate Tax rate of 17% and 20% respectively.

No provision for Enterprise Income Tax of the PRC, Singapore Corporate Tax and Thailand Corporate Tax has been made as the Group did not have any assessable profits subject to tax in the PRC, Singapore and Thailand respectively for the years ended 31 March 2026 and 2025.

8. LOSS PER SHARE

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss attributable to equity holders of the Company	<u>(38,338)</u>	<u>(26,748)</u>

	Number of shares	Number of shares (Restated)
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Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation	<u>171,222,458</u>	<u>159,707,409</u>
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As a result of the Group's net loss for the years ended 31 March 2026 and 2025, share options outstanding were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive.

The weighted average number of ordinary shares for the purpose of the basic loss per share calculation has been retrospectively adjusted to reflect the bonus element arising from rights issue completed in March 2026 and share consolidation completed in February 2026.

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: nil).

10. CONTRACT ASSETS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
IOT solutions	73,379	106,270
Less: Loss allowance	<u>(1,641)</u>	<u>(1,946)</u>
	<u>71,738</u>	<u>104,324</u>

11. TRADE RECEIVABLES

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade debtors	7,295	15,056
Less: Loss allowance	(1,097)	(1,218)
	<u>6,198</u>	<u>13,838</u>

The Group does not hold any collateral over these receivables.

Ageing analysis

The Group allows average credit period ranging from seven days to one month to its customers. The following is an aged analysis of trade receivables presented based on the invoice date, at the end of the reporting period. In addition, for certain customers with long-established relationship and have good credit worthiness, a longer credit period may be granted.

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	1,929	9,069
31 to 60 days	738	864
61 to 90 days	1,133	833
91 to 180 days	701	102
181 to 365 days	139	1,012
Over 365 days	2,655	3,176
	<u>7,295</u>	<u>15,056</u>

12. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables	2,343	3,091
Accruals and other payables	<u>5,302</u>	<u>1,242</u>
	<u><u>7,645</u></u>	<u><u>4,333</u></u>

The following is an aged analysis of accounts payable presented based on the invoice date at the end of the reporting period.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0 – 30 days	829	1,873
31 – 60 days	424	284
61 – 90 days	209	1
Over 90 days	<u>881</u>	<u>933</u>
	<u><u>2,343</u></u>	<u><u>3,091</u></u>

The trade payables were due according to the terms stated in the relevant contracts. The average credit period on purchase of goods is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. SHARE CAPITAL

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

	Number of shares		Amount	
	2026	2025	2026	2025
			HK\$'000	HK\$'000
Ordinary shares of HK\$0.08 (2025: HK\$0.01) each				
Authorised:				
At beginning of the financial year	2,000,000,000	2,000,000,000	20,000	20,000
Increase in authorised share capital (Note i)	2,000,000,000	–	20,000	–
Decrease on share consolidation (Note ii)	(3,500,000,000)	–	–	–
At the end of the financial year	<u>500,000,000</u>	<u>2,000,000,000</u>	<u>40,000</u>	<u>20,000</u>
Issued and fully paid:				
At beginning of the financial year	1,245,331,256	1,245,331,256	12,453	12,453
Share consolidation (Note iii)	(1,089,664,849)	–	–	–
	155,666,407	1,245,331,256	12,453	12,453
Issue of shares by rights issue (Note iv)	77,833,203	–	6,227	–
At the end of the financial year	<u>233,499,610</u>	<u>1,245,331,256</u>	<u>18,680</u>	<u>12,453</u>

Notes:

- (i) On 3 February 2026, the shareholders of the Company have approved a resolution, that the authorised share capital of the Company was increased from HK\$20,000,000 to HK\$40,000,000 and become effective on 5 February 2026.
- (ii) After the share consolidation, the total number of authorised shares of the Company was adjusted from 4,000,000,000 to 500,000,000.
- (iii) The shareholders of the Company have approved a share consolidation effective on 5 February 2026, on the basis that every eight issued and unissued ordinary shares with a par value of HK\$0.01 each in the share capital of the Company were consolidated into one consolidated share of par value of HK\$0.08 each. After the share consolidation, the total number of issued ordinary shares of the Company was adjusted from 1,245,331,256 to 155,666,407.
- (iv) The Company completed a rights issue on the basis of one rights share for every two consolidated shares held by the existing shareholders on 16 March 2026. Accordingly, the Company allotted and issued 77,833,203 rights shares with a par value of HK\$0.08 each at a subscription price of HK\$0.28 per rights share. Approximately HK\$21,291,000 had been received, after deducting issue cost of HK\$503,000.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2026, the Group's turnover decreased by 34% to HK\$57 million (2025: HK\$86 million) and loss attributable to equity holders of the Company was HK\$38 million as compared with the loss of HK\$27 million for the year ended 31 March 2025. The increase in loss was mainly attributable to (i) the decrease in revenue and gross profit and (ii) the increase in administrative and other operating expenses.

SALES OF MOBILE PHONES

The turnover decreased from HK\$6 million to HK\$5 million during the year under review due to weak demand and the division recorded loss of HK\$1 million (2025: HK\$4 million).

SALES OF IOT SOLUTIONS

During the year under review, the turnover decreased from HK\$93 million to HK\$63 million and the division recorded loss of HK\$28 million (2025: HK\$4 million).

PROPERTY INVESTMENT

During the year under review, the rental income increased from HK\$1.7 million to HK\$3.6 million and the division recorded loss of HK\$0.7 million (2025: HK\$0.6 million).

PROSPECTS

Regarding the mobile phone business, we are the authorised distributors of both vivo and Nokia brands. We expect that the sales for the coming year will be stable.

For IOT solutions segment, the market demand is weak due to the uncertain economic outlook. We will continue to strengthen our cost control and develop additional products to meet market demand and to mitigate the negative impact upon our business. We have integrated artificial intelligence into our products, including the Smart Sorter, which enhances the accuracy of predicting the contents of enclosed CD cases for the Hong Kong Public Library. Additionally, we pioneered the development and deployment of a first-of-its-kind Automated Storage and Retrieval System (ASRS) for library access at Singapore Changi Airport. Building on our expertise in AI and robotics, the Group continues to explore innovative applications across diverse domains.

Regarding the property investment segment, we expect that the rental income will be stable.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group's cash and bank balances amounted to approximately HK\$12 million (2025: HK\$9 million) while the bank borrowings were HK\$77 million (2025: HK\$133 million). The Board believes that the Group has sufficient cash balances and banking facilities to satisfy its commitments and working capital requirements.

GEARING RATIO

The gearing ratio was 39% (2025: 61%) which is expressed as a percentage of bank borrowings to shareholders' equity.

CAPITAL STRUCTURE

At the extraordinary general meeting held on 3 February 2026, the shareholders of the Company have approved to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 shares with a par value of HK\$0.01 each to HK\$40,000,000 divided into 4,000,000,000 shares with a par value of HK\$0.01 each by the creation of an additional 2,000,000,000 unissued shares with a par value of HK\$0.01 each. The shares were then consolidated on the basis of every eight shares of par value of HK\$0.01 each into one consolidated share of par value of HK\$0.08 each with effect on 5 February 2026. After the share consolidation, the total number of authorised shares of the Company was adjusted from 4,000,000,000 to 500,000,000 and the total number of issued ordinary shares of the Company was adjusted from 1,245,331,256 to 155,666,407.

On 16 March 2026, the Company allotted and issued 77,833,203 rights shares with a par value of HK\$0.08 each at a subscription price of HK\$0.28 per rights share, resulting in 233,499,610 issued ordinary shares in total.

CAPITAL EXPENDITURE

During the year, the Group spent HK\$0.4 million on property, plant and equipment and right-of-use assets.

EMPLOYEES

As at 31 March 2026, the total number of employees of the Group was 74 (2025: 83) and the aggregate remuneration of employees (excluding directors' emoluments) amounted to HK\$26 million (2025: HK\$29 million). The remuneration and bonus packages of the employees are based on the individual merits and performance and are reviewed at least annually. The Group maintains a good relationship with its employees.

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 26 August 2022 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 26 August 2032. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

As at 31 March 2026, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was nil (31 March 2025: 73,992,000), representing nil (31 March 2025: 6%) of the shares of the Company in issue at that date.

PLEDGE OF ASSETS

As at 31 March 2026, the Group's general banking facilities were secured by (1) first legal charge on certain leasehold land and buildings with total carrying value of HK\$45,628,000 (2025: HK\$46,691,000), (2) first legal charge on certain investment properties with total fair value of HK\$125,500,000 (2025: HK\$146,900,000), (3) bank deposits of HK\$772,000 (2025: HK\$2,765,000) and (4) financial assets at FVTPL with total fair value of HK\$ nil (2025: HK\$9,340,000).

FOREIGN EXCHANGE FLUCTUATIONS

The Group's assets and liabilities are mainly denominated in Hong Kong Dollars, Chinese Renminbi and Singapore Dollars. Income and expenses derived from operations in PRC and Singapore are mainly denominated in Chinese Renminbi and Singapore Dollars respectively. There is no significant exposure to the fluctuations of foreign exchange rates, but the Group is closely monitoring the financial market and would consider appropriate measures if required. The Group has no hedging arrangement for foreign currencies and has not involved in the financial derivatives.

CONTINGENT LIABILITIES

As at 31 March 2026, the Company had provided corporate guarantees of HK\$138 million (2025: HK\$138 million) to secure general banking facilities granted to the subsidiaries.

DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2026, nor any dividend been proposed since the end of the reporting period (2025: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 26 August 2026 to Friday, 28 August 2026 (both days inclusive) during which period no transfers of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 25 August 2026.

CORPORATE GOVERNANCE

The Board considers that good corporate governance is central to safeguarding the interests of the shareholders, customers, employees and other stakeholders of the Group. The Company had complied throughout the year ended 31 March 2026 with the code provisions of the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules, except the following provisions:

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not segregate the roles of chairman and chief executive officer and Mr. Chan Chung Yee, Hubert currently holds both positions. The Board believes that vesting the roles of chairman and chief executive officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Code provision A.6.7 stipulates, among other things, that the independent non-executive directors and other non-executive directors should attend general meetings. Mr. Chiu Ngar Wing and Dr. Chu Chor Lup did not attend the annual general meeting of the Company held on 29 August 2025 due to their other commitments.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2026.

AUDIT COMMITTEE

During the year, the audit committee reviewed the unaudited condensed interim financial statements for the six months ended 30 September 2025 and the audited consolidated financial statements for the year ended 31 March 2026 with recommendations to the Board for approval, reviewed reports on internal control system of the Group, and discussed with the management and the external auditor the audit plans, the accounting policies and practices which may affect the Group and financial reporting matters.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year.

APPRECIATION

The Board would like to extend its sincere gratitude to the Company's shareholders, business counterparts and all management and staff members of the Group for their contribution and continued support during the year.

ANNUAL GENERAL MEETING AND DESPATCH OF ANNUAL REPORT

The annual general meeting ("AGM") of the Company will be held on Friday, 28 August 2026. The annual report of the Company for the year ended 31 March 2026 together with the notice of the AGM will be dispatched to shareholders of the Company and will be published on the Company's website at "www.hkc.com.hk" and the website of The Hong Kong Exchange and Clearing Limited at "www.hkexnews.hk" in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Chan Chung Yee, Hubert, Mr. Chan Chung Yin, Roy, Mr. Chan Ming Him, Denny, Mr. Wu Kwok Lam, Mr. Ip Man Hon, Mr. Lam Man Hau and Ms. Wan Man Lai, Polly as executive directors and Mr. Chiu Ngar Wing, Dr. Chu Chor Lup, Dr. Law Ka Hung and Mr. Wong Kwok Leung as independent non-executive directors.

On behalf of the Board
Chan Chung Yee, Hubert
Chairman

Hong Kong, 26 June 2026