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CBK Holdings Limited

國茂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8428)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE**”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of the companies listed on GEM and the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$25.4 million for the year ended 31 March 2024, representing an decrease of approximately 15.6% as compared with the same for the year ended 31 March 2023.
- Gross profit was approximately HK\$14.0 million for the year ended 31 March 2024, representing an decrease of approximately 17.7% as compared with the same for the year ended 31 March 2023.
- Gross profit margin decreased from approximately 56.8% for the year ended 31 March 2023 to approximately 55.3% for the year ended 31 March 2024.
- Loss attributable to the owners of the Company was approximately HK\$24.6 million for the year ended 31 March 2024, representing an increase of approximately 10.7% as compared with the same for the year ended 31 March 2023.
- Loss per share attributable to owners of the Company was approximately HK\$0.30 for the year ended 31 March 2024, and approximately HK\$0.85 for the year ended 31 March 2023
- The Board does not recommend the payment of any final dividend for the year ended 31 March 2024.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to present the consolidated results of CBK Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”, “**our Group**”, “**we**” or “**our**”) for the year ended 31 March 2024 (“**FY2024**”), together with the comparative figures for the preceding financial year ended 31 March 2023 (“**FY2023**”), as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	<i>4</i>	25,365	30,040
Cost of inventories sold		<u>(11,328)</u>	<u>(12,987)</u>
Gross profit		14,037	17,053
Other revenue, other gain and loss	<i>5</i>	1,156	1,856
Gain on disposal of subsidiaries	<i>20</i>	1,873	–
Employee benefit expenses	<i>7</i>	(11,736)	(13,148)
Depreciation		(9,257)	(9,498)
Property rentals and related expenses		(1,484)	(1,039)
Fuel and utility expenses		(942)	(1,221)
Impairment loss of property, plant and equipment	<i>11</i>	(2,251)	(2,078)
Impairment loss of right-of-use assets	<i>12</i>	(750)	(885)
Administrative and other operating expenses		(8,941)	(14,854)
Finance costs	<i>6</i>	(1,098)	(1,161)
Loss before tax	<i>7</i>	(19,393)	(24,975)
Income tax expenses	<i>8</i>	<u>–</u>	<u>–</u>
Loss for the year		<u>(19,393)</u>	<u>(24,975)</u>
Other comprehensive (loss) income for the year			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of a foreign operation		(74)	133
Release of exchange reserve upon disposal of a subsidiary	<i>20(b)</i>	<u>87</u>	<u>–</u>
Total other comprehensive income for the year		<u>13</u>	<u>133</u>
Total comprehensive loss for the year		<u>(19,380)</u>	<u>(24,842)</u>

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
(Loss) Profit for the year attributable to:			
Owners of the Company		(24,595)	(22,227)
Non-controlling interests		5,202	(2,748)
		<u>(19,393)</u>	<u>(24,975)</u>
Total comprehensive (loss) income for the year attributable to:			
Owners of the Company		(24,582)	(22,094)
Non-controlling interests		5,202	(2,748)
		<u>(19,380)</u>	<u>(24,842)</u>
Loss per share attributable to owners of the Company			
Basic and diluted (HK\$)	<i>10</i>	<u>(0.30)</u>	<u>(0.85)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment	11	2,234	6,344
Right-of-use assets	12	3,364	4,243
Interest in a joint venture		–	–
Non-current deposits	13	2,639	966
		8,237	11,553
Current assets			
Inventories		27	236
Trade receivables	14	1,966	2,657
Deposits, prepayments and other receivables	13	2,565	4,184
Cash and cash equivalents		7,796	2,729
		12,354	9,806
Current liabilities			
Trade payables	15	1,442	1,500
Accruals and other payables		6,277	7,787
Amount due to non-controlling interests		433	1,962
Lease liabilities	12	3,827	3,993
Interest-bearing borrowings	16	–	5,000
		11,979	20,242
Net current assets (liabilities)		375	(10,436)
Total assets less current liabilities		8,612	1,117
Non-current liabilities			
Lease liabilities	12	749	3,297
Deferred tax liabilities		111	111
		860	3,408
Net assets (liabilities)		7,752	(2,291)

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Capital and reserves			
Share capital	17	1,120	156
Reserves		6,762	3,440
		<hr/>	<hr/>
Equity attributable to owners of the Company		7,882	3,596
Non-controlling interests		(130)	(5,887)
		<hr/>	<hr/>
Total equity (deficits)		7,752	(2,291)
		<hr/>	<hr/>

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations 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. The consolidated financial statements also comply with the applicable disclosure requirements under the GEM Listing Rules.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company, and all amounts are rounded to the nearest thousands (“**HK\$’000**”), unless otherwise stated.

The measurement basis used in the preparation of the consolidated financial statements is historical cost.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current financial reporting period as detailed below.

2. ADOPTION OF NEW/REVISED HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Amendments to HKAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements.

Amendments to HKAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the above amendments does not have any significant impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. It is analysed by different operating divisions and geographical locations. The geographical locations of customers is based on the location at which the service was provided. No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group. Particulars of the Group's reportable operating segments are summarised as follows:

- (i) restaurant operations in Hong Kong; and
- (ii) sales and processing of food in Hong Kong.

The management of the Group makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the management of the Group does not regularly review such information for the purposes of resources allocation and performance assessment.

Segment results represent the results before tax earned by each segment without allocation of certain other revenue, other gain and loss, certain gain on disposal of subsidiaries, central corporate expenses and finance costs.

Non-current assets are all located in Hong Kong at 31 March 2024 and 2023.

For the year ended 31 March 2024, sales to an external customer from sales and processing of food amounted to approximately HK\$3,715,000 (2023: approximately HK\$4,202,000) which individually contributed over 10% of total revenue of the Group.

Segment revenue and results

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

Year ended 31 March 2024

	Restaurant operations <i>HK\$'000</i>	Sales and processing of food <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue			
External segment revenue	<u>19,373</u>	<u>5,992</u>	<u>25,365</u>
Segment results	<u>(5,817)</u>	<u>(1,521)</u>	<u>(7,338)</u>
Gain on disposal of subsidiaries			97
Unallocated other revenue, other gain and loss			140
Unallocated central corporate expenses			(11,505)
Unallocated finance costs			<u>(787)</u>
Loss before tax			(19,393)
Income tax expenses			<u>–</u>
Loss for the year			<u>(19,393)</u>

Year ended 31 March 2023

	Restaurant operations <i>HK\$'000</i>	Sales and processing of food <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue			
External segment revenue	<u>24,428</u>	<u>5,612</u>	<u>30,040</u>
Segment results	<u>(10,478)</u>	<u>(3,697)</u>	<u>(14,175)</u>
Unallocated other revenue, other gain and loss			258
Unallocated central corporate expenses			(10,382)
Unallocated finance costs			<u>(676)</u>
Loss before tax			(24,975)
Income tax expenses			<u>–</u>
Loss for the year			<u>(24,975)</u>

Other segment information

Year ended 31 March 2024

	Restaurant operations <i>HK\$'000</i>	Sales and processing of food <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Additions to property, plant and equipment	4,069	–	655	4,724
Additions to right-of-use assets	2,120	–	2,454	4,574
Depreciation	6,905	1,128	1,224	9,257
Finance costs	306	5	787	1,098
Gain on disposal of subsidiaries	1,776	–	97	1,873
Impairment loss on property, plant and equipment	1,652	599	–	2,251
Impairment loss on right-of-use assets	750	–	–	750

Year ended 31 March 2023

	Restaurant operations <i>HK\$'000</i>	Sales and processing of food <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Additions to property, plant and equipment	1,846	11	80	1,937
Additions to right-of-use assets	4,039	–	–	4,039
Depreciation	5,401	2,613	1,484	9,498
Finance costs	460	25	676	1,161
Impairment loss on property, plant and equipment	1,435	643	–	2,078
Impairment loss on right-of-use assets	831	54	–	885

4. REVENUE

Disaggregation of revenue from contracts with customers

	2024 HK\$'000	2023 HK\$'000
Restaurant operations in Hong Kong		
Provision of catering services	18,473	24,428
Licensing income	900	–
	<u>19,373</u>	<u>24,428</u>
Sales and processing of food	5,992	5,612
	<u>25,365</u>	<u>30,040</u>
	2024 HK\$'000	2023 HK\$'000
<i>Timing of revenue recognition</i>		
At a point in time	24,465	30,040
Over time	900	–
	<u>25,365</u>	<u>30,040</u>

All revenue for the years ended 31 March 2024 and 2023 were derived from Hong Kong.

5. OTHER REVENUE, OTHER GAIN AND LOSS

	2024 HK\$'000	2023 HK\$'000
Government subsidies (<i>Note</i>)	–	984
Exchange loss, net	(6)	–
Covid-19 related rent concessions	–	155
Gain on lease modification	347	–
Others	815	717
	<u>1,156</u>	<u>1,856</u>

Note:

During the year ended 31 March 2023, the Group recognised government subsidies of approximately HK\$984,000 in respect of Covid-19-related subsidies. In the opinion of the Directors, there was no unfulfilled condition or contingency relating to the government and other subsidies.

6. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on interest-bearing borrowings	719	638
Interest on lease liabilities	379	523
	<u>1,098</u>	<u>1,161</u>

7. LOSS BEFORE TAX

This is stated after charging:

	2024 HK\$'000	2023 HK\$'000
Employee benefit expenses (including directors' emoluments)		
Salaries, allowances, bonuses and benefits in kind	11,244	12,490
Discretionary bonuses	169	246
Contributions to defined contribution retirement plan	323	412
	<u>11,736</u>	<u>13,148</u>

Other items:

Auditor's remuneration		
– Audit service	760	820
– Non-audit services	170	15
Cost of inventories sold	11,328	12,987
Depreciation of property, plant and equipment	5,142	5,040
Depreciation of right-of-use assets	4,115	4,458
Short-term lease payments	598	21
Low-value assets lease payments	86	89
	<u></u>	<u></u>

8. INCOME TAX EXPENSES

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. 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 will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2024 and 2023 as the Group incurred a loss for taxation purposes.

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25%. No provision for PRC Enterprise Income Tax has been made for both years as the Group had no assessable profits in the PRC for the year ended 31 March 2024 and incurred a loss for taxation purposes for the year ended 31 March 2023.

9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the years ended 31 March 2024 and 2023.

10. LOSS PER SHARE

The computations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	2024 HK\$'000	2023 HK\$'000
Loss		
Loss for the year attributable to owners of the Company	(24,595)	(22,227)
	2024	2023
Numbers of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and dilutive loss per share	81,078,969	26,067,457

For the years ended 31 March 2024 and 2023, the computation of diluted loss per share did not assume the exercise of the outstanding share options since the exercise price per share option was higher than the average share price of the Company for both years.

The number of shares for the years ended 31 March 2024 and 2023 has reflected the effect of share consolidation and rights issue completed on 20 July 2022 and 14 June 2023, respectively, which are set out in Note 17(a) and Note 17(d) to this results announcement.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Catering and other equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost				
At 1 April 2022	12,740	2,614	6,102	21,456
Additions	1,700	146	91	1,937
At 31 March 2023 and 1 April 2023	14,440	2,760	6,193	23,393
Additions	3,963	342	419	4,724
Written off	–	–	(85)	(85)
Disposal of a subsidiary (<i>Note 20(a)</i>)	(5,845)	(1,960)	(1,011)	(8,816)
At 31 March 2024	12,558	1,142	5,516	19,216
Accumulated depreciation and impairment				
At 1 April 2022	3,997	454	5,480	9,931
Charge for the year	4,208	498	334	5,040
Impairment loss	1,873	205	–	2,078
At 31 March 2023 and 1 April 2023	10,078	1,157	5,814	17,049
Charge for the year	4,376	383	383	5,142
Written off	–	–	(85)	(85)
Impairment loss	1,174	214	863	2,251
Disposal of a subsidiary (<i>Note 20(a)</i>)	(4,507)	(817)	(2,051)	(7,375)
At 31 March 2024	11,121	937	4,924	16,982
Carrying amounts				
At 31 March 2024	1,437	205	592	2,234
At 31 March 2023	4,362	1,603	379	6,344

Impairment of property, plant and equipment and right-of-use assets

In light of the current unfavorable market conditions, the Directors considered that property, plant and equipment and right-of-use assets of the Group relating to the restaurant operations and sales and processing of food business at 31 March 2024 and 2023 might be impaired. In view of this, the Directors estimated the recoverable amounts of each cash-generating unit as the higher of the fair value less costs of disposal and the value in use of the cash-generating unit based on the valuation reports prepared by an independent professional valuer.

The Directors estimated the recoverable amount of each cash generating unit with reference to a value-in-use calculation using cash flow projections based on financial budgets approved by the Directors covering a 3-year period or up to the end of the lease term whichever is shorter to be derived from each cash-generating unit. The estimation of future cash flows are discounted to its present value using a pre-tax discount rate of approximately 13.39% (2023: approximately 15.03%). Another significant input applied in the value in use calculation of each cash generating unit of the restaurant operations is table turnover rate for projection of revenue.

Based on the assessment, impairment loss of approximately HK\$599,000 (2023: approximately HK\$643,000) and no impairment loss (2023: impairment loss of approximately HK\$54,000) were recognised in respect of the property, plant and equipment and right-of-use assets relating to sale and processing of food business for the year ended 31 March 2024, respectively. In addition, impairment loss of approximately HK\$1,652,000 (2023: approximately HK\$1,435,000) and approximately HK\$750,000 (2023: approximately HK\$831,000) were recognised in respect of the property, plant and equipment and right-of-use assets relating to the restaurant operations for the year ended 31 March 2024, respectively.

Following is the summary of the recoverable amount of each cash generating unit and the impairment loss recognised:

At 31 March 2024

Cash generating unit	Operating segment	Carrying amount of property, plant and equipment and right-of-use assets <i>HK\$'000</i>	Recoverable amount <i>HK\$'000</i>	Impairment loss recognised for the year <i>HK\$'000</i>
Honour Star Enterprises Limited ("Honour Star")	Restaurant operations	3,328	927	2,402
Moly Power Limited ("Moly Power")	Restaurant operations	2,343	2,575	Nil
Quick Success Holding Limited ("Quick Success")	Sales and processing of food	774	175	599

At 31 March 2023

Cash generating unit	Operating segment	Carrying amount of property, plant and equipment and right-of-use assets <i>HK\$'000</i>	Recoverable amount <i>HK\$'000</i>	Impairment loss recognised for the year <i>HK\$'000</i>
Success Reach Holding Limited ("Success Reach")	Restaurant operations	5,269	4,135	1,134
Character Creative Asia Limited ("Character Creative")	Restaurant operations	1,132	Nil	1,132
Moly Power	Restaurant operations	4,326	4,651	Nil
Quick Success	Sales and processing of food	2,599	1,902	697

12. LEASES

(i) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the years are as follows:

	Leased properties HK\$'000
At 1 April 2022	5,547
Additions	4,039
Depreciation	(4,458)
Impairment loss	(885)
	<hr/>
At 31 March 2023 and 1 April 2023	4,243
Additions	4,574
Depreciation	(4,115)
Disposal of a subsidiary (<i>Note 20(a)</i>)	(588)
Impairment loss (<i>Note 11</i>)	(750)
	<hr/>
At 31 March 2024	3,364
	<hr/>

(ii) Lease liabilities

	2024 HK\$'000	2023 HK\$'000
Lease liabilities payable:		
Within one year	3,827	3,993
More than one year but not exceeding two years	749	2,866
More than two years but not exceeding five years	–	431
	<hr/>	<hr/>
	4,576	7,290
	<hr/>	<hr/>

The weighted average incremental borrowing rates applied to lease liabilities range from approximately 5.24% to 5.73% (2023: approximately 5.24% to 5.32%) per annum.

13. NON-CURRENT AND CURRENT DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Non-current portion

	2024 HK\$'000	2023 HK\$'000
Rental deposits	839	966
Deposits for acquisition of property, plant and equipment	1,800	–
	<u>2,639</u>	<u>966</u>

Current portion

	2024 HK\$'000	2023 HK\$'000
Rental deposits	705	913
Utility and other deposits	402	1,559
Prepayments	825	1,009
Other receivables	633	703
	<u>2,565</u>	<u>4,184</u>

14. TRADE RECEIVABLES

For the restaurant operations business, there is no credit period granted to individual customer except for a food delivery agent with credit term of 30 days. The settlement terms of credit card and other electronic payment acquiring service providers are usually within 7 days after the service rendered date.

For licensing income, the Group with its licensee is mainly on credit basis and the credit period is mainly 30 days.

For food processing business, the Group with its trade debtors is mainly on credit basis and the credit period is mainly 90 days (2023: 90 days).

The following is an ageing analysis of trade receivables presented based on the invoice date:

	2024 HK\$'000	2023 HK\$'000
0 – 30 days	208	396
31 – 60 days	–	323
61 – 90 days	1,732	–
90 – 180 days	17	1,050
Over 180 days	9	888
	<u>1,966</u>	<u>2,657</u>

The following is an ageing analysis of trade receivables presented by due date:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Not past due	206	372
Less than 1 month past due	2	24
1 to 2 months past due	–	323
2 to 3 months past due	1,732	–
3 to 6 months past due	17	1,050
Over 6 months past due	9	888
	<hr/> 1,966 <hr/>	<hr/> 2,657 <hr/>

15. TRADE PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0 – 30 days	1	728
31 – 60 days	–	661
61 – 90 days	–	99
Over 90 days	1,441	12
	<hr/> 1,442 <hr/>	<hr/> 1,500 <hr/>

The average credit period granted by suppliers are usually within 30 days.

16. INTEREST-BEARING BORROWINGS

At the end of the reporting period, the interest-bearing borrowings were repayable as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Unsecured	<hr/> – <hr/>	<hr/> 5,000 <hr/>

At 31 March 2023, the interest-bearing borrowings in aggregate of HK\$5,000,000 were unsecured, carried fixed effective interest rates ranging from approximately 30% to approximately 48% per annum and were repayable within one year, of which a loan of HK\$2,000,000 was guaranteed by the Company and the ex-chairman of the Company. The interest-bearing borrowings were fully settled during the year ended 31 March 2024.

17. SHARE CAPITAL

	2024		2023	
	No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
Authorised:				
At the beginning of the year	10,000,000	100,000	10,000,000	100,000
Share consolidation (<i>Note (a)</i>)	–	–	(9,666,667)	–
Sub-divided (<i>Note (b)</i>)	–	–	9,666,667	–
	<u>10,000,000</u>	<u>100,000</u>	<u>10,000,000</u>	<u>100,000</u>
At the end of the year	<u>10,000,000</u>	<u>100,000</u>	<u>10,000,000</u>	<u>100,000</u>
Issued and fully paid:				
At the beginning of the year	15,552	156	388,800	3,888
Share consolidation (<i>Note (a)</i>)	–	–	(450,996)	–
Capital reduction (<i>Note (b)</i>)	–	–	–	(4,509)
Placing of new shares (<i>Notes (c), (e)</i>)	18,662	186	77,748	777
Issue of shares upon rights issue (<i>Note (d)</i>)	77,758	778	–	–
	<u>111,972</u>	<u>1,120</u>	<u>15,552</u>	<u>156</u>
At the end of the year	<u>111,972</u>	<u>1,120</u>	<u>15,552</u>	<u>156</u>

Notes:

- (a) Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting on 18 July 2022, every thirty (30) issued and unissued ordinary shares of the Company of HK\$0.01 each was consolidated into one (1) consolidated share of HK\$0.30 each effective on 20 July 2022.
- (b) Pursuant to a special resolution passed by the shareholders of the Company at an extraordinary general meeting on 18 July 2022, the par value of each of the issued share capital of the Company was reduced from HK\$0.30 to HK\$0.01 per issued shares by cancelling the paid up capital to the extent of HK\$0.29 each from the capital and the entire amount of the share premium account of the Company towards crediting the retained earnings of the Company; and the authorised but unissued consolidated shares of par value of HK\$0.30 each be sub-divided into thirty (30) new shares of par value of HK\$0.01 each.
- (c) On 17 June 2022, the Company placed a total of 77,748,000 placing shares at the placing price of HK\$0.038 per placing share (the “**2022 Placing**”). Net proceeds of approximately HK\$2,866,000 after deducting direct cost of approximately HK\$88,000 were credited to the Company’s equity. Details of the 2022 Placing were set out in the Company’s announcements dated 31 May 2022 and 17 June 2022.
- (d) On 6 March 2023, the Company proposed to implement the rights issue on the basis of five rights shares for every one existing share held on 16 May 2023 (the “**Rights Issue**”), being the record date, at the subscription price of HK\$0.265 per rights share. The Rights Issue was approved by the shareholders of the Company at the extraordinary general meeting held on 3 May 2023. On 14 June 2023, 77,757,995 rights shares, with par value of HK\$0.01 each, were issued and allotted under the Rights Issue with net proceeds of approximately HK\$18,915,000 after deducting direct cost of approximately HK\$1,692,000, which were credited to the Company’s equity. Details of the Rights Issue were disclosed in the Company’s announcements dated 6 March 2023, 3 May 2023, 5 June 2023 and 13 June 2023, the Company’s circular dated 14 April 2023 and the Company’s prospectus dated 17 May 2023.

- (e) On 9 March 2024, the Company placed 18,661,918 placing shares at the placing price of HK\$0.55 per placing share (the “**2024 Placing**”). Net proceeds of approximately HK\$9,953,000 after deducting direct cost of approximately HK\$310,000 were credited to the Company’s equity. Details of the 2024 Placing were set out in the Company’s announcements dated 21 February 2024, 8 March 2024, 19 March 2024, 20 March 2024 and 21 March 2024.

18. MATERIAL RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group, including directors’ remuneration is as follows:

	2024 HK\$’000	2023 HK\$’000
Salaries, allowances, bonuses and benefit in kind	2,201	2,533
Contributions to defined contribution retirement plan	20	33
	<u>2,221</u>	<u>2,566</u>

19. SHARE OPTION SCHEME

The Company’s share option scheme was conditionally adopted by the resolutions in writing of all the shareholders passed on 20 January 2017 (the “**Share Option Scheme**”). Details of the Share Option Scheme are set out in appendix IV of the document in the Company’s announcement dated 24 October 2016.

During the years ended 31 March 2024 and 2023, no option has been granted or agreed to be granted under the Share Option Scheme.

Movements of the Company’s share options during the years ended 31 March 2024 and 2023 are as follow:

Category of the Grantees	Exercise price per share option HK\$ (Note (a))	Date of grant	Exercisable period	Number of share options at 1 April 2022 (Note (a))	Number of share options forfeited during the year ended 31 March 2023	Number of share options at 31 March 2023 and 2024
DIRECTORS						
Mr. Chow Yik	3.95	10 January 2022	10 January 2022 to 9 January 2032	224,454	–	224,454
Mr. Tsui Wing Tak	3.95	10 January 2022	10 January 2022 to 9 January 2032	224,454	–	224,454
Ms. Ho Oi Kwan (Note (b))	3.95	10 January 2022	10 January 2022 to 9 January 2032	224,454	(224,454)	–
Total				<u>673,362</u>	<u>(224,454)</u>	<u>448,908</u>
Exercisable at the end of the year						<u>448,908</u>
Weighted average exercise price (Note (a))						<u>HK\$3.95</u>

Notes:

- (a) The number of share options and weighted average exercise price have been adjusted to reflect the effect of rights issue during the year ended 31 March 2024 as set out in Note 17(d) to this results announcement.
- (b) 224,454 share options have been forfeited upon the resignation of Ms. Ho Oi Kwan as the director of the Company on 20 December 2023.

20. GAIN ON DISPOSAL OF SUBSIDIARIES

- (a) On 1 February 2024, the Group disposed of its 51% equity interests in Success Reach to an independent third party (the “**Purchaser**”) at a cash consideration of HK\$1,200,000 in accordance with the share transfer agreement dated 16 November 2023 (the “**Major Disposal**”). The consideration was determined after arm’s length negotiations between the Group and the Purchaser with reference to (i) the financial information of Success Reach; (ii) the market brand and position of the restaurant operated by the Success Reach, being a high-end modern Japanese izakaya located in Central, representing one of the most prime districts in Hong Kong; (iii) the robust growth of the catering industry and the gradual economic recovery from the outbreak of the COVID-19 pandemic in Hong Kong; (iv) the opportunities forgone by the Group for not operating Japanese izakaya under the brand name of “Shio” in Hong Kong for a period of five years after completion of the disposal; and (v) the business prospect of Success Reach. The Major Disposal constitutes a major transaction for the Company under the GEM Listing Rules. Details of the Major Disposal were set out in the Company’s announcements dated 16 November 2023 and 7 December 2023, and the Company’s circular dated 11 January 2024.

Details of the consideration received for the Major Disposal and net liabilities of Success Reach at the date of disposal are summarised as follows:

	<i>HK\$’000</i>
Consideration received, satisfied by:	
Cash received	<u>1,200</u>
Net liabilities disposed of:	
Property, plant and equipment	1,441
Right-of-use assets	588
Trade and other receivables	414
Cash and bank balances	74
Trade and other payables	(478)
Amount due to non-controlling interests	(1,548)
Lease liabilities	<u>(1,622)</u>
Net liabilities at the date of disposal	(1,131)
Non-controlling interests	555
Consideration	<u>(1,200)</u>
Gain on disposal of Success Reach	<u>(1,776)</u>
Net cash inflows from the Major Disposal	
Consideration received	1,200
Less: Cash and bank balances disposed of	<u>(74)</u>
	<u>1,126</u>

- (b) On 28 March 2024, the Group disposed of its 100% equity interests in Smart Sino Enterprises Limited (“**Smart Sino**”) together with its wholly-owned subsidiary, Kant Supply Chain (Shenzhen) Co., Ltd. which mainly owns interest in joint venture, 漳州金田食品有限公司 (Zhangzhou Jintian Food Co., Limited*) (“**Jintian**”) (collectively referred to as “**Smart Sino Group**”) to an independent third party at a cash consideration of HK\$100,000.

Details of the consideration received for the disposal of Smart Sino Group and net assets of Smart Sino Group at the date of disposal are summarised as follows:

	<i>HK\$'000</i>
Consideration received, satisfied by:	
Cash received	<u>100</u>
Net assets disposed of:	
Interest in a joint venture	–
Prepayment	55
Cash and bank balances	45
Accruals and other payables	<u>(10)</u>
Net assets at the date of disposal	90
Release of exchange reserve	(87)
Consideration	<u>(100)</u>
Gain on disposal of Smart Sino Group	<u>(97)</u>
Net cash inflows from the disposal of Smart Sino Group	
Consideration received	100
Less: Cash and bank balances disposed of	<u>(45)</u>
	<u>55</u>

21. CAPITAL COMMITMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contracted but not provided net of deposits paid for acquisition of property, plant and equipment	<u>4,200</u>	<u>–</u>

22. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this results announcement, the Group has following significant events after the reporting period:

On 19 April 2024, the Group entered into a provisional tenancy agreement with an independent third party in respect of the lease of a premise located in Hong Kong for three years from 1 July 2024 to 30 June 2027 with an option to renew for a further three years at monthly rent of HK\$150,000 to open a new restaurant. Details of which are set out in the Company’s announcements dated 29 April 2024 and 9 May 2024. Accordingly, the Group expected to recognise right-of-use assets of approximately HK\$5 million by incurring lease liabilities of approximately HK\$5 million on initial recognition of lease in the Group’s consolidated financial statements during the year ending 31 March 2025.

* English name is for identification purpose only.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

During the last financial year, the outbreak of fifth wave of Novel coronavirus disease (“**COVID-19**”) since January 2022 and stabilised around February 2023 severely affected the catering industry. Facing this environment, the Group had closed or terminated some operations for cutting the losses and implemented cost-saving including negotiating with our landlords for rent concessions measures.

Although the COVID-19 was stabilised and reopening of the border around February 2023, there is severe and unexpected challenge facing by the Group due to northbound consumption and weak consumer spending in Hong Kong. Facing this environment, the Company did not exercise the option under the existing tenancy agreement of our Korean restaurant under the brand “Aidan Cafe” at Tai Wai due to the option rental price higher than the existing rental price which resulted to the higher break-even point on Korean restaurant. Based on cost and benefits, the management ceased operation of “Aidan Cafe” for reinstatement and returned the premise to the landlord during third quarter of 2023.

On July 2023, the Board evaluated the uncertainties caused by the Government of Japan’s plan to discharge the nuclear contaminated water generated in the process of cooling the reactors at the Fukushima nuclear power station into the ocean toward the operation of our central restaurant under the brand “Shio” (“**Central Restaurant**”) (The treatment of discharging the nuclear water by the Government of Japan was announced on 24 August 2023). In order to remove the negative impact, the management has licensed the operation to an independent third party for securing a minimum profit each month starting from 1 August 2023 and disposed its non-wholly owned subsidiary which operated the Central Restaurant in February 2024 (For details, please refer to the circular of the Company dated 12 January 2024 and the announcements of the Company dated 16 November 2023 and 31 January 2024 and Note 20(a) to this results announcement).

On 28 March 2024, the Group disposed of its 100% equity interests in Smart Sino, an indirect wholly owned subsidiary, which mainly owns interest in the Group’s joint venture, Jintian, to an independent third party at a cash consideration of HK\$100,000. Jintian principally engaged in manufacture and sales of frozen aquatic products in the PRC. Smart Sino Group was disposed after the Directors’ careful evaluation of the cost of resources spent and the return obtained from Jintian. For details, please refer to Note 20(b) to this results announcement.

Whereas, the Group still strive to take proactive approach to rejuvenate its respective business and actively solicit any opportunities on expansion of our catering service business. After obtaining financial resources from rights issue completed on 14 June 2023 (“**Rights Issue**”) and placing of new shares under general mandate completed on 19 March 2024 (“**Placing**”), the Company has opened a hotpot with Japanese food restaurant under the brand “鮮入圍煮” located in Whampoa in August 2023 (“**Whampoa Restaurant**”) and entered an provisional tenancy agreement to open a restaurant offering Chinese style cuisine in Causeway Bay (For details, please refer to the announcement of the Company dated 29 April 2024).

As at 31 March 2024, the Group had operated a Korean BBQ and hotpot restaurant under the brand “一韓燒” at San Po Kong, the Whampoa Restaurant and a food processing operation.

FINANCIAL REVIEW

Revenue

Our revenue for the year ended 31 March 2024 decreased by approximately HK\$4.6 million to approximately HK\$25.4 million (2023: approximately HK\$30.0 million). The decrease in revenue this financial year was mainly due to the Group outsourced and disposed the Central Restaurant in August 2023 and February 2024 respectively.

Cost of inventories sold

Our cost of inventories sold for the year ended 31 March 2024 decreased by approximately HK\$1.7 million to approximately HK\$11.3 million (2023: approximately HK\$13.0 million) which is in line with decrease in revenue.

The cost of inventories sold as a percentage of revenue of increased by approximately 1.5% to 44.7% for the year ended 31 March 2024 (2023: approximately 43.2%).

Gross profit and gross profit margin

Our gross profit for the year ended 31 March 2024 decreased by approximately HK\$3.1 million to approximately HK\$14.0 million (2023: approximately HK\$17.1 million) which is mainly due to decrease in revenue.

The gross profit margin for the year ended 31 March 2024 decreased by approximately 1.5% to approximately 55.3% (2023: approximately 56.8%) which is mainly due to decrease in gross profit margin of sales and processing of food operation in this financial year of approximately 15.9% (2023: approximately 21.0%).

Other revenue, other gain and loss

Our other revenue, other gain and loss decreased by approximately HK\$0.7 million to approximately HK\$1.2 million for the year ended 31 March 2024 (2023: approximately HK\$1.9 million) is due to no government subsidies in this financial year.

Employee benefit expenses

Our employee benefit expenses for the year ended 31 March 2024 decreased by approximately HK\$1.4 million to approximately HK\$11.7 million (2023: approximately HK\$13.1 million) which is mainly due to decrease in number of restaurants.

Depreciation

Our depreciation for the year ended 31 March 2024 is slightly decreased approximately HK\$0.2 million to approximately HK\$9.3 million (2023: approximately HK\$9.5 million).

Property rentals and related expenses

Our property rentals and related expenses slightly increased by approximately HK\$0.5 million to approximately HK\$1.5 million for the year ended 31 March 2024 (2023: approximately HK\$1.0 million).

Fuel and utility expenses

Our fuel and utility expenses slightly decreased by approximately HK\$0.3 million to approximately HK\$0.9 million for the year ended 31 March 2024 (2023: approximately HK\$1.2 million).

Administrative and other operating expenses

Our administrative and other operating expenses decreased by approximately HK\$6.0 million to approximately HK\$8.9 million for the year ended 31 March 2024 (2023: approximately HK\$14.9 million) was resulted to the licensing of Central Restaurant's operation to an independent third party and closure of Aidan Cafe in the third quarter of 2023, and also the disposal of the Central Restaurant in the first quarter of 2024.

Impairment loss recognised in respect of property, plant and equipment/right-of-use assets

During the year ended 31 March 2024, the Group recorded an impairment loss in respect of property, plant and equipment amounted to approximately HK\$2.2 million (2023: approximately HK\$2.1 million) and an impairment loss in respect of right-of-use assets of approximately HK\$0.8 million (2023: approximately HK\$0.9 million) after the impairment assessment based on valuation reports prepared by an independent professional valuer on value in use based on the estimated of future cash flows discounted to its present value using a pre-tax discount rate of 13.39% (2023: 15.03%).

Loss for the year attributable to owners of our Company

As a result of the cumulative effect of the above factors, the Group had loss for the year attributable to owners of our Company of approximately HK\$24.6 million for the year ended 31 March 2024 (2023: approximately HK\$22.2 million).

RESULTS OF FINANCIAL POSITION

The Group's total assets as at 31 March 2024 decreased by approximately HK\$0.8 million to approximately HK\$20.6 million (2023: approximately HK\$21.4 million) which is mainly due to derecognition of certain property, plant and equipment and right-of-use assets through disposal of the Central Restaurant, depreciation of property, plant and equipment and right-of-use assets, and impairment loss of property, plant and equipment and right-of-use assets.

The Group's total liabilities as at 31 March 2024 decreased by approximately HK\$10.9 million to approximately HK\$12.8 million (2023: approximately HK\$23.7 million) which is mainly due to repayment of interest-bearing borrowings of HK\$5.0 million raised in last financial year and decrease in non-current lease liabilities of HK\$2.6 million.

The equity attributable to owners of the Company as at 31 March 2024 increased by approximately HK\$4.3 million to approximately HK\$7.9 million (2023: approximately HK\$3.6 million) mainly due to improvement of financial position after total 77,757,995 rights shares issued at HK\$0.265 each in June 2023 and total 18,661,918 placing shares placed at HK\$0.55 each in March 2024.

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2024, most of the transactions of the Group are denominated in Hong Kong dollars. The Group is not exposed to significant foreign exchange exposure.

CAPITAL COMMITMENTS

Please refer to Note 21 to this results announcement.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprised only ordinary shares. The Company changed the board lot size of its shares for trading on the Stock Exchange from 2,000 shares to 10,000 shares with effect from 9:00 a.m. on 15 June 2023. The Company also held an extraordinary general meeting (“**EGM**”) and passed the resolutions to implement rights issue on the basis of five (5) rights shares for every one (1) share held and at the subscription price of HK\$0.265 per rights share. On 14 June 2023, 77,757,995 rights shares were issued with net proceeds of approximately HK\$18.9 million. For details, please refer to the announcement of the Company dated 6 March 2023, 3 May 2023, 5 June 2023 and 13 June 2023, the circular of the Company dated 14 April 2023 and the prospectus of the Company dated 17 May 2023.

On 19 March 2024, the Company has placed a total of 18,661,918 placing shares (the “**Placing**”). For details, please refer to the announcements of the Company dated 21 February 2024, 8 March 2024, 19 March 2024, 20 March 2024 and 21 March 2024.

As at 31 March 2024, the Group’s borrowings comprised lease liabilities of approximately HK\$4.6 million (2023: approximately HK\$7.3 million) only and there is no interest-bearing borrowings in this financial year (2023: HK\$5.0 million). The Group’s gearing ratio, calculated by dividing total borrowings by total equity, was 59.0% in this financial year (2023: Not applicable).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material contingent liabilities (2023: Nil).

PLEDGE OF ASSETS

As at 31 March 2024, the Group did not have any mortgage or charge over its assets (2023: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 16 November 2023, the Group entered into the share transfer agreement with the independent third party to sell its non-wholly owned subsidiary which operated Central Restaurant (the “**Major Disposal**”). The Disposal was constituted as a major transaction under Chapter 19 of GEM Listing Rules and approved, confirmed and ratified on extraordinary general meeting held on 31 January 2024. For details, please refer to the circular of the Company dated 12 January 2024 and the announcements of the Company dated 16 November 2023 and 31 January 2024 and Note 20(a) to this results announcement.

Except for the disclosure above, as at 31 March 2024, the Group did not have other significant investments, material acquisitions and disposals of subsidiaries and associated companies during the year ended 31 March 2024.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2024.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

For FY2024, the Directors consider that the Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules except for the following deviation from the Code provisions:

Code provision C.2.1 stipulated that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The post of the chief executive of the Company has remained vacant since 23 November 2020 and as at the date of this results announcement. The duties of chief executive have been performed by other executive Directors. As there is a clear division of responsibilities of each Director, the vacancy of the post of chief executive did not have any material impact on the operations of the Group. Nevertheless, the Board will review the current structure from time to time and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of chief executive as appropriate.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that the Directors have complied with such required standard of dealings and the Company’s code of conduct regarding Directors’ securities transactions for FY2024.

COMPETING INTERESTS

The Directors are not aware of any business and interest of the Directors that competed or might compete with the business of the Group and any other conflict of interests which any such person had or might have with the Group during FY2024 and up to the date of this annual results announcement.

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

The Directors confirm that as at the date of the Listing on 15 February 2017 and up to the date of this announcement, there has been no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

USE OF NET PROCEEDS AND CHANGE IN USE OF NET PROCEEDS

(I) Proceeds from the rights issue

References are made to the prospectus of the Company dated 17 May 2023 and the announcements of the Company dated 6 March 2023, 3 May 2023, 5 June 2023 and 13 June 2023, a total of 77,757,995 Rights Shares have been issued at the price of HK\$0.265 per share on 14 June 2023 (the “**Rights Issue**”) and the Company received net proceeds from the Rights Issue of approximately HK\$18.92 million. As at the date of this results announcement, the net proceeds from the Rights Issue have been applied and utilised as follows:

	Actual net proceeds from Rights Issue HK\$'000	Amount utilised from Rights Issue HK\$'000	Unused net proceeds from Rights Issue HK\$'000	Estimated timeline for utilisation of unused net proceeds from Rights Issue
Opening new restaurants	11,000	10,000	1,000	30 September 2024
Repayment of debts	5,200	5,200	–	
General working capital	2,720	2,720	–	
	<u>18,920</u>	<u>17,920</u>	<u>1,000</u>	

(II) Proceeds from the Placing

References are made to the announcements of the Company dated 21 February 2024, 8 March 2024, 19 March 2024, 20 March 2024 and 21 March 2024 (the “**Announcements**”), the Company has placed a total of 18,661,918 Placing Shares at HK\$0.55 per Placing Share (the “**Placing**”) on 19 March 2024 and the Company received net proceeds from the Placing of approximately HK\$9.95 million. Unless otherwise defined, capitalized terms used herein have the same meanings as defined in the Announcements.

A total of 18,661,918 ordinary shares with nominal value of HK\$0.01 (equivalent to the total aggregate nominal value of share of HK\$186,619.18 was issued) have been successfully placed by the Placing Agent to not less than six Placees at the Placing price of HK\$0.55 per Placing Share pursuant to the terms and conditions of the Placing Agreement and Supplemental Agreement.

Reasons for the Placing completed on 19 March 2024

In the view that (i) the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent; (ii) net proceeds of the Placing can strengthen the financial position of the Group and provide additional working capital to the Group; and (iii) the Placing also represents good opportunities to broaden the shareholder base and the capital base of the Company. Accordingly, the Board consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Placing Price

The Placing Price of HK\$0.55 represents (i) a discount of approximately 3.51% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the date of the Supplemental Agreement; and (ii) a discount of approximately 18.40% to the average closing price of HK\$0.674 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement. The net placing price under the Placing is approximately HK\$0.53 per Placing Share.

As at the date of this results announcement, the proceeds from the Placing was fully utilised for general working capital of the Group as intended.

SCOPE OF WORK PERFORMED BY MAZARS CPA LIMITED (“MAZARS”)

The figures in respect of the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position of the Group and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Company's auditor, Mazars, Certified Public Accountants, to the amounts set out in the draft consolidated financial statements of the Group for the year ended 31 March 2024. The work performed by Mazars in this respect did not constitute an audit, review or other 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 the Company's auditor on this announcement.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the “**Audit Committee**”) reviewed the consolidated financial statements for the FY2024 in conjunction with the Auditor. Based on the review and discussions with management, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards, and fairly presented the Group’s financial position and results for the FY2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Hong Kong Exchanges and Clearing Limited and the Company at www.hkexnews.hk and <https://cbkholdings.etnet.com.hk> respectively. The 2024 Annual Report of the Company containing all information required by the Listing Rules will be published on the above websites and dispatched to the shareholders of the Company around end of July 2024.

By order of the Board
CBK Holdings Limited
YUE Dinglong
Chairman and Executive Director

Hong Kong, 27 June 2024

As at the date of this announcement, the Board comprises Mr. Yue Dinglong, Mr. Chow Yik and Mr. Tsui Wing Tak as executive Directors; and Mr. Tian Wuchun, Mr. Zhang Yuhao and Ms. Lau Man Kei as independent non-executive Directors.

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

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at <https://cbkholdings.etnet.com.hk>. In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.