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Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS			
	2025	2024	Changes in %
Revenue (HK\$'000)	3,231,329	2,915,981	11%
Profit for the year (HK\$'000)	204,481	169,659	21%
Basic earnings per share (HK cents)	10.1	8.4	20%
Diluted earnings per share (HK cents)	10.1	8.4	20%
Interim dividend per share (HK cents)	2.5	1.5	67%
Final dividend per share (HK cents)	3.0	4.0	-25%
Total dividends per share for the year (HK cents)	<u>5.5</u>	<u>5.5</u>	—

The board (the “**Board**”) of directors (the “**Directors**”) of Karrie International Holdings Limited (the “**Company**”, together with its subsidiaries are collectively referred to as “**we**” or the “**Group**”) announces the consolidated results of the Group for the year ended 31 March 2025 together with the comparative figures for 2024 as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

		31 March 2025 \$'000	31 March 2024 \$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		756,108	693,169
Investment properties		185,544	229,068
Intangible assets		942	3,824
Investments in associates		89,447	82,455
Other financial assets		19,980	19,465
Other non-current assets	4	87,403	29,353
Deferred tax assets		2,343	2,581
		<u>1,141,767</u>	<u>1,059,915</u>
Current assets			
Inventories		501,196	512,256
Trade and bills receivables	4	621,016	619,157
Prepayments, deposits and other receivables	4	62,003	53,509
Amounts due from related companies		10,908	3,345
Current tax recoverable		4,639	5,121
Cash and bank deposits	5	191,177	149,418
		<u>1,390,939</u>	<u>1,342,806</u>
Total assets		<u><u>2,532,706</u></u>	<u><u>2,402,721</u></u>

		31 March	31 March
		2025	2024
	<i>Note</i>	\$'000	\$'000
EQUITY			
Capital and reserves attributable to equity shareholders of the Company			
Share capital		202,146	202,146
Other reserves		201,198	189,229
Retained earnings		675,440	601,629
		<hr/>	<hr/>
Total equity		<u>1,078,784</u>	<u>993,004</u>
LIABILITIES			
Current liabilities			
Trade payables	6	432,389	462,793
Accruals and other payables		225,603	307,684
Bank borrowings		381,659	333,833
Lease liabilities		4,496	3,329
Amount due to an associate		11,770	2,331
Amounts due to related companies		3,919	3,696
Current tax payable		121,898	99,077
		<hr/>	<hr/>
		<u>1,181,734</u>	<u>1,212,743</u>

	31 March 2025 \$'000	31 March 2024 \$'000
Non-current liabilities		
Bank borrowings	154,500	195,859
Loan from a controlling shareholder	100,000	—
Lease liabilities	16,871	276
Provision for long service payments	609	638
Deferred tax liabilities	208	201
	<u>272,188</u>	<u>196,974</u>
Total liabilities	<u>1,453,922</u>	<u>1,409,717</u>
Total equity and liabilities	<u>2,532,706</u>	<u>2,402,721</u>
Net current assets	<u>209,205</u>	<u>130,063</u>
Total assets less current liabilities	<u>1,350,972</u>	<u>1,189,978</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Revenue	7	3,231,329	2,915,981
Cost of revenue	8	<u>(2,759,253)</u>	<u>(2,545,842)</u>
Gross profit		472,076	370,139
Distribution and selling expenses	8	(27,436)	(22,556)
General and administrative expenses	8	(121,262)	(89,271)
Other net income	7	5,301	6,110
Net valuation losses on investment properties		<u>(43,653)</u>	<u>(36,050)</u>
Operating profit		285,026	228,372
Finance income		2,629	2,704
Finance costs		<u>(41,086)</u>	<u>(42,855)</u>
Finance cost, net	9	(38,457)	(40,151)
Share of profits/(losses) of associates		<u>1,007</u>	<u>(1,222)</u>
Profit before taxation		247,576	186,999
Income tax	10	<u>(43,095)</u>	<u>(17,340)</u>
Profit for the year		<u>204,481</u>	<u>169,659</u>
Profit attributable to equity shareholders of the Company		<u>204,481</u>	<u>169,659</u>
Earnings per share attributable to equity shareholders of the Company			
Basic earnings per share (HK cents)	11	<u>10.1</u>	<u>8.4</u>
Diluted earnings per share (HK cents)	11	<u>10.1</u>	<u>8.4</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	2025 \$'000	2024 \$'000
Profit for the year	204,481	169,659
Other comprehensive income for the year:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of provision for long service payments	129	213
Share of other comprehensive income of an associate	—	2,070
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of operations outside Hong Kong	12,658	(55,159)
Changes in fair value of other financial assets	127	103
Other comprehensive income/(loss) for the year	12,914	(52,773)
Total comprehensive income for the year	217,395	116,886
Total comprehensive income attributable to equity shareholders of the Company	217,395	116,886

NOTES:

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2025 but are extracted from those financial statements.

The Group's consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The consolidated financial statements for the year ended 31 March 2025 comprise the Group and its interest in associates. The measurement basis used in the preparation of the financial statements is the historical cost basis except for investment properties, other financial assets and employee benefit liabilities which have been measured at the lower of carrying amount and fair value less cost to sell.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended HKFRS Accounting Standards issued by the HKICPA to these financial statements for the current accounting period:

Amendments to HKAS 1, Presentation of financial statements	<i>Classification of liabilities as current or non-current</i>
Amendments to HKAS 1, Presentation of financial statements	<i>Non-current liabilities with covenants</i>
Amendments to HKFRS 16	<i>Leases — Lease liability in a sale and leaseback</i>
Amendments to HKAS 7, Statement of cash flows and HKFRS 7	<i>Financial instruments: Disclosures — Supplier finance arrangements</i>

The above developments do not have significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies. In addition, the Group has not adopted any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group's chief operating decision-maker (the "**Management**") reviews the Group's internal reports periodically in order to assess performance and allocate resources. The Management has determined the operating segments based on these reports.

The Group is organised on a worldwide basis into two (2024: two) major operating segments. They are (i) metal and plastic business and (ii) electronic manufacturing services business during the year ended 31 March 2025 and 2024.

The Management considers the business from both geographic and products and services perspectives. From a products and services perspective, the Management assesses the performance of metal and plastic business and electronic manufacturing services business. In addition, there is further evaluation on a geographic basis (Japan, Hong Kong, Mainland China, Asia (excluding Japan, Hong Kong and Mainland China), North America and Western Europe). The Management assesses the performance of the operating segments based on operating profit. Segment information provided to the Management for decision making is measured in a manner consistent with that in the financial statements.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit is defined as the operating profit generated from the reportable segment before finance income, finance cost, share of profits of associates and income tax expense with inter segment profit being excluded.

3. SEGMENT REPORTING (CONTINUED)

The segment results for the year ended 31 March 2025 are as follows:

	2025			
	Metal and plastic business \$'000	Electronic manufacturing services business \$'000	Others \$'000	Total \$'000
Segment revenue				
Revenue from external customers	2,027,028	1,204,282	19	3,231,329
Inter-segment revenue	13,640	—	—	13,640
Reportable segment revenue	<u>2,040,668</u>	<u>1,204,282</u>	<u>19</u>	<u>3,244,969</u>
Gross profit	429,463	42,612	1	472,076
Distribution and selling expenses and general and administrative expenses	(136,497)	(11,686)	(515)	(148,698)
Other net income	4,598	63	640	5,301
Net valuation loss on investment properties	—	—	(43,653)	(43,653)
Segment profit/(loss)	<u>297,564</u>	<u>30,989</u>	<u>(43,527)</u>	<u>285,026</u>
Segment profit includes:				
Depreciation and amortisation of property, plant and equipment	103,900	2,944	—	106,844
Amortisation of intangible assets	2,926	—	—	2,926
Write-down of obsolete and slow-moving inventories	10,111	303	—	10,414
Recognition of loss allowance for trade and bills receivables	<u>10,989</u>	<u>1,881</u>	<u>—</u>	<u>12,870</u>

3. SEGMENT REPORTING (CONTINUED)

The segment results for the year ended 31 March 2024 are as follows:

	2024			Total \$'000
	Metal and plastic business \$'000	Electronic manufacturing services business \$'000	Others \$'000	
Segment revenue				
Revenue from external customers	1,725,255	1,190,648	78	2,915,981
Inter-segment revenue	20,791	—	—	20,791
Reportable segment revenue	<u>1,746,046</u>	<u>1,190,648</u>	<u>78</u>	<u>2,936,772</u>
Gross profit	335,988	34,151	—	370,139
Distribution and selling expenses and general and administrative expenses	(102,216)	(10,058)	447	(111,827)
Other net income	5,035	435	640	6,110
Net valuation loss on investment properties	—	—	(36,050)	(36,050)
Segment profit/(loss)	<u>238,807</u>	<u>24,528</u>	<u>(34,963)</u>	<u>228,372</u>
Segment profit includes:				
Depreciation and amortisation of property, plant and equipment	85,556	3,560	37	89,153
Amortisation of intangible assets	1,656	—	—	1,656
Write-down/(reversal of write-down) of obsolete and slow-moving inventories	2,579	(1,231)	—	1,348
Recognition of loss allowance for trade and bills receivables	<u>4,333</u>	<u>199</u>	<u>—</u>	<u>4,532</u>

3. SEGMENT REPORTING (CONTINUED)

A reconciliation of segment profit to profit before taxation is provided as follows:

	2025	2024
	\$'000	\$'000
Operating profit	285,026	228,372
Finance income	2,629	2,704
Finance costs	(41,086)	(42,855)
Share of profits/(losses) of associates	1,007	(1,222)
Profit before taxation	247,576	186,999

The following table sets out information about the geographical location of (i) the Group's revenue and (ii) the Group's property, plant and equipment, investment properties, intangible assets and investments in associates (the "specified non-current assets"). The geographical location of revenue is based on the country in which the final destination of shipment is located or services are provided and properties are located. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, investment properties and the location of the operations to which they are allocated, in the case of intangible assets and investments in associates.

	The Group's revenue		Specified non-current assets	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	1,123,733	1,089,865	16,108	23,660
Japan	17,267	39,509	—	—
Mainland China	655,549	604,411	839,004	842,567
Asia (excluding Japan, Hong Kong and Mainland China)	264,931	221,396	176,929	142,289
North America	734,168	549,995	—	—
Western Europe	435,681	410,805	—	—
Sub-total	2,107,596	1,826,116	1,015,933	984,856
	3,231,329	2,915,981	1,032,041	1,008,516

The Group's customer base includes four (2024: four) customers with whom transactions have exceeded 10% of the Group's revenue. For the year ended 31 March 2025, the total revenue from sales of merchandise in the metal and plastic business and electronic manufacturing services business, including sales to entities which are known to the Group to be under common control with these customers, amounted to approximately \$2,814,531,000 (2024: \$2,630,416,000) and arose in all geographical regions in which the businesses are active.

The Group's sales are made primarily to a few key customers. For the year ended 31 March 2025, the revenue derived from five largest customers accounted for approximately 90% (2024: 92%) of the Group's total revenue.

4. TRADE AND BILLS RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 \$'000	2024 \$'000
Trade and bills receivables	641,070	626,341
Less: Loss allowance for trade and bills receivables	<u>(20,054)</u>	<u>(7,184)</u>
	621,016	619,157
Prepayments, deposits and other receivables	<u>149,406</u>	<u>82,862</u>
	770,422	702,019
Less: Other non-current assets (<i>Note</i>)	<u>(87,403)</u>	<u>(29,353)</u>
	<u>683,019</u>	<u>672,666</u>

Representing:

Trade and bills receivables, net of allowance	621,016	619,157
Prepayments, deposits and other receivables	<u>62,003</u>	<u>53,509</u>
	<u>683,019</u>	<u>672,666</u>
Other non-current assets	<u>87,403</u>	<u>29,353</u>

Note: Other non-current assets represent deposits paid for the purchase of property, plant and equipment and intangible assets amounted to approximately \$87,403,000 (2024: \$29,353,000).

The Group generally grants credit periods ranging from 30 to 90 days, except for six (2024: six) of the customers who were granted credit periods over 90 days. An ageing analysis of trade and bills receivables, based on invoice date, is as follows:

	2025 \$'000	2024 \$'000
0 to 90 days	584,882	599,932
91 to 180 days	36,846	24,886
181 to 360 days	18,849	1,518
Over 360 days	<u>493</u>	<u>5</u>
	<u>641,070</u>	<u>626,341</u>

5. CASH AND BANK DEPOSITS

	2025	2024
	\$'000	\$'000
Cash at bank and in hand	118,515	91,274
Deposits with banks with 3 months or less to maturity when placed	<u>72,662</u>	<u>58,144</u>
Cash and cash equivalents in the consolidated cash flow statement	<u><u>191,177</u></u>	<u><u>149,418</u></u>

Notes:

The bank balances of RMB20,997,000 (equivalent to \$22,677,000) and RMB28,549,000 (equivalent to \$30,833,000) as at 31 March 2025 and 2024, respectively, placed with banks in Mainland China are subject to relevant rules and regulations of foreign exchange control promulgated by the People's Republic of China (the "PRC") Government.

6. TRADE PAYABLES

Trade payables ageing analysis, based on invoice date, is as follows:

	2025	2024
	\$'000	\$'000
0 to 90 days	387,796	416,208
91 to 180 days	42,132	42,881
181 to 360 days	1,839	3,378
Over 360 days	<u>622</u>	<u>326</u>
	<u><u>432,389</u></u>	<u><u>462,793</u></u>

7. REVENUE, OTHER NET INCOME

	2025	2024
	\$'000	\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of merchandise		
— Metal and plastic business	2,027,028	1,725,255
— Electronic manufacturing services business	1,204,282	1,190,648
— Others	19	78
	<u>3,231,329</u>	<u>2,915,981</u>
Other net income:		
Fixed rental income	2,385	2,619
Gain on disposal of property, plant and equipment	204	131
Government grants received	1,349	2,033
Others	1,363	1,327
	<u>5,301</u>	<u>6,110</u>

8. EXPENSES BY NATURE

	2025	2024
	\$'000	\$'000
Cost of materials	2,307,931	2,137,094
Depreciation and amortisation of property, plant and equipment	106,844	89,153
Amortisation of intangible assets	2,926	1,656
Employee benefit expenses (including directors' remuneration)	395,360	358,426
Rental expenses of short-term leases	7,908	8,010
Net exchange gain/(loss)	5,974	(1,828)
Auditors' remuneration	3,417	3,350
Recognition of loss allowance for trade and bills receivables	12,870	4,532
Write-down of obsolete and slow-moving inventories	10,414	1,348
Other expenses	54,307	55,928
	<u>2,907,951</u>	<u>2,657,669</u>
Representing:		
Cost of revenue	2,759,253	2,545,842
Distribution and selling expenses	27,436	22,556
General and administrative expenses	121,262	89,271
	<u>2,907,951</u>	<u>2,657,669</u>

9. FINANCE COST, NET

	2025	2024
	\$'000	\$'000
Finance costs		
— Interest expenses from financial liabilities measured at amortised cost	40,088	44,463
— Interest expenses on lease liabilities	998	343
Less: interest expenses capitalised into property, plant and equipment (<i>Note</i>)	—	(1,951)
	<u>41,086</u>	<u>42,855</u>
Finance income		
— Interest income from financial assets measured at amortised cost	(2,240)	(2,323)
— Other interest income from financial assets measured at fair value through other comprehensive income (recycling)	(389)	(381)
	<u>(2,629)</u>	<u>(2,704)</u>
Finance cost, net	<u><u>38,457</u></u>	<u><u>40,151</u></u>

Note: The borrowing costs had been capitalised at a rate of 5.79% per annum for the year ended 31 March 2024.

10. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The amount of taxation charged to consolidated statement of profit or loss represents:

	2025	2024
	\$'000	\$'000
Current taxation		
Hong Kong Profits Tax		
— Current year	27,625	16,348
— Under provision in prior years	3,568	3,011
PRC taxes		
— Corporate income tax	11,657	(5,898)
Deferred taxation	245	3,879
	43,095	17,340

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year for all Group companies incorporated in Hong Kong.

The Group's operations in the PRC are subject to Corporate Income Tax Law of the PRC at the standard tax rate of 25% (2024: 25%), except for two PRC subsidiaries of the Group was rewarded with Certificate of High and New Technology Enterprise and entitled to a tax reduction from 25% to 15%. The entitlement is subject to review every three years.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by weighted average number of ordinary shares in issue after adjusting the potential dilutive effect of the outstanding options during the year.

	2025	2024
Profit attributable to equity shareholders of the Company (\$'000)	204,481	169,659
Allocation of profit attributable to unvested shares held for share award plan (\$'000)	<u>(385)</u>	<u>—</u>
Profit attributable to equity shareholders of the Company (adjusted) (\$'000)	<u><u>204,096</u></u>	<u><u>169,659</u></u>
Weighted average number of ordinary shares in issue (in thousand shares)	2,021,459	2,021,459
Effect of shares purchased under the share award plan (in thousand shares)	<u>(5,232)</u>	<u>—</u>
Weighted average number of ordinary shares in issue (in thousand shares)	2,016,227	2,021,459
Effect of outstanding share options	<u>99</u>	<u>—</u>
Weighted average number of ordinary shares (diluted) in issue (in thousand shares)	<u><u>2,016,326</u></u>	<u><u>2,021,459</u></u>
Basic earnings per share (HK cents)	<u><u>10.1</u></u>	<u><u>8.4</u></u>
Diluted earnings per share (HK cents)	<u><u>10.1</u></u>	<u><u>8.4</u></u>

12. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2025	2024
	\$'000	\$'000
Interim dividend declared and paid of HK2.5 cents per ordinary share (2024: HK1.5 cents per ordinary share)	50,536	30,322
Final dividend proposed after the end of the reporting period of HK3.0 cents per ordinary share (2024: HK4.0 cents per ordinary share)	60,633	80,858
	111,169	111,180

The final dividend proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025	2024
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK4.0 cents per ordinary share (2024: HK1.5 cents per ordinary share)	80,858	30,322

PRINCIPAL ACTIVITIES AND RESULTS

For the year ended 31 March 2025, the Group was principally engaged in:

- Metal and Plastic Business (“**M&P**”): providing mechanical engineering solutions, manufacturing and sales of metal and plastic parts, mainly including moulds and the relevant plastic and metal parts products for information and communication technology industry, etc.; and
- Electronic Manufacturing Services Business (“**EMS**”): manufacturing and sales of magnetic tape data storage, point-of-sale system, and other computer peripherals, etc.

(I) Business Review

I. Results

- (a) For the year ended 31 March 2025, the revenue of the Group from was HK\$3,231,329,000, representing an increase of approximately 11% as compared to last year (for the year ended 31 March 2024: HK\$2,915,981,000). Profit attributable to the equity shareholders of the Company amounted to HK\$204,481,000 (for the year ended 31 March 2024: HK\$169,659,000), which increased by approximately 21% as compared to last year. Increment for the year ended 31 March 2025 was mainly attributable to the rapid expansion of the application of generative artificial intelligence (“**AI**”), which drove the significant increase in demand for highly efficient servers around the world. Certain new generation server orders of the Group have proceeded to mass production, driving the economy of scale and promoting the overall gross profit and profitability. Meanwhile, operation of our plant in Thailand is becoming more sophisticated and its production process is efficient and stable. Together with the increase in client orders, the effects of production expansion are gradually materializing and bring positive contribution to the Group during the year. In addition, the Group successfully expanded product orders beyond servers, including rack parts, network exchanger casings, electric vehicle charger station casings, which in turn diversified our revenue sources.
- (b) The revenue of M&P for the year ended 31 March 2025 was HK\$2,027,028,000 (for the year ended 31 March 2024: HK\$1,725,255,000), representing a year-on-year growth of approximately 17%. Benefited from the steady increase in orders for server casings and moulds as well as the increased demand for large charger station casings products, the overall revenue was boosted.

- (c) The revenue of EMS for the year ended 31 March 2025 increased by approximately 1% to HK\$1,204,282,000 as compared to last year (for the year ended 31 March 2024: HK\$1,190,648,000). Its performance was fairly stable during the year.
- (d) During the Year, the global market paid close attention to the changes of Sino-US trade situation. Although the US government announced additional reciprocal tariffs on goods of the PRC during the year, goods of the Group that were directly exported to the US and subject to tariffs accounted for only approximately 1% of our total revenue of the Year. The short-term effects were minimal. The Group has continued to stay highly alert for potential risks and constantly evaluate and deploy corresponding strategies, and actively enhanced the flexibility of the supply chain and business adaptability to promote overall operational resilience. For details, please refer to the voluntary announcement of the Company dated 7 April 2025.
- (e) The production plant of the Group located at Amata City, Chonburi, Industrial Estate Thailand continued to expand during the Year with smooth operation and steady increase in production capacity. Along with the new orders of the main supply data center, the overall increment in orders was satisfying. In order to cope with long-term development, the Group acquired 3 parcels of land in Amata Industrial Estate with a total area of approximately 70,000 square meter in January 2025. The total consideration amounted to approximately HK\$115,366,000. The Group planned to build an one-stop production base which consisted all functions including moulds development, stamping dies, plastic injection, spray-painting, computer numerical control and assembly, to further optimize its global production capacity configuration and lay a solid foundation for its future business development. For details, please refer to the announcement of the Company dated 10 January 2025.

Before the new production plant is completed, the Group has rented a temporary factory nearby. A mould department and plastic injection line will be setup and the storage of the existing plant will be relocated to the new plant in order to release space for the additional stamping dies equipment and capacity. Leveraging on the aforementioned configuration, the Group will be able to rapidly respond to customers' needs, provide comprehensive rack product production solutions in a flexible and highly efficient manner, so as to further materialize the synergy and complementarity between the production lines of the PRC and Thailand.

In addition, while inheriting the management system of the production plant in the PRC, the Group actively implemented localized management structure in Thailand, continued to build highly efficient management and engineering project team, promote local talent cultivation and formulate a management system that fits the local culture. Meanwhile, the Group also introduced automated equipment to reduce the dependence on manpower in case of increment of new orders, enhance overall production flexibility and further promote the instant capability to respond to the needs of international clients.

- (f) In terms of the production plants in the PRC, the core base located in Yuquan, Dongguan continued to act as the main production site of the Group. In order to cope with the expansion of our servers business, the Group has expanded its B6 comprehensive production building, to consolidate the large-scale stamping dies and storage functions, with an aim to efficiently support server casings production with various specifications and cope with the need for rapid delivery from local and international customers. We also constantly enhanced intelligent production capability of our production plants, optimized team management and production synergy, and maintained steady production capacity and quality.
- (g) In order to get familiar with the market and customers, the Group actively consolidated and reorganized sales, production and engineering R&D teams among the PRC, the US and Taiwan to strengthen local marketing and technical support capability in a comprehensive manner. In terms of product R&D, we further strengthened the integrated design and process development capabilities of the “New Product Technology Development Department” and “R&D Engineering Center”, promoting automated, intelligent and energy saving production. At the same time, we continued to promote the vision and adaptability to industry trends of the middle and senior management team by ways of internal training program.
- (h) During the Year, various major projects achieved mass production and were properly delivered. In addition to consolidating the existing customer base, the Group also explored many new customers with potentials in the PRC market. Benefited from the positive sentiments towards the AI server market, orders of related moulds, casings and structural parts continued to increase, product lines such as network equipment, electric vehicle charging infrastructure and smart terminals were also gradually achieving mass production, with the overall product portfolio becoming more diversified.
- (i) The Group has been publishing sustainability report (the “**Report**”) since its listing in 1996 and separate publication had already been accomplished. We have established a systematic Environmental, Social and Governance (ESG) management structure. Report covers aspects including environmental protection, energy efficiency, employees cultivation, supply chain monitoring, community involvement and corporate governance. It has also incorporated climate risks and performance indicators to promote corporate sustainability development. For details, please refer to the Sustainability Report to be published in July 2025.

Conclusion

The current global political and economic condition are rapidly changing. Geopolitical conflicts and trade policy adjustments have made the supply chain even more uncertain and industry competition increasingly intense. In the face of multiple challenges, the Group will adhere to the following core strategies:

With one Heart: Adhering to the strategic goals predetermined by the Board, work together, create consensus, progress steadily, and explore new prospects;

At Light Speed: Rapidly respond to customers' needs and market changes, leverage on the flexible and highly efficient operating system, and provide appropriate production solutions; and

Turning the Tide: Continue to promote product diversification, market diversification and internationalization of production capacity with entrepreneurial spirit, reduce dependence on a single market, product and customer, and create a growth momentum for the Group in the next phrase.

The Group will continue to serve its customers with the spirit of professionalism, reliability and innovation, and strive to achieve the win-win goal of “return for customer and benefits for the Company”, strengthen customer trust and enhance market competitiveness.

(II) Dividend Policy

In accordance with the existing dividend policy, which outlines the factors that should be taken into account in determining the amount of dividend for distribution, such as the profit attributable to equity shareholders of the Company, cash flow and investment budgets. After careful consideration of the aforementioned factors, and for the purpose of maintaining the track record of consecutive annual payment of dividends since the Company's listing, the Board has recommended the payment of a final dividend of HK3.0 cents per share to all the shareholders whose names appear on the register of members of the Company on 12 September 2025.

(III) Geographical Distribution

The Group has adopted a diversified approach in product delivery to reduce its reliance on one single market. Details of the Group's geographical distribution are set out in the paragraphs headed “Segment Reporting” in Note 3 to the consolidated results of the Group in this announcement.

(IV) Prospects

Looking forward, AI servers and charging stations related products are expected to be the main business drivers of the Group. Along with constant enhancement of localized sales team and production efficiency, the Group will actively explore new customers and new products to broaden its business foundation. In terms of additional reciprocal tariffs by different countries, the Group will closely monitor development on policies, make timely arrangements based on actual circumstances to reduce the potential impacts on its business and operations.

The complete construction of our plant in Thailand will remain as one of the Group's key strategies of future development. Against the backdrop of uncertain global trade condition, the Group will replicate the mature operating structure of its PRC plants to further expand the production capacity in Thailand, optimize the one-stop production capabilities from moulds, stamping dies, plastic injection to assembly, and enhance the flexibility and scale of local manufacturing of different products. The synergies between PRC and Thailand production lines will further strengthen the resilience and adaptability of the Group's global supply chains. Meanwhile, the Group will continue to strengthen local management and execution team in Thailand to ensure a robust and efficient operating system. In terms of the production base in the PRC, it will continue to act as a pivotal role, focusing on improving scheduled production efficiency and quality stability to maintain the balance and competitiveness of the overall production layout of the Group.

The global economy and market environment remain volatile. The Group will respond flexibly to external changes, respond quickly to customer needs, continuously improve its process and technical capabilities, explore new customers and products area with potential, and attach importance to the training and development of professional talents to comprehensively consolidate its competitive advantages.

In order to seize the market opportunities brought by the rapid development of artificial intelligence and data center applications, the Group has completed the preparation of the next-generation AI servers prototype and strives to offer it to the preferred list of major customers of the Group as soon as possible. Meanwhile, the Group has also provided server products equipped with air cooling and water cooling configurations to existing customers to satisfy their diverse needs. In order to cope with possible changes in production capacity allocation in the future, the Group is also actively exploring new customers in the PRC to enhance the flexible allocation of production capacity between the PRC and Thailand. In terms of product diversification strategies, the Group continues to deploy resources in R&D and expand its server peripheral product line, including cabinets, racks, rails and other system components, and actively promotes the development of water cooling systems and the application of new materials to further enhance its overall solution capabilities.

In addition, the Group has gradually introduced AI technology into inventory management, logistics scheduling and automated production processes, and continued to promote cost reduction and efficiency improvement. In terms of financial management, the Group will continue to adhere to the principle of prudent financial management, maintain steady cash flow and healthy debt ratio, flexibly allocate resources, monitor operational risks, enhance corporate resilience, and steadily respond to the complex and changing operating environment.

FINANCIAL RESOURCES

Borrowings

The net interest-bearing borrowings# as at 31 March 2025 were approximately HK\$466,349,000 and the net interest-bearing borrowings ratio (being the proportion of total net interest-bearing borrowings over total equity) was 43% (as at 31 March 2024: net interest-bearing borrowings were approximately HK\$383,879,000 and net interest-bearing borrowings ratio was approximately 39%).

As at 31 March 2025 and 31 March 2024, the Company and the Group's subsidiaries provide cross guarantee for certain banking facilities and borrowings. The financial position of the Group remains healthy.

Net interest-bearing borrowings represents bank borrowings, lease liabilities and loan from a controlling shareholder less cash and bank deposits.

Non-current Assets to Shareholders' Fund Ratio

The non-current assets to total equity ratio as at 31 March 2025 maintained at the healthy level of 106% (as at 31 March 2024: 107%), which represents that most of the Group's non-current assets, such as plant and machineries are supported by the stable total equity of the Group.

Capital Expenditure ("CAPEX")

As at the date of this announcement, the initial estimate of the CAPEX budget for the financial year 2025/26 is approximately HK\$114,561,000. The CAPEX was mainly used for construction of factory, acquiring machinery and equipment and computer system for the year ended 31 March 2025.

Resources Available

Currently, the total interest-bearing bank borrowings are approximately HK\$536,159,000. The Group is confident that with the cash in hand and bank deposits of approximately HK\$191,177,000 and the unutilised banking facilities of approximately HK\$853,675,000, it is able to meet its current operational and capital expenditure requirements and to make strategic investments when opportunities arise.

Exchange Rate Exposure

Most of the Group's assets, liabilities and transactions are denominated in Hong Kong dollars, United States dollar and Renminbi (“**RMB**”). Foreign currency risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency other than the Group's functional currency, which in turn exerts pressure on the Group's production cost. To mitigate the impact of exchange rate fluctuation of RMB on its business, the Group will actively communicate with its customers in order to adjust the selling prices of its products and may use foreign exchange forward contracts to hedge against foreign currency risk (if and when necessary).

Contingent Liabilities

As at 31 March 2025, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

The Group had approximately 3,650 employees on average (an average of 3,400 employees in the corresponding period last year) during the year. With a good reputation in the local community, the Group has rarely encountered major difficulties in recruiting employees.

Employee remuneration packages are determined in accordance with prevailing market standards and the employee's performance and experience. The Group will also grant bonuses to employees with outstanding performance based on its own audited business performance and the appraisal and reward system. Other employee benefits include medical insurance and mandatory provident fund.

In addition, to cope with domestic development in Mainland China and the actual need for talent retention, the Group establishes a “Cooperative Home” to encourage and finance potential elites settled down locally in buying a flat as a means to retain talents who may otherwise be lost in the competitive labour market.

Performance Based Incentives

The Group adopted performance based bonus system and objective performance assessment. Employees with outstanding performance will now receive more bonus than before the new system was implemented.

DIVIDEND

The Board has recommended to pay a final dividend of HK3.0 cents per share (2023/24 final dividend: HK4.0 cents per share), to shareholders whose names appear on the register of members of the Company on 12 September 2025. Together with the interim dividend of HK2.5 cents per share (2023/24 interim dividend: HK1.5 cents per share), total dividend paid/payable for this year amounted to HK5.5 cents per share (2023/24: HK5.5 cents per share). The final dividend will be subject to the approval of the shareholders of the Company at the forthcoming annual general meeting (the “AGM”) of the Company to be held on 5 September 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining the entitlement to attend and vote at the AGM to be held on Friday, 5 September 2025, the register of members of the Company will be closed from Monday, 1 September 2025 to Friday, 5 September 2025 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 29 August 2025.

Assuming that the final dividend is approved by the shareholders of the Company at the AGM, for the purposes of ascertaining the entitlement to the final dividend, the register of members of the Company will be closed from Thursday, 11 September 2025 to Friday, 12 September 2025 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 10 September 2025. It is expected that the final dividend will be payable and issued to those entitled on or around Tuesday, 30 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company repurchased a total of 346,000 shares on the Stock Exchange during the year ended 31 March 2025 at an aggregate consideration paid of HK\$265,320 and these shares were held by the Company as treasury shares. Details of these transactions are as follows:

Month/year	Number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate consideration (HK\$)
December 2024	<u>346,000</u>	0.77	0.76	<u>265,322</u>
	<u><u>346,000</u></u>			<u><u>265,322</u></u>

Save as disclosed above, the Company has not redeemed any of its shares during the year and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 March 2025.

CORPORATE GOVERNANCE

The Company is committed to achieving the highest standards of corporate governance. Throughout the year ended 31 March 2025, the Board is of the view that the Company had applied the principles and complied with the applicable requirements set out in the Corporate Governance Code (the "CG Code") in Appendix C1 to the Listing Rules, except the following:

Code Provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Company's bye-laws, at each annual general meeting, one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, the number nearest to one-third but not greater than one-third shall retire from office provided that notwithstanding anything in the Company's bye-laws, the chairman of the Directors and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Furthermore, any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next following annual general meeting and would then be eligible for re-election. The chairman and/or the managing director of the Group will consider to voluntarily retire at the annual general meeting at least once every three years in line with Code Provision B.2.2 of the CG Code. As such, the Company considers that sufficient measures have been taken to ensure good corporate governance of the Company.

Moreover, Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not segregate the roles of its chairman and chief executive officer and Mr. Ho Cheuk Fai (“**Mr. Ho**”) currently holds both positions.

Being the founder of the Group, Mr. Ho has substantial experience in the manufacturing industry, as well as in the property development and cultural related business. At the same time, Mr. Ho has the appropriate management skills and business acumen that are the prerequisites for assuming the role of the chief executive officer of the Company. The Board believes that vesting the roles of both the chairman and the chief executive officer of the Company in the same person would provide the Group with strong and consistent leadership and allow the Group to be more effective and efficient in developing long-term business strategies and executing business plans. Hence, the Board considers that there is no need to segregate the roles of the chairman and the chief executive officer of the Company and both roles should continue to be performed by Mr. Ho. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high calibre individuals with a sufficient number thereof independent non-executive Directors.

AUDIT COMMITTEE

The Company has established an audit committee currently made up of three independent nonexecutive Directors whose duties include resolving issues in relation to audit such as reviewing and supervising the Company’s financial reporting process and internal control systems. The audit committee of the Board (the “**Audit Committee**”) and the management have reviewed the accounting principles and major policies adopted by the Group and have discussed the auditing, internal control and financial reporting in the current year with the external auditors. The Audit Committee has reviewed the consolidated annual results of the Group for the year ended 31 March 2025.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and its annual results for the year ended 31 March 2025. The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary results announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by KPMG 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 assurance has been expressed by KPMG on the preliminary results announcement.

APPRECIATION

We would like to thank our customers, suppliers, bankers, shareholders and others who have extended their invaluable support to the Group, and my fellow Directors, managers and all staff for their considerable contributions to the Group.

By Order of the Board
Karrie International Holdings Limited
Ho Cheuk Fai
Chairman

Hong Kong, 25 June 2025

As at the date of this announcement, the executive Directors are Mr. Ho Cheuk Fai, Ms. Chan Ming Mui, Silvia, Mr. Zhao Kai, Mr. Chan Raymond and Mr. Ho Wai Hon, Brian; and the independent non-executive Directors are Mr. Fong Hoi Shing, Dr. Lau Kin Wah and Mr. Lam Yin Shing, Donald.

* *For identification purpose only*