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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 2025

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 2025 together with audited comparative figures for the year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	85,561	176,302
Cost of sales		<u>(53,863)</u>	<u>(130,929)</u>
Gross profit		31,698	45,373
Other income, gains and losses	4	782	1,818
Fair value loss on investment properties		(18,300)	(18,090)
Fair value gain (loss) on financial assets at fair value through profit and loss (“FVTPL”)		5	(332)
Reversal of impairment loss (impairment loss recognised) on trade receivables and contract assets, net		278	(2,392)
Selling and distribution expenses		(3,531)	(6,377)
Administrative and other operating expenses		(30,708)	(32,302)
Finance costs	5	<u>(6,972)</u>	<u>(9,690)</u>

* *For identification purpose only*

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Loss before taxation	6	(26,748)	(21,992)
Taxation	7	<u>–</u>	<u>24</u>
Loss for the year attributable to equity holders of the Company		<u>(26,748)</u>	<u>(21,968)</u>
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of overseas operations		1,783	(553)
Realisation of exchange reserve upon deregistration of a subsidiary		<u>–</u>	<u>50</u>
		1,783	(503)
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Change in fair value of financial assets at fair value through other comprehensive income (“FVTOCI”)		<u>–</u>	<u>447</u>
Other comprehensive income (expense) for the year		<u>1,783</u>	<u>(56)</u>
Total comprehensive expense attributable to equity holders of the Company		<u>(24,965)</u>	<u>(22,024)</u>
LOSS PER SHARE – (HK CENTS)			
– basic and diluted	8	<u>(2.15)</u>	<u>(1.76)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		47,697	49,690
Investment properties		146,900	165,200
Financial assets at FVTPL		9,777	9,442
		204,374	224,332
CURRENT ASSETS			
Inventories		13,701	12,592
Contract assets	10	104,324	119,553
Financial assets at FVTPL		498	398
Trade receivables	11	13,838	23,796
Prepayments, deposits and other receivables		12,227	8,917
Tax recoverable		24	133
Pledged bank deposits		2,765	2,765
Cash and bank balances		9,127	22,699
		156,504	190,853
CURRENT LIABILITIES			
Trade payables	12	3,091	2,160
Accruals and other payables	12	1,242	5,481
Contract liabilities		2,446	2,600
Amounts due to directors		3,000	3,000
Lease liabilities		126	383
Bank borrowings		133,482	159,031
Tax payable		46	30
		143,433	172,685

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NET CURRENT ASSETS	<u>13,071</u>	<u>18,168</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>217,445</u>	<u>242,500</u>
NON-CURRENT LIABILITIES		
Lease liabilities	–	90
Deferred tax liabilities	<u>49</u>	<u>49</u>
	<u>49</u>	<u>139</u>
NET ASSETS	<u><u>217,396</u></u>	<u><u>242,361</u></u>
CAPITAL AND RESERVES		
Share capital	12,453	12,453
Reserves	<u>204,943</u>	<u>229,908</u>
TOTAL EQUITY	<u><u>217,396</u></u>	<u><u>242,361</u></u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Int(s)”) 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 HKFRS Accounting Standards

In the current year, the Group has applied, for its first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2024.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material 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 amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position 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 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 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>

For the year ended 31 March 2024

	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	29,047	142,859	32,315	1,444	(29,363)	176,302
Less: inter-segment revenue	-	-	(29,147)	(216)	29,363	-
Reportable segment revenue-external	<u>29,047</u>	<u>142,859</u>	<u>3,168</u>	<u>1,228</u>	<u>-</u>	<u>176,302</u>
Reportable segment (loss) profit	<u>(5,670)</u>	<u>1,039</u>	<u>3,688</u>	<u>(2,627)</u>	<u>-</u>	<u>(3,570)</u>
Segment assets and liabilities:						
Reportable segment assets	8,669	197,526	18,713	180,437	-	405,345
Reportable segment liabilities	<u>30,175</u>	<u>138,898</u>	<u>3,194</u>	<u>508</u>	<u>-</u>	<u>172,775</u>
Other segment information:						
Amounts included in the measure of segment profit or loss or segment assets						
Interest income from bank deposits	491	-	-	-	-	491
Finance costs	1,220	8,309	23	138	-	9,690
Depreciation	103	1,530	267	31	-	1,931
Write-off of inventories	18	-	-	-	-	18
(Reversal of) provision for impairment of trade receivables	(20)	369	91	-	-	440
Provision for (reversal of) impairment of contract assets	-	1,956	(4)	-	-	1,952
Additions to non-current assets	<u>2</u>	<u>606</u>	<u>635</u>	<u>23</u>	<u>-</u>	<u>1,266</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) 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*	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	<u>82,432</u>	<u>173,023</u>	<u>194,313</u>	<u>214,191</u>
Mainland China	1,124	581	133	199
Singapore	<u>2,005</u>	<u>2,698</u>	<u>151</u>	<u>500</u>
	<u>3,129</u>	<u>3,279</u>	<u>284</u>	<u>699</u>
	<u><u>85,561</u></u>	<u><u>176,302</u></u>	<u><u>194,597</u></u>	<u><u>214,890</u></u>

* Non-current assets exclude financial assets at FVTPL.

Reconciliations of reportable segment profit or loss before taxation

	2025 HK\$'000	2024 HK\$'000
PROFIT OR LOSS		
Total reportable segment loss	(8,453)	(3,570)
Fair value loss on investment properties	(18,300)	(18,090)
Fair value gain (loss) on financial assets at FVTPL	<u>5</u>	<u>(332)</u>
Consolidated loss before taxation	<u><u>(26,748)</u></u>	<u><u>(21,992)</u></u>

Reconciliations of reportable segment assets and liabilities

	2025 HK\$'000	2024 HK\$'000
ASSETS		
Total reportable segment assets	350,603	405,345
Unallocated corporate assets	<u>10,275</u>	<u>9,840</u>
Consolidated total assets	<u><u>360,878</u></u>	<u><u>415,185</u></u>
LIABILITIES		
Total reportable segment liabilities	143,433	172,775
Deferred tax liabilities	<u>49</u>	<u>49</u>
Consolidated total liabilities	<u><u>143,482</u></u>	<u><u>172,824</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	31,984	106,442
Customer B ¹	18,286	N/A ²

¹ Revenue from sales of IOT solutions in Hong Kong segment.

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. OTHER INCOME, GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	453	491
Dividend income	3	1,378
Gain on deregistration of a subsidiary	–	50
Loss on disposal of the property, plant and equipment	(119)	(54)
Exchange gain (loss)	215	(80)
Government grant (<i>note (i)</i>)	47	31
Others	183	2
	<u>782</u>	<u>1,818</u>

Note:

- (i) During the year ended 31 March 2025, the Group recognised government grants of HK\$47,000 (2024: HK\$31,000) 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	6,484	9,373
Interest on lease liabilities	23	12
	<u>6,507</u>	<u>9,385</u>
Total interest expenses	6,507	9,385
Bank charges	465	305
	<u>6,972</u>	<u>9,690</u>

6. LOSS BEFORE TAXATION

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration	620	703
Depreciation on:		
– Property, plant and equipment	1,603	1,697
– Right-of-use assets	381	234
	<u>1,984</u>	<u>1,931</u>
Employee benefits expenses (including directors' emoluments)		
– Salaries, allowances and benefits in kind	19,738	20,035
– Retirement benefit scheme contributions (<i>Note (i)</i>)	1,398	1,666
– Share-based payment	–	1,057
	<u>21,136</u>	<u>22,758</u>
(Reversal of) provision of impairment loss on trade receivables	(42)	440
(Reversal of) provision of impairment loss on contract assets	(236)	1,952
Write-off of inventories (included in cost of sales) (<i>Note (ii)</i>)	212	18
Donations	–	250
Gross rental income from investment properties under operating leases less outgoings of HK\$777,000 (2024: HK\$745,000)	(716)	(483)
	<u>(716)</u>	<u>(483)</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 (2024: HK\$18,000) as they are no longer suitable for use.

7. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Over-provision in prior years		
Hong Kong	–	(23)
Deferred tax	–	(1)
	<u>–</u>	<u>(24)</u>

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 2025 and 2024 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 2025 and 2024.

8. LOSS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss attributable to equity holders of the Company	<u>(26,748)</u>	<u>(21,968)</u>
	Number of shares	Number of shares
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>1,245,331,256</u>	<u>1,245,331,256</u>

As a result of the Group's net loss for the years ended 31 March 2025 and 2024, share options outstanding were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive.

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. CONTRACT ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Smart systems construction service	106,270	121,735
Less: Loss allowance	<u>(1,946)</u>	<u>(2,182)</u>
	<u>104,324</u>	<u>119,553</u>

11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade debtors	15,056	25,056
Less: Loss allowance	<u>(1,218)</u>	<u>(1,260)</u>
	<u>13,838</u>	<u>23,796</u>

The Group does not hold any collateral over these receivables.

As at 31 March 2025, the gross amount of trade receivable arising from contracts with customers amounted to approximately HK\$15,056,000 (2024: HK\$25,056,000).

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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	9,069	19,085
31 to 60 days	864	670
61 to 90 days	833	2,560
91 to 180 days	102	1,057
181 to 365 days	1,012	400
Over 365 days	<u>3,176</u>	<u>1,284</u>
	<u>15,056</u>	<u>25,056</u>

12. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	3,091	2,160
Accruals and deposit received	<u>1,242</u>	<u>5,481</u>
	<u><u>4,333</u></u>	<u><u>7,641</u></u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	1,873	943
31 – 60 days	284	187
61 – 90 days	1	155
Over 90 days	<u>933</u>	<u>875</u>
	<u><u>3,091</u></u>	<u><u>2,160</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.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2025, the Group's turnover decreased by 51% to HK\$86 million (2024: HK\$176 million) and loss attributable to equity holders of the Company was HK\$27 million as compared with the loss of HK\$22 million for the year ended 31 March 2024. The increase in loss was mainly attributable to the decrease in revenue and gross profit.

SALES OF MOBILE PHONES

The turnover decreased from HK\$29 million to HK\$6 million during the year under review due to weak demand and the division recorded loss of HK\$4 million (2024: HK\$6 million).

SALES OF IOT SOLUTIONS

During the year under review, the turnover decreased from HK\$146 million to HK\$78 million and the division recorded loss of HK\$4 million (2024: profit of HK\$5 million).

PROPERTY INVESTMENT

During the year under review, the rental income increased from HK\$1.2 million to HK\$1.5 million and the division recorded loss of HK\$0.6 million (2024: HK\$2.6 million).

PROSPECTS

Regarding the mobile phone business, we are the authorised distributors of both Nokia and vivo brands. We expect that the sales for the coming year will be weak due to declining overall demand.

For IOT solutions segment, the market uncertainty will persist to impact the market demand. We will implement strict cost controls to ensure operational discipline.

Regarding the property investment segment, the weak demand of the leasing market continues to impact occupancy rate and the rental income.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group's cash and bank balances amounted to approximately HK\$12 million (2024: HK\$25 million) while the bank borrowings were HK\$133 million (2024: HK\$159 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 61% (2024: 66%) which is expressed as a percentage of total borrowings to shareholders' equity.

CAPITAL STRUCTURE

There was no change to the Group's capital structure for the year ended 31 March 2025.

CAPITAL EXPENDITURE

During the year, the Group spent HK\$0.1 million on property, plant and equipment.

EMPLOYEES

As at 31 March 2025, the total number of employees of the Group was 83 (2024: 100) and the aggregate remuneration of employees (excluding directors' emoluments) amounted to HK\$17 million (2024: HK\$18 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 2025, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 73,992,000 (31 March 2024: 88,280,000), representing 6% (31 March 2024: 7%) of the shares of the Company in issue at that date.

PLEDGE OF ASSETS

As at 31 March 2025, 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\$46,691,000 (2024: HK\$47,783,000), (2) first legal charge on certain investment properties with total fair value of HK\$146,900,000 (2024: HK\$165,200,000), (3) bank deposits of HK\$2,765,000 (2024: HK\$2,765,000) and (4) financial assets at FVTPL with total fair value of HK\$9,340,000 (2024: HK\$9,206,000).

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 2025, the Company had provided corporate guarantees of HK\$138 million (2024: HK\$138 million) to secure general banking facilities granted to the subsidiaries.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 27 August 2025 to Friday, 29 August 2025 (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, Pilare Limited, at 17th Floor, Leighton Center, 77 Leighton Road, Causeway Bay, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 August 2025.

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 2025 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 23 August 2024 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 2025 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, each of the directors confirmed that he had complied with the required standard set out in the Model Code during the year ended 31 March 2025.

AUDIT COMMITTEE

During the year, the audit committee reviewed the unaudited condensed interim financial statements for the six months ended 30 September 2024 and the audited consolidated financial statements for the year ended 31 March 2025 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, 29 August 2025. The annual report of the Company for the year ended 31 March 2025 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, 27 June 2025