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HK Asia Holdings Limited
港亞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1723)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2024 was approximately HK\$252.4 million, representing an increase of approximately 23.4% as compared with approximately HK\$204.6 million for the corresponding year in 2023.
- Gross profit of the Group for the year ended 31 March 2024 was approximately HK\$61.6 million, representing an increase of approximately 36.0% as compared with approximately HK\$45.3 million for the corresponding year in 2023.
- Profit for the year ended 31 March 2024 was approximately HK\$14.8 million, representing an increase of approximately 279.5% as compared with approximately HK\$3.9 million for the corresponding year in 2023.
- Basic and diluted earnings per share attributable to the owners of the Company was approximately HK3.71 cents for the year ended 31 March 2024 (2023: HK0.99 cents).
- The Board did not recommend the payment of a final dividend for the year ended 31 March 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of HK Asia Holdings Limited (the “**Company**”) is pleased to announce the consolidated audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 (the “**Year**”), together with the comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024 (in HK Dollars)

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	252,383	204,568
Cost of sales		<u>(190,736)</u>	<u>(159,264)</u>
Gross profit		61,647	45,304
Other income and loss	6	2,525	3,117
Selling and distribution expenses		(23,417)	(22,529)
Administrative expenses		(23,086)	(21,188)
Finance cost	7	<u>(395)</u>	<u>(254)</u>
Profit before taxation	8	17,274	4,450
Taxation	9	<u>(2,432)</u>	<u>(510)</u>
Profit and total comprehensive income for the year		<u>14,842</u>	<u>3,940</u>
Profit for the year attributable to owners of the Company		<u>14,842</u>	<u>3,940</u>
Total comprehensive income for the year attributable to the owners of the Company		<u><u>14,842</u></u>	<u><u>3,940</u></u>
Earnings per share			
Basic and diluted (HK cents)	10	<u><u>3.71</u></u>	<u><u>0.99</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024 (in HK Dollars)

		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		10,699	1,631
Right-of-use assets		5,846	4,283
Financial assets at fair value through profit or loss		1,750	2,188
Deposits		922	–
		<u>19,217</u>	<u>8,102</u>
Current assets			
Inventories		45,759	59,754
Trade receivables	<i>12</i>	1,966	1,456
Deposits, prepayments and other receivables		5,747	9,077
Amount due from a related company		480	18
Tax recoverable		–	3,561
Cash and cash equivalents		65,575	97,080
		<u>119,527</u>	<u>170,946</u>
Liabilities			
Current liabilities			
Trade payable	<i>13</i>	441	–
Accrual and other payables		5,354	4,983
Lease liabilities		4,505	2,660
Tax payable		2,398	–
		<u>12,698</u>	<u>7,643</u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net current assets	<u>106,829</u>	<u>163,303</u>
Total assets less current liabilities	<u>126,046</u>	<u>171,405</u>
Non-current liabilities		
Lease liabilities	<u>1,507</u>	<u>1,708</u>
Net assets	<u><u>124,539</u></u>	<u><u>169,697</u></u>
Equity		
Share capital	4,000	4,000
Reserves	<u>120,539</u>	<u>165,697</u>
Total equity	<u><u>124,539</u></u>	<u><u>169,697</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 May 2016 as an exempted company with limited liability under the Companies Law, Cap. 22 (law 3 of 1961 as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 27 September 2018. The ultimate controlling party of the Company is Mr. Siu Muk Lung (“**Mr. Siu**”).

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the Company’s principal place of business is at 24/F, Chun Wo Commercial Centre, 23-29 Wing Wo Street, Sheung Wan, Hong Kong. The Company is an investment holding company. The Group is principally engaged in wholesale and retail sales of the pre-paid products (i.e. SIM card and top-up voucher) (the “**Pre-paid Products**”) in Hong Kong.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year and changes in accounting policy

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund — Long Service Payment offsetting mechanism in Hong Kong

In June 2022, the Government of the Hong Kong Special Administrative Region gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“**Amendment Ordinance**”), which will come into effect from 1 May 2025 (“**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “**Offsetting Mechanism**”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published the captioned accounting guidance relating to the abolition of the Offsetting Mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

To better reflect the substance of the abolition of the Offsetting Mechanism, the Group has applied the above HKICPA guidance and no material impact on the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The Directors anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKAS”) and interpretations issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

4. OPERATING SEGMENT

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group’s chief operating decision maker in order to allocate resources and assess performance of the segment. During the years ended 31 March 2024 and 2023, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line or geographical area and the executive directors reviewed the financial results of the Group as a whole reported under HKFRSs.

The Group currently has one operating segment which is revenue from sale of the Pre-paid Products (i.e. SIM Cards and top-up vouchers). Accordingly, the Group does not have separate reportable segments.

Geographical information

As all the Group’s operations and non-current assets are located in Hong Kong, no geographical analysis is presented.

Information about major customers

Revenue from major customers, contributing over 10% or more of the total sales of the Group during the years ended 31 March 2024 and 2023 are as follow:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Customer A	24,247	N/A*
Customer B	<u>N/A*</u>	<u>20,583</u>

* The customer contributed less than 10% of the total revenue of the Group.

5. REVENUE

Revenue, which is also the Group's turnover, represents the income generated by sale of Pre-paid Products during the years ended 31 March 2024 and 2023.

All of the Group's revenue from contracts with customers is generated in Hong Kong, based on where goods are sold. All revenue contracts are for a period of one year or less. As permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue:		
Sales of Pre-paid Products recognised at point in time	<u>252,383</u>	<u>204,568</u>

6. OTHER INCOME AND LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Promotion income	780	780
Consignment income	460	556
Sundry income	12	105
Rent concession	–	321
Bank interest income	1,711	382
Government grants	–	952
Fair value change on financial assets at fair value through profit or loss	<u>(438)</u>	<u>21</u>
	<u>2,525</u>	<u>3,117</u>

7. FINANCE COST

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on		
– lease liabilities	395	250
– bank overdraft	<u>–</u>	<u>4</u>
	<u>395</u>	<u>254</u>

8. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditors' remuneration	570	570
Cost of inventories recognised as an expense	190,736	159,264
Depreciation of property, plant and equipment	822	610
Depreciation of right-of-use assets	5,201	5,022
Employee benefit expenses (including Directors' emoluments)	24,665	21,813
Expenses relating to short-term leases	7,948	7,968
Advertising and promotion expenses	<u>2,463</u>	<u>2,212</u>

9. TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The taxation charge comprises:		
Hong Kong Profits Tax		
– Current year	<u>2,432</u>	<u>510</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings:		
Earning for the purpose of calculation of basic earnings per share		
– Profit for the year attributable to owners of the Company	<u>14,842</u>	<u>3,940</u>
	2024 <i>'000</i>	2023 <i>'000</i>
Number of shares:		
Weighted average number of ordinary shares in issue	<u>400,000</u>	<u>400,000</u>

Diluted earnings per share for the years ended 31 March 2024 and 2023 were the same as the basic earnings per share as there were no potential dilutive ordinary shares existing during the reporting period.

11. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for shareholders of the Company recognized as distribution during the year:		
Special dividend of HK\$0.15 per ordinary share	<u>60,000</u>	<u>–</u>

A special dividend of HK\$0.15 per ordinary share of the Company was declared by the Board on 17 August 2023 and was paid on 18 September 2023.

The Board did not recommend the payment for final dividend for the years ended 31 March 2024 and 2023.

12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<u>1,966</u>	<u>1,456</u>

The Group's trade receivables are attributable to a number of independent customers with credit terms. The Group normally allows a credit period of 0 to 21 days (2023: 0 to 21 days) to its customers.

For the Group's sale which is conducted by electronic payments, the settlement period is normally within 1 month.

The following table sets forth the ageing analysis of trade receivables, based on invoice date, as at the dates indicated:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 21 days	1,250	483
Over 21 days	<u>716</u>	<u>973</u>
	<u>1,966</u>	<u>1,456</u>

13. TRADE PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<u>441</u>	<u>–</u>

The credit period from suppliers is within 1 month. The following is an aged analysis of trade payables, presented based on the invoice dates at the end of the reporting period:

The following tables sets forth the ageing analysis of trade payables, base on invoice date or date of provision of goods and services:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	<u>441</u>	<u>–</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group conducts wholesale and retail sales of pre-paid products (i.e. SIM card and top-up voucher) (the “**Pre-paid Products**”) in Hong Kong targeted at Indonesian and Filipino consumers and Pre-paid Products targeted at mobile users who demand for local and international phone call and/or mobile data services in Hong Kong and overseas (“**Other Users**”). The Group is a long-established and well-recognized distributor in the industry.

The Group principally conducts wholesale and retail sales of Pre-paid Products in Hong Kong. During the Year, the Group obtained fourteen more products sourced from the suppliers for sales which were Pre-paid Products with overseas mobile data services in various countries. During the Year, the Group obtained ten more products sourced from the suppliers for sales which were Pre-paid Products with local phone call and mobile data services in Hong Kong, nine more Pre-paid Products with overseas mobile data services in various countries; and twenty more Pre-paid Products with local phone call and mobile data services in Hong Kong and overseas mobile data services in various countries. After the Year, the Group launched sixteen more Pre-paid Products with overseas mobile data services in various countries and one more product sourced from the suppliers for sales which was a Pre-paid Product with local phone call and mobile data services in Hong Kong. During the Year, the Group has acquired a property in Hong Kong used as part of the Group’s office and has established an online platform for the sales of Pre-paid Products. Sales made by the Group during the Year increased by 23.4% to approximately HK\$252.4 million (2023: approximately HK\$204.6 million). The increase in revenue was mainly attributable to the increase in sales to Indonesian and Filipino consumers of approximately HK\$72.0 million which was partly offset by the decrease in sales to Other Users of approximately HK\$24.2 million. As at 31 March 2024, the Group rented a total of six self-managed retail shops for selling Pre-paid Products in Hong Kong, including two in Central, one in Causeway Bay, one in Tsuen Wan, one in Yuen Long and one in Mong Kok. After the Year, the Group rented a new self-managed retail shop in Mei Foo.

OUTLOOK AND PROSPECT

The Group is seeking to expand its business and further increase its market share in the sectors of Pre-paid Products targeted at (i) Indonesian and Filipino consumers; and (ii) Other Users.

The Group plans to increase the number of retailers in sales network, increase advertising and marketing activities, and strengthen the Group’s inventory management capability and adopt other alternatives to seize the opportunities brought by the growth of inbound and outbound tourists in Hong Kong and the economic growth after the COVID-19 pandemic.

FINANCIAL REVIEW

Revenue

During the Year, the Group's revenue amounted to approximately HK\$252.4 million which represented an increase of approximately 23.4% as compared to approximately HK\$204.6 million for the year ended 31 March 2023. The increase in revenue was mainly attributable to the increase in sales to Indonesian and Filipino consumers of approximately HK\$72.0 million which was partly offset by the decrease in sales to Other Users of approximately HK\$24.2 million.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$16.3 million or 36.0% from approximately HK\$45.3 million for the year ended 31 March 2023 to approximately HK\$61.6 million for the Year. The increase in gross profit was due to the increase in revenue and gross profit margin. The overall gross profit margin increased from approximately 22.1% for the year ended 31 March 2023 to approximately 24.4% for the Year. The increase in overall gross profit margin was primarily due to the increase in sales of Pre-paid Products with overseas mobile data services which have a higher gross profit margin.

Other revenue

During the Year, the Group's other revenue amounted to approximately HK\$2.5 million, representing a decrease of approximately 19.4% as compared to approximately HK\$3.1 million for the year ended 31 March 2023. The decrease in other revenue was due to the decrease in receipt of government COVID-19-related subsidies of approximately HK\$1.0 million, decrease in rent concession of approximately HK\$0.3 million, the decrease in consignment income of approximately HK\$0.1 million and the decrease in fair value gain on financial assets at fair value through profit or loss of approximately HK\$0.4 million which was partly offset by the increase in bank interest income of approximately HK\$1.3 million.

Selling and distribution expenses

Selling and distribution expenses mainly comprised (i) depreciation of right-of-use assets; (ii) staff costs; (iii) advertising and promotion expenses; and (iv) other expenses. During the Year, selling and distribution expenses amounted to approximately HK\$23.4 million (2023: approximately HK\$22.5 million), representing an increase of approximately 4.0% as compared to the year ended 31 March 2023 which was mainly attributable to the increase in staff costs of approximately HK\$0.3 million, the increase in advertising and promotion expense of approximately HK\$0.3 million and the increase in other expenses of approximately HK\$0.3 million.

Administrative expenses

Administrative expenses mainly represented (i) staff costs; (ii) depreciation of right-of-use assets; and (iii) professional fees. For the Year, administrative expenses amounted to approximately HK\$23.1 million (2023: approximately HK\$21.2 million). Administrative expenses for the Year represented an increase of approximately 9.0% as compared with the year ended 31 March 2023, which was mainly attributable to the increase in staff costs of approximately HK\$2.4 million, the increase in depreciation of property, plant and equipment of approximately HK\$0.2 million which was partly offset by the decrease in charitable donations of approximately HK\$0.7 million and the decrease in legal and professional fees of approximately HK\$0.3 million.

Finance cost

During the Year, finance cost comprised interest expenses on lease liabilities of approximately HK\$0.4 million (2023: approximately HK\$0.3 million).

Taxation

During the Year, the income tax expenses amounted to approximately HK\$2.4 million (2023: approximately HK\$0.5 million) and the effective tax rate for the Year was approximately 14.1% (2023: approximately 11.5%).

Profit for the Year

Profit attributable to owners of the Company for the Year was approximately HK\$14.8 million, representing an increase of approximately 279.5% as compared with approximately HK\$3.9 million for the year ended 31 March 2023 which was mainly attributed to the reasons mentioned above.

Inventories

The Group had inventories of approximately HK\$45.8 million as at 31 March 2024, representing a decrease of approximately HK\$14.0 million as compared to the inventories of approximately HK\$59.8 million as at 31 March 2023. The decrease was mainly resulted from the increase in sales during the Year.

LIQUIDITY AND CAPITAL RESOURCES

Net current assets

The Group had net current assets of approximately HK\$106.8 million as at 31 March 2024 (31 March 2023: approximately HK\$163.3 million). The current ratio of the Group decreased from approximately 22.4 times as at 31 March 2023 to approximately 9.4 times as at 31 March 2024. Such decrease was mainly attributable to (i) the decrease in current assets of approximately HK\$51.4 million which was mainly attributable to the decrease in cash and cash equivalents of approximately HK\$31.5 million, the decrease in inventories of approximately HK\$14.0 million, the decrease in deposits, prepayments and other receivables of approximately HK\$3.4 million and the decrease in tax recoverable of approximately HK\$3.6 million which was partly offset by the increase in trade receivables of approximately HK\$0.4 million and the increase in amount due from a related company of approximately HK\$0.5 million; and (ii) the increase in current liabilities of approximately HK\$5.0 million which was mainly due to the increase in current portion of lease liabilities of approximately HK\$1.8 million, the increase in tax payable of approximately HK\$2.4 million, the increase in trade payables of approximately HK\$0.4 million and the increase in accrual and other payables of approximately HK\$0.4 million.

Borrowings

The Group did not have bank and other borrowings as at 31 March 2024 (31 March 2023: nil).

Gearing ratio

The gearing ratio equals total amount of debts divided by total amount of equity and multiplied by 100%. The Group has no outstanding debts.

Share capital structure

As at 31 March 2024 and 31 March 2023, the Company's issued share capital was HK\$4,000,000 and the number of issued shares of the Company was 400,000,000 ordinary shares of HK\$0.01 each (the "Shares").

Foreign exchange exposure

Transactions of the Group are mainly denominated in HK\$ and the Group is not exposed to any significant foreign exchange exposure. The Group had not used any financial instruments for hedging purposes and no hedging policy against foreign currency risk was maintained by the Group.

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 March 2024, the Group had 47 employees (31 March 2023: 45 employees) with a total remuneration of approximately HK\$24.4 million during the Year (2023: approximately HK\$21.8 million). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group is dedicated to providing training programs for new employees and regular on-the-job trainings to employees to enhance their sales and marketing skills and know-how. The emoluments of the directors are recommended by the Remuneration Committee of the Company, with reference to their respective contribution of time, effort and expertise on the Company's matters. The Company has also adopted a share option scheme to grant options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants.

PLEDGE OF ASSETS

As at 31 March 2024, the Group did not have any pledged assets (31 March 2023: nil).

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

During the Year, the Group acquired a property in Hong Kong to be used as the Group's office premise at the consideration of HK\$9,000,000.

During the Year, there was no material acquisition or disposal of subsidiaries, associates or joint ventures, or significant investment by the Group (2023: nil).

EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after the Year and up to the date of this announcement.

CAPITAL COMMITMENT

As at 31 March 2024, the Group did not have any capital commitments (31 March 2023: approximately HK\$197,000).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

Apart from strengthening the Group's current business and implementing the future plans as disclosed in the prospectus of the Company dated 11 September 2018, the Group will explore new business opportunities as and when appropriate, in order to enhance value of the shareholders of the Company (the "Shareholders").

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2024 (31 March 2023: nil).

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: nil).

CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING (THE "AGM")

For the purposes of determining the Shareholders' eligibility to attend and vote at the forthcoming AGM to be held on Thursday, 5 September 2024, the register of members of the Company will be closed from Monday, 2 September 2024 to Thursday, 5 September 2024, both days inclusive. In order to be eligible to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. (Hong Kong time) on Friday, 30 August 2024.

CORPORATE GOVERNANCE

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules during the Year. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code during the Year.

Besides, the Board is aware of the growing momentum concerning Environmental, Social and Governance (“**ESG**”) related reporting and matters. In view of such, the Company has established an environmental, social and governance committee on 24 March 2022 to review and monitor the ESG policies and practices of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the Year and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Year.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and the related notes thereto for the Year of the Group as set out in this announcement have been agreed by the Company’s auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee (the “**Audit Committee**”) which consists of one non-executive Director, namely Mr. Lam Kin Lun Davie, and three independent non-executive Directors, namely Mr. Kwok Wai Leung, Stanley, Mr. Fok Kam Chau and Mr. Shiao Hei Lok Herod. Mr. Fok Kam Chau is the chairman of the Audit Committee.

The Audit Committee has discussed with the management of the Group and reviewed the audited consolidated financial results of the Group for the Year, including accounting principles and practices adopted by the Group, and discussed the financial reporting system and the risk management and internal control systems of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.hkasiaholdings.com). The annual report of the Company for the Year will be despatched to the Shareholders who wish to receive a printed copy of the corporate communication and will also be published on the aforesaid websites of the Stock Exchange and the Company in due course in accordance with the Articles of Association of the Company, the Listing Rules and applicable laws and regulations.

APPRECIATION

The Board would like to express its sincere gratitude to the management team and all the staff of the Group for their continuous support and contribution. The Board also takes this opportunity to thank our shareholders, customers, business partners and professional parties for their unreserved support in the prospects of the Group.

By order of the Board
HK Asia Holdings Limited
Mr. Siu Muk Lung
Chairman and Executive Director

Hong Kong, 27 June 2024

As at the date of this announcement, the Board comprises Mr. Siu Muk Lung and Mr. Chung Chi Fai as executive Directors; Mr. Ritchie Ma and Mr. Lam Kin Lun Davie as non-executive Directors; and Mr. Lee Kwan Ho, Vincent Marshall, Mr. Kwok Wai Leung, Stanley, Mr. Shiao Hei Lok Herod and Mr. Fok Kam Chau as independent non-executive Directors.