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## **PRIME INTELLIGENCE SOLUTIONS GROUP LIMITED**

**懶豬科技集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08379)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025**

#### **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.**

**Given that 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.**

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*This announcement, for which the directors (the “**Directors**”) of Prime Intelligence Solutions Group 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 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.*

\* *The English translation of terms or names in Chinese which are marked with “\*” is for identification purpose only.*

## ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board of Directors (the “**Board**”) is pleased to present the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the preceding year ended 31 March 2024, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2025*

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
<b>Revenue</b>	6	<b>67,384</b>	54,372
Cost of sales and services rendered		<u>(36,307)</u>	<u>(29,178)</u>
<b>Gross profit</b>		<b>31,077</b>	25,194
Other income and other gains, net	7	<b>1,586</b>	3,008
Selling and distribution costs		<b>(7,127)</b>	(10,100)
Administrative and other operating expenses		<b>(23,518)</b>	(33,386)
Impairment loss of trade receivables		<u>(150)</u>	<u>(138)</u>
<b>Profit/(loss) from operation</b>		<b>1,868</b>	(15,422)
Finance costs	8	<u>(280)</u>	<u>(234)</u>
<b>Profit/(loss) before tax</b>	9	<b>1,588</b>	(15,656)
Income tax (expense)/credit	10	<u>(24)</u>	<u>29</u>
<b>Profit/(loss) for the year attributable to equity owners of the Company</b>		<b>1,564</b>	(15,627)
<b>Other comprehensive (loss)/income after tax:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement (losses)/gains on defined benefit pension plans		<u>(11)</u>	<u>121</u>
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>(72)</b>	(345)
Release of foreign currency translation reserve on disposal of a subsidiary		<u>—</u>	<u>40</u>
		<u>(72)</u>	<u>(305)</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u>(83)</u>	<u>(184)</u>
<b>Total comprehensive income/(loss) for the year attributable to equity owners of the Company</b>		<u><b>1,481</b></u>	<u>(15,811)</u>
<b>Earnings/(loss) per share (HK cents)</b>			
— Basic and diluted	12	<u><b>0.20</b></u>	<u>(1.95)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 March 2025*

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>269</b>	426
Right-of-use assets		–	–
Intangible assets		–	–
		<b>269</b>	426
<b>Current assets</b>			
Inventories		<b>19,310</b>	21,334
Trade receivables	<i>13</i>	<b>18,762</b>	16,624
Other receivables, prepayments and deposits		<b>4,208</b>	2,791
Tax recoverable		<b>192</b>	213
Bank and cash balances		<b>4,201</b>	3,802
		<b>46,673</b>	44,764
<b>Current liabilities</b>			
Trade payables	<i>14</i>	<b>2,503</b>	4,730
Other payables and accrued expenses		<b>10,644</b>	4,307
Lease liabilities		<b>1,280</b>	3,501
Contract liabilities		<b>8,059</b>	10,885
		<b>22,486</b>	23,423
<b>Net current assets</b>		<b>24,187</b>	21,341
<b>Total assets less current liabilities</b>		<b>24,456</b>	21,767
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,047</b>	1,454
Contract liabilities		<b>831</b>	1,215
Retirement benefit obligations		<b>373</b>	313
Promissory notes		<b>1,939</b>	–
		<b>4,190</b>	2,982
<b>NET ASSETS</b>		<b>20,266</b>	18,785
<b>Capital and reserves</b>			
Share capital	<i>15</i>	<b>8,000</b>	8,000
Reserves		<b>12,266</b>	10,785
<b>TOTAL EQUITY</b>		<b>20,266</b>	18,785

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Legal reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Subtotal of reserves <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2023	8,000	51,682	17,079	12	(416)	(41,761)	26,596	34,596
Loss for the year	-	-	-	-	-	(15,627)	(15,627)	(15,627)
Other comprehensive loss	-	-	-	-	(305)	121	(184)	(184)
Total comprehensive loss for the year	-	-	-	-	(305)	(15,506)	(15,811)	(15,811)
At 31 March 2024 and 1 April 2024	8,000	51,682	17,079	12	(721)	(57,267)	10,785	18,785
Profit for the year	-	-	-	-	-	1,564	1,564	1,564
Other comprehensive loss	-	-	-	-	(72)	(11)	(83)	(83)
Total comprehensive income for the year	-	-	-	-	(72)	1,553	1,481	1,481
At 31 March 2025	8,000	51,682	17,079	12	(793)	(55,714)	12,266	20,266

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 March 2025*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability under the Companies Law (as revised) of the Cayman Islands on 16 October 2015. The address of its registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. The address of its principal place of business is located at Room 1506, 15/F., Olympia Plaza, 255 King's Road, North Point, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 14 February 2018 (the "**Listing**").

The Company is an investment holding company. The principal activities of its subsidiaries are sales of biometrics identification devices and other devices and accessories and provision of auxiliary and other services.

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which in collective term includes all HKFRS Accounting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") and with the disclosure requirements of the Hong Kong Companies Ordinance (the "**HKCO**").

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 below provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Amendments to standards adoption by the Group

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group’s financial position and performance for the current and prior year and/or the disclosures set out in the consolidated financial statements.

#### (b) New standards and amendments to standards not yet effective

The Group has not applied any new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 April 2024. The new and amendments to HKFRS Accounting Standards include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Group is in the process of making an assessment of what the impact of these new and amendments to standards are expected to be in the period of initial application. Except for below, the new and amendments to HKFRS Accounting Standards are unlikely to have a significant impact on the consolidated financial statements.

#### *HKFRS 18 “Presentation and Disclosure in Financial Statements”*

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

#### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

These consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### **5. SEGMENT INFORMATION**

The Group has two reportable segments as follows:

- Sales of biometrics identification devices, security products and other accessories
- Provision of auxiliary and other services includes (i) maintenance, installation and solution services; (ii) software licensing; and (iii) online information and digital marketing services.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include other income, finance costs, unallocated costs, which comprise selling and distribution expenses, corporate administrative and other operating expenses, impairment loss of trade receivables and income tax expense.

Segment assets and liabilities are not presented in the consolidated financial statements as they are not regularly reviewed by the Group’s directors.

(a) Operating segment of the Group

Information about reportable segment profit or loss:

	<b>Sales of biometrics identification devices, security products and other accessories</b> <i>HK\$'000</i>	<b>Provision of auxiliary, online information and digital marketing services and other services</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Year ended 31 March 2025</b>			
Revenue from external customers	<b>42,553</b>	<b>24,831</b>	<b>67,384</b>
Segment profit	<b>17,987</b>	<b>13,090</b>	<b>31,077</b>
<b>Year ended 31 March 2024</b>			
Revenue from external customers	37,270	17,102	54,372
Segment profit	16,826	8,368	25,194

Reconciliations of reportable segment and profit or loss:

	<b>2025</b> <i>HK\$'000</i>	<b>2024</b> <i>HK\$'000</i>
<b>Profit or loss:</b>		
Total profit of reportable segments	<b>31,077</b>	25,194
Other income and other gains, net	<b>1,586</b>	3,008
Selling and distribution costs	<b>(7,127)</b>	(10,100)
Corporate administrative and other operating expenses	<b>(23,518)</b>	(33,386)
Impairment loss of trade receivables	<b>(150)</b>	(138)
Finance costs	<b>(280)</b>	(234)
Income tax (expense)/credit	<b>(24)</b>	29
Consolidated profit/(loss) for the year	<b>1,564</b>	(15,627)



**(b) Geographical information**

Information about the Group's non-current assets based on the geographical location is presented as follows:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Hong Kong	<b>269</b>	<b>426</b>

Non-current assets include property, plant and equipment, right-of-use assets and intangible assets.

Information about the Group's revenue from external customers presented based on the geographical location where the Group operates is as follows:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Hong Kong	<b>63,622</b>	48,315
PRC	<b>2,980</b>	5,814
Macau	<b>782</b>	243
Consolidated total	<b>67,384</b>	<b>54,372</b>

**(c) Information about major customers**

Information about major customers whom transactions have exceeded 10% of revenue of the Group during the years ended 31 March 2025 and 2024 is as follows:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Customer A	<b>9,345</b>	5,834
Customer B	<b>7,336</b>	5,942

## 6. REVENUE

Revenue represents the invoiced values of goods sold and service rendered, after allowances for returns and discounts. An analysis of the Group's revenue for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Sales of biometrics identification devices, security products and other accessories	42,553	37,270
Provision of auxiliary and other services	24,263	17,102
Provision of online information and digital marketing services	568	—
	<u>67,384</u>	<u>54,372</u>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>	<b>2025 HK\$'000</b>	<b>2024 HK\$'000</b>
Recognised at a point in time	53,420	44,347
Recognised over time	13,964	10,025
	<u>67,384</u>	<u>54,372</u>

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and the expected period of recognising revenue as follows:

	2025 HK\$'000	2024 HK\$'000
Provision of auxiliary and other services		
Within one year	8,059	10,885
More than one year but not more than two years	831	1,215
	<u>8,890</u>	<u>12,100</u>

## 7. OTHER INCOME AND OTHER GAINS, NET

	2025 HK\$'000	2024 HK\$'000
Insurance claim	–	142
Interest income	13	144
Government grants*	114	–
Gain on disposal of a subsidiary	1,069	2,366
Gain on disposals of property, plant and equipment	20	21
Foreign exchange gains, net	288	181
Others	82	154
	<u>1,586</u>	<u>3,008</u>

\* Government grants represent subsidies from the Government of the Hong Kong Special Administrative Region under the SME Export Marketing Fund. At the end of the reporting period, there is no unfulfilled conditions nor other contingencies attached to the government grants.

## 8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on lease liabilities	228	222
Interest expenses on retirement benefit obligations	13	12
Interest expenses on promissory notes	39	–
	<u>280</u>	<u>234</u>

## 9. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is stated after charging/(crediting) the following:

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Depreciation			
— Owned assets	(a)	242	394
— Right-of-use assets		465	1,203
Staff costs (including directors' emoluments)	(b)		
— Salaries, bonus, allowances and other benefits in kind		29,325	31,885
— Commission		715	622
— Retirement benefits scheme contributions		1,816	1,698
		31,856	34,205
Gain on disposal of a subsidiary		(1,069)	(2,366)
Gain on disposals of property, plant and equipment		(20)	(21)
Cost of inventories sold		24,776	20,272
Foreign exchange gains, net		(288)	(181)
Operating lease charges in respect of premises under short-term lease arrangements		300	1,090
Auditors' remuneration			
— Audit services		530	600
— Non-audit services		50	70
Impairment loss of trade receivables		150	138
Bad debts written-off of trade receivables		179	—
Impairment loss on property, plant and equipment		114	258
Impairment loss on right-of-use assets		1,568	2,953
(Reversal of allowance)/allowance for inventories (included in costs of sales and services rendered)		(874)	272

Notes:

- (a) Depreciation on owned assets of approximately HK\$1,000 for the year ended 31 March 2025 (2024: HK\$21,000) is included in costs of sales and services rendered.
- (b) Staff costs of approximately HK\$11,108,000 for the year ended 31 March 2025 (2024: HK\$5,697,000) are included in cost of sales and services rendered.

## 10. INCOME TAX EXPENSE/(CREDIT)

	2025 HK\$'000	2024 HK\$'000
Current tax — PRC Enterprise Income Tax		
Provision for the year	24	—
Current tax — Hong Kong Profits Tax		
Over-provision in prior years	—	(29)
	<hr/>	<hr/>
Total tax expense/(credit) for the year	<u>24</u>	<u>(29)</u>

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands.

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% (2024: 8.25%) for the first HK\$2 million of its estimated assessable profits and at 16.5% (2024: 16.5%) on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% (2024: 16.5%) for the year ended 31 March 2025.

For the Group's subsidiary established and operated in the PRC is subject to PRC Enterprise Income Tax at the rate of 25% (2024: 25%) during the year. No PRC Enterprise Income Tax has been provided for the year ended 31 March 2024 as the Group's PRC subsidiary either did not generate any assessable profits or has sufficient tax losses forward to set off against its assessable profit for the year ended 31 March 2024.

For the Group's subsidiary established and operated in Macau is subject to Macao Complementary Tax, under which taxable income of up to MOP600,000 (2024: MOP600,000) is exempted from taxation with taxable income beyond this amount to be taxed at the rate of 12% (2024: 12%) for the year ended 31 March 2025.

## 11. DIVIDENDS

No dividend had been paid or declared by the Company during the year (2024: Nil).

## 12. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the following:

	2025 HK\$'000	2024 HK\$'000
<b>Profit/(loss)</b>		
Profit/(loss) for the purpose of calculating basic earnings/(loss) per share	<u>1,564</u>	<u>(15,627)</u>
	2025 '000	2024 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>800,000</u>	<u>800,000</u>

### (b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share was the same as the basic earnings/(loss) per share for the years ended 31 March 2025 and 2024 as there were no dilutive potential ordinary shares.

## 13. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
From third parties	19,747	17,459
Less: allowance for doubtful debts	<u>(985)</u>	<u>(835)</u>
	<u>18,762</u>	<u>16,624</u>

The Group's trading terms with customers are mainly on credit. The credit period granted to the customers generally range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors of the Company.

An ageing analysis of the Group's trade receivables, net of allowance for doubtful debts and based on the invoice date is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
1–90 days	<b>8,678</b>	10,594
91–180 days	<b>4,454</b>	2,958
181–365 days	<b>4,456</b>	1,602
Over 365 days	<b>1,174</b>	1,470
	<u><b>18,762</b></u>	<u>16,624</u>

As of 31 March 2025, trade receivables of approximately HK\$15,162,000 (2024: HK\$12,163,000) were past due but not considered as default. These trade receivables related to customers for whom are mainly listed companies or large property developers with no recent history of default. The ageing analysis of these trade receivables, net of allowance for doubtful debts and based on due date, is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
1–90 days	<b>9,533</b>	7,258
91–180 days	<b>3,265</b>	2,500
Over 180 days	<b>2,364</b>	2,405
	<u><b>15,162</b></u>	<u>12,163</u>

The Group does not charge interest over these balances.

The carrying amounts of the Group's trade receivables at the end of reporting period, net of allowance for doubtful debts, are denominated in the following currencies:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
HK\$	<b>18,722</b>	16,498
RMB	<b>8</b>	126
MOP	<b>32</b>	–
	<u><b>18,762</b></u>	<u>16,624</u>

#### 14. TRADE PAYABLES

An ageing analysis of the Group's trade payables at the end of reporting period, based on the invoice date is as follows:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
1–30 days	<b>117</b>	440
31–60 days	<b>2,096</b>	2,694
Over 60 days	<b>290</b>	1,596
	<b>2,503</b>	<b>4,730</b>

The carrying amounts of the Group's trade payables at the end of reporting period are denominated in the following currencies:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
HK\$	<b>2,214</b>	4,297
RMB	<b>228</b>	150
US\$	<b>61</b>	61
EURO	<b>–</b>	222
	<b>2,503</b>	<b>4,730</b>



## 15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>5,000,000</u>	<u>50,000</u>
	Number of shares '000	Amount HK\$'000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>800,000</u>	<u>8,000</u>

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises all components of shareholders' equity.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

The only externally imposed capital requirement for the Group is that to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float of at least 25% throughout the year ended 31 March 2025. As of 31 March 2025, 83.40% (2024: 82.48%) of the shares were in public hands.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a provider of biometrics identification solutions in Hong Kong, Macau and the PRC. The Group derives revenue from the following business activities: (i) sales of biometrics identification devices, security products, and other accessories; and (ii) provision of auxiliary and other services. The Group's biometrics identification devices have one or more of the following functions: (i) face identification; (ii) fingerprint identification; (iii) finger vein identification; (iv) hand geometry identification; and (v) iris identification. The revenue of the Group for the year ended 31 March 2025 was approximately HK\$67.4 million, representing an increase by approximately 23.9% from approximately HK\$54.4 million for the year ended 31 March 2024. The increase in revenue was mainly attributable to (i) increase in sales of biometrics identification devices, security products and other accessories by approximately HK\$5.3 million (or 14.2%) as compared with the corresponding period in 2024; and (ii) increase in revenue derived from provision of auxiliary and other services by approximately HK\$7.2 million (or 41.9%) as compared with the corresponding period in 2024.

Revenue represents the invoiced values of goods sold and services rendered, after allowances for returns and discounts during the reporting periods.

	<b>For the year ended 31 March</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Sales of biometrics identification devices, security products and other accessories	<b>42,553</b>	37,270
Provision of auxiliary and other services	<b>24,263</b>	17,102
Provision of online information and digital marketing services	<b>568</b>	—
	<b>67,384</b>	54,372

## **Cost of Sales and Gross Profit**

The majority of the Group's cost of sales and services rendered was costs of inventories sold. The Group's costs of inventories sold increased by approximately 22.2% to approximately HK\$24.8 million for the year ended 31 March 2025 (2024: approximately HK\$20.3 million). The gross profit margin dropped from approximately 46.3% for the year ended 31 March 2024 to approximately 46.1% for the year ended 31 March 2025. The gross profit raised from approximately HK\$25.2 million for the year ended 31 March 2024 to approximately HK\$31.1 million for the year ended 31 March 2025. The increase in gross profit was mainly due to the increase in revenue.

## **Expenses**

Staff costs for the year ended 31 March 2025 was approximately HK\$31.9 million (2024: approximately HK\$34.2 million), representing a decrease by approximately HK\$2.3 million as compared with that of last corresponding period, which was mainly due to the decrease in bonus and allowances during the period.

Administrative expenses for the year ended 31 March 2025 were approximately HK\$23.5 million (2024: approximately HK\$33.4 million), representing a decrease of approximately HK\$9.9 million as compared with the last corresponding period, which was mainly due to the decrease in staff costs and impairment loss on right-of-use assets.

## **Taxes**

The income tax expense comprised Hong Kong Profits Tax, Macau Complementary Tax and PRC Enterprise Income Tax for the year. The income tax expense for the year ended 31 March 2025 was approximately HK\$24,000 (2024: Nil).

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subject to Hong Kong Profits Tax at the rate of 8.25% for the year ended 31 March 2025 (2024: 8.25%) for the first HK\$2 million of its estimated assessable profits and at 16.5% for the year ended 31 March 2025 (2024: 16.5%) on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subject to Hong Kong Profits Tax at the rate of 16.5% for the year ended 31 March 2025 (2024: 16.5%).

The Group's subsidiary established and operated in the PRC is subject to PRC Enterprise Income Tax at the rate of 25% for the year ended 31 March 2025 (2024: 25%). Approximately HK\$24,000 of PRC Enterprise Income Tax has been provided for the year ended 31 March 2025 (2024: Nil).

The Group's subsidiary established and operated in the Macau Special Administrative Region ("Macau") of the PRC is subject to Macau Complementary Tax, under which taxable income of up to Macau Pataca ("MOP") 600,000 for the year ended 31 March 2025 (2024: MOP600,000) is exempted from taxation with taxable income beyond this amount to be taxed at the rate of 12% for the year ended 31 March 2025 (2024: 12%).

### **Profit for the Year**

The Group incurred a net profit of approximately HK\$1.6 million for the year ended 31 March 2025, as compared with a net loss of approximately HK\$15.6 million for the year ended 31 March 2024. The decrease in net loss was mainly due to (i) increase in revenue and gross profit; and (ii) decrease in selling and distribution costs and administrative and other operating expenses.

### **Liquidity, Financial Resources and Capital Structure**

Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows, bank borrowings and proceeds from Listing. The Directors believe that with the new capital from Listing, the Group is in a healthy financial position to expand its core business and to achieve its business objectives. As at 31 March 2025, the Group issued 6 tranches of promissory notes with the aggregate principal amounts of approximately HK\$1.9 million. The interest for the promissory notes is charged at 5% per annum. (31 March 2024: Nil). The Group requires cash primarily for working capital needs. As at 31 March 2025, the Group had approximately HK\$4.2 million in bank and cash balances (31 March 2024: approximately HK\$3.8 million).

### **Gearing Ratio**

At as 31 March 2025, the gearing ratio was 21.1% (31 March 2024: 26.4%). Gearing ratio is calculated by dividing total debt by total equity as at the respective period end. For the avoidance of doubt, total debt includes promissory notes and lease liabilities.

## OPERATION REVIEW

### Outlook

The ordinary shares of HK\$0.01 each (the “**Shares**”) of the Company have been successfully listed on GEM on 14 February 2018. The Board considers that such public listing status will allow the Company to gain access to the capital market for corporate finance exercise, assist the Company in the future business development, enhance the Group’s corporate profile and recognition and strengthen its competitiveness.

Considering the decrease in market demand and the uncertainties brought by the post-COVID-19 era in the PRC, the Group has decided to suspend the plan to launch affordable locally manufactured fingerprint identification devices as part of the expansion plan of the business in the Southern China, and has reallocated part of the utilised net proceeds from the Listing to other business plans, namely (i) enhancement of the quality of after-sales services and strengthening of the operation support; (ii) improving the information technology system; (iii) research and development on touchless biometrics identification devices and AIoT; and (iv) working capital.

The Group has observed that there has been a change of market trend from touch biometrics identification devices to touchless biometrics identification devices due to increased public health awareness since the COVID-19 pandemic. As such, the Group has applied part of the net proceeds from the Listing for research and development on touchless biometrics identification devices and AIoT. The Group plans to diversify the functions of its touchless biometrics identification devices and their applications by utilizing AIoT in order to capture the market of touchless biometrics identification devices with healthcare-related functions. Looking forward, the Board takes the view that AIoT and its functions can be applied in many different scenarios that the Group’s biometrics identification devices can be involved. The Group plans to capture and develop new markets in light of the growing popularity and application of AIoT in daily life.

## **Employees and Remuneration Policies**

As at 31 March 2025, the Group had a total of 79 employees. The Group's staff cost for the year ended 31 March 2025 amounted to approximately HK\$31.9 million (2024: approximately HK\$34.2 million). The Group's remuneration policies are in line with the prevailing market practise and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances. Other benefits and incentives include training and share option.

In Hong Kong, the Group's employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). In the PRC, the Group's employees have participated in the basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance prescribed by the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), and housing fund prescribed by the Regulations on the Administration of Housing Fund (《住房公積金管理條例》). All PRC based employees have the right to participate in the social insurance and housing provident fund schemes.

## **Capital Expenditure**

The Group purchased property, plant and equipment amounting to approximately HK\$0.2 million for the year ended 31 March 2025 (2024: approximately HK\$2.4 million).

## **Capital Commitments**

The Group did not have any significant capital commitments as at 31 March 2025 (2024: Nil).

## **Foreign Currency Risk**

The Company does not have significant exposure on foreign currency risk.

The functional currency of the Group's entities are principally denominated in HK\$, Renminbi ("RMB"), MOP and Great British Pound. The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currencies of respective Group entities such as United States dollars ("US\$"), RMB and EURO. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year ended 31 March 2025.

## **Significant Investments held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets**

On 14 November 2024, the Group acquired 100% of the issued capital of Yingke Huachuang Technology (Chengdu) Company Limited\* (盈科華創科技(成都)有限公司) for a total consideration of RMB1. Yingke Huachuang Technology (Chengdu) Company Limited is engaged in providing online information and digital marketing services. The acquisition is for the purpose of diversifying the Group's business.

On 7 March 2025, the Group disposed of its entire interests in its wholly-owned subsidiary, Prime Intelligence Information Technology Company Limited, a company incorporated in Hong Kong, to an independent third party at a consideration of HK\$1.

Save as disclosed above, during the year ended 31 March 2025, the Group did not have any other significant investment, material acquisition or disposal of subsidiaries or any plan for material investments or capital assets.

## **Charges over Assets of the Group**

As at 31 March 2025 and 2024, there were no charges over assets of the Group.

## **Dividend**

The Directors do not recommend payment of a final dividend for the year ended 31 March 2025.

## **Purchases, Sales or Redemption of Listed Securities of the Company**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025.

## Share Option Schemes

The share option scheme of the Company (the “**Share Option Scheme**”) was adopted pursuant to a resolution passed by the then shareholders of the Company (the “**Shareholders**”) on 18 January 2018 for the primary purpose to attract, retain and motivate talented participants, to strive for future developments and expansion of the Group. Eligible participants of the Share Option Scheme include any employees, executive Directors, non-executive Directors (including independent non-executive Directors), advisers, consultants of the Company or any of its subsidiaries.

The Share Option Scheme will remain valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, after which no further share options will be granted but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect and share options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue. The principal terms of the Share Option Scheme were summarized in the paragraph headed “Share Option Scheme” in Appendix IV to the prospectus (the “**Prospectus**”) published by the Company in relation to the Listing. No share option has been granted, exercised, expired, cancelled or lapsed under the Share Option Scheme since its adoption and up to the date of this announcement.

## COMPETING INTERESTS

During the year ended 31 March 2025, none of the Directors, the controlling shareholders and their respective associates (as defined in the GEM Listing Rules) as at 31 March 2025 had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

## STRATEGIC COOPERATION FRAMEWORK AGREEMENT

On 14 June 2024, the Group entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) with Guizhou Little Butterfly Cultural Tourism Industry Development Co. Ltd.\* (貴州小蝴蝶文化旅遊產業發展有限公司) (“**Guizhou Little Butterfly Cultural**”), a company established under the laws of the People’s Republic of China which mainly operates the business of entrusted operation and management of tourist attractions. Pursuant to Strategic Cooperation Framework Agreement, the Company and Guizhou Little Butterfly Cultural will cooperate on various matters including but not limited to joint development of intellectual property rights in digital cultural tourism and exploration of potential opportunities through the operation of e-commerce platforms or other feasible approaches. The Strategic Cooperation Framework Agreement shall be effective for a term of one year. Details of the above are set out in the Company’s announcement dated 14 June 2024.



## Corporate Governance Practices

The Company has committed to upholding high standard of corporate governance for the enhancement of shareholders' value and provide transparency, accountability and independence. Except for the deviation from code provision C.2.1, the Company had complied with the required code provisions set out in the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules (the “**CG Code**”) since the Listing and up to the date of this announcement.

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wang was appointed as the Chairman and the chief executive officer on 13 May 2024. Given that the scale of the Group is not mega and that the Company's and the Group's current business operations and administration have been stable, the Board is justified that the current structure is able to enable the effective discharge of the duties of both positions. However, going forward, the Board will review from time to time the need to separate the roles of the Chairman and the chief executive officer if the situation warrants it.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors (the “**Model Code**”) on terms no less exacting than the required standard of dealings (the “**Required Standard of Dealings**”) as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Upon the specific enquiry made to all the Directors, apart from Mr. Wang Yicheng, the Company was not aware of any non-compliance with the Model Code and the Required Standard of Dealings regarding securities transactions by the Directors for the period from the date of the Listing to the date of this announcement.

According to code provision Rule 5.56(a) of the GEM Listing Rules, a Director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results. According to Rule 5.61 of the GEM Listing Rules, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board of directors of the Company for the specific purpose and receiving a dated written acknowledgement.

An executive Director, Mr. Wang Yicheng, due to inadvertent mistakes, purchased 136,230,000 shares of the Company from 30 May 2024 to 13 June 2024 without notifying the designated Director or the Board and obtaining the designated Director's approval before purchasing the relevant shares, which was in contravention of Rules 5.56(a) and 5.61 of the GEM Listing Rules.

The Company has taken the following remedial steps to avoid the reoccurrence of similar incidents:

- Communicated and reminded Mr. Wang Yicheng that the blackout period of the Group;
- Recirculated the Model Code to the Board and reminded the Directors of the procedures that they should follow should they wish to deal in the Company's shares; and
- Arranged refresher training on Directors' duties under the GEM Listing Rules for Mr. Wang Yicheng.

The Board considers that by adopting the aforesaid measures, it would enable the Directors to understand the dealing restriction during the black-out period and the procedures that they need to follow before dealing in the securities of the Company. The Board therefore considered that the implementation of the above measures would minimize the chance of breach of the Model Code by the Directors in the future.

## **PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the dual foreign name in Chinese of the Company from “懶豬科技集團有限公司” to “盈證國際控股有限公司”. The proposed Change of company name is conditional upon the following conditions having been satisfied: (i) the passing of a special resolution approving the proposed change of company name by the shareholders of the Company at an extraordinary general meeting to be convened and held by the Company; and (ii) the approval being granted by the Registrar of Companies in the Cayman Islands for the proposed change of company name. Please refer to the announcement of the Company dated 27 January 2025 for details of the proposed change of company name.

## SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2025 have been agreed by the Group's auditor, McMillan Woods, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2025. The work performed by McMillan Woods 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 McMillan Woods on the preliminary announcement.

## AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference (revised pursuant to a board resolution on 30 December 2022) in conformity of the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting process and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Wong Ching Wan (chairman of the Audit Committee), Mr. Yang Chuan and Ms. Li Dongxian.

The Audit Committee has reviewed the draft consolidated financial statements of the Group for the year ended 31 March 2025 and recommended approval to the Board.

By Order of the Board  
**Prime Intelligence Solutions Group Limited**  
懶豬科技集團有限公司  
**Wang Yicheng**  
Chairman

Hong Kong, 30 June 2025

*As at the date of this announcement, the executive Directors are Mr. Wang Yicheng, Ms. Yuen Mei Ling, Pauline, Mr. Lin Shixing and Ms. Zhang Yushan; the non-executive Director is Mr. Yuen Kwok Wai, Tony; and the independent non-executive Directors are Mr. Wong Ching Wan, Mr. Yang Chuan and Ms. Li Dongxian.*

*This announcement will remain on the “Latest Listed Company Information” page of The Stock Exchange of Hong Kong Limited’s website at <http://www.hkexnews.hk> for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at [www.primeintelligence.com.hk](http://www.primeintelligence.com.hk).*