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## ASIA COMMERCIAL HOLDINGS LIMITED

冠亞商業集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 104)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2025

#### FINANCIAL HIGHLIGHTS

	<b>2025</b> <i>HK\$ million</i>	2024 <i>HK\$ million</i>	<b>Change</b> %
<b>Operations</b>			
Revenue	<b>709</b>	705	<b>1</b>
Profit attributable to owners of the Company	<b>24</b>	26	<b>(8)</b>
Earnings per share – Basic	<b>3.27 HK cents</b>	3.51 HK cents	<b>(7)</b>
Final dividend proposed after the end of the reporting period	<b>20</b>	26	<b>(23)</b>
	<b>2025</b> <i>HK\$ million</i>	2024 <i>HK\$ million</i>	<b>Change</b> %
<b>Financial position</b>			
Total assets	<b>713</b>	773	<b>(8)</b>
Equity attributable to owners of the Company	<b>442</b>	445	<b>(1)</b>

The Board of Directors (the “Board”) of Asia Commercial Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2025 together with the comparative figures for 2024. The financial information set out in this announcement does not constitute the Group’s statutory financial statements for the year ended 31st March 2025 but represents an extract from those financial statements. The financial information has been reviewed by the Company’s audit committee.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31st March*

	<i>Notes</i>	<b>2025</b> <i>HK\$’000</i>	2024 <i>HK\$’000</i>
<b>Revenue</b>	2	<b>709,373</b>	705,403
Cost of sales and services rendered		<u>(476,865)</u>	<u>(471,038)</u>
<b>Gross profit</b>		<b>232,508</b>	234,365
Other revenue	2	<b>5,066</b>	4,834
Other net gains/(losses)	2	<b>7,876</b>	(179)
Fair value losses on investment properties, net		<b>(37,241)</b>	(31,731)
Distribution costs		<b>(99,346)</b>	(100,436)
Administrative expenses		<b>(34,839)</b>	(30,768)
Impairment loss recognised on right-of-use assets		<b>(3,036)</b>	–
Impairment loss recognised on trade and other receivables	4(c)	<b>(1,282)</b>	(413)
Finance costs	4(a)	<u><b>(9,102)</b></u>	<u>(10,578)</u>
<b>Profit before taxation</b>	4	<b>60,604</b>	65,094
Income tax	5	<u><b>(36,140)</b></u>	<u>(38,893)</u>
<b>Profit for the year</b>		<u><b>24,464</b></u>	<u>26,201</u>
<b>Attributable to:</b>			
Owners of the Company		<b>24,465</b>	26,202
Non-controlling interests		<u><b>(1)</b></u>	<u>(1)</u>
		<u><b>24,464</b></u>	<u>26,201</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings per share</b>	7		
Basic and diluted		<u><b>3.27</b></u>	<u>3.51</u>

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

*For the year ended 31st March*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<b>24,464</b>	26,201
<b>Other comprehensive loss for the year</b>		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(1,013)	(7,347)
Total other comprehensive loss for the year, net of nil tax	(1,013)	(7,347)
<b>Total comprehensive income for the year</b>	<b>23,451</b>	18,854
<b>Total comprehensive income for the year attributable to:</b>		
Owners of the Company	23,452	18,855
Non-controlling interests	(1)	(1)
	<b>23,451</b>	18,854

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31st March*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>44,018</b>	67,765
Investment properties		<b>310,207</b>	338,596
Deposits and other receivables	8	<b>3,134</b>	4,306
Financial assets at fair value through profit or loss		<b>7,498</b>	7,487
Equity instrument at fair value through other comprehensive income		<b>3,025</b>	3,043
Deferred tax assets		<b>–</b>	2,418
		<b>367,882</b>	423,615
<b>Current assets</b>			
Inventories		<b>100,850</b>	105,643
Trade and other receivables	8	<b>64,924</b>	78,391
Trading securities		<b>15</b>	16
Short-term bank deposit		<b>5,338</b>	–
Cash and cash equivalents		<b>173,968</b>	164,940
		<b>345,095</b>	348,990
<b>Current liabilities</b>			
Trade and other payables	9	<b>75,210</b>	80,382
Contract liabilities		<b>436</b>	1,127
Bank loans		<b>134,320</b>	158,840
Income tax payable		<b>13,159</b>	15,139
Lease liabilities		<b>17,368</b>	20,955
		<b>240,493</b>	276,443
<b>Net current assets</b>		<b>104,602</b>	72,547
<b>Total assets less current liabilities</b>		<b>472,484</b>	496,162

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Rental deposits received and receipt in advance	9	<b>2,704</b>	2,659
Deferred tax liabilities		<b>14,010</b>	23,125
Lease liabilities		<b>13,802</b>	25,861
		<u><b>30,516</b></u>	<u>51,645</u>
<b>Net assets</b>		<u><b>441,968</b></u>	<u>444,517</u>
<b>Capital and reserves</b>			
Share capital		<b>149,424</b>	149,424
Reserves		<b>292,549</b>	295,097
<b>Equity attributable to owners of the Company</b>		<b>441,973</b>	444,521
<b>Non-controlling interests</b>		<u>(5)</u>	<u>(4)</u>
<b>Total equity</b>		<u><b>441,968</b></u>	<u>444,517</u>

Notes:

## 1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which included all Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies information adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards which are mandatorily effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on the 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.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31st March 2025 incorporate the financial statements of the Company and its subsidiaries (together referred to as the “Group”).

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment property, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest; and
- investments in equity securities and club debentures.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amount of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) **Application of amendments to HKFRS Accounting Standards**

The Group has applied the following amendments to HKFRSs and HKAS issued by the HKICPA for the first time in the current year:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The application of the amendments to HKFRSs and HKAS 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.

The Group has not applied any new or amendments to HKFRS Accounting Standards that are not yet effective for the current year.

**2. REVENUE, OTHER REVENUE AND OTHER NET GAINS/(LOSSES)**

**Revenue**

Revenue represents (i) the gross proceeds received and receivable derived from the sale of watches, less the value added tax, other sales taxes and trade discounts and (ii) rental income from property leasing.

For sales of watches, revenue is recognised when control of the goods has transferred, being at the point the customer purchased the goods at the retail shops, including those sales through department stores and on consignment. Retail sales are normally settled in cash or credit cards with the settlement from the corresponding banks or other financial institutions within 3 days. Payment of the transaction price is due immediately at the point the customer purchases the goods. A credit period of not more than 90 days is granted to department stores and consignees who receive the payment on behalf of the Group.

All sales contracts are for periods of one year or less. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of watches	698,975	696,162
– Service income	1,167	946
	<u>700,142</u>	<u>697,108</u>
Revenue from other sources	700,142	697,108
– Rental income from investment properties	9,231	8,295
	<u>709,373</u>	<u>705,403</u>

**Other Revenue**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income on financial assets measured at amortised cost	1,975	2,555
Advertising income	367	494
Customer services income and others	2,724	1,785
	<u>5,066</u>	<u>4,834</u>

**Other Net Gains/(Losses)**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net realised and unrealised loss on trading securities	(1)	(8)
Net loss on disposal of investment properties	–	(120)
Fair value gain/(loss) on financial assets at fair value through profit or loss (“FVPL”)	11	(67)
Loss on write off of property, plant and equipment	(70)	–
Gain on lease modification	248	–
Write off of inventories	(17)	–
Government subsidies	6,555	10
Others	1,150	6
	<u>7,876</u>	<u>(179)</u>

### **3. SEGMENT REPORTING**

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the chief operating decision makers (“CODM”) for the purposes of resource allocations and performance assessment. The Group has identified two reportable segments: (i) sales of watches and (ii) properties leasing. No operating segments have been aggregated to form these reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policy information of the reportable segments are the same as the Group’s material accounting policy information described in notes to the consolidated financial statements. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs and corporate costs which cannot be meaningfully allocated to individual segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

All assets are allocated to reportable segments other than deferred tax assets and other corporate assets.

All liabilities are allocated to reportable segments other than income tax payable, deferred tax liabilities and borrowings not attributable to individual segments and other corporate liabilities.

The following is an analysis of the Group's revenue, results, assets and liabilities by operating segment:

	2025				
	Sales of watches HK\$'000	Property leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition					
Point in time	698,975	-	698,975	-	698,975
Over time	-	9,231	9,231	1,167	10,398
External revenue ( <i>Note</i> )	<u>698,975</u>	<u>9,231</u>	<u>708,206</u>	<u>1,167</u>	<u>709,373</u>
Operating profit/(loss)	104,277	(254)	104,023	(6,927)	97,096
Fair value losses on investment properties, net	-	(37,241)	(37,241)	-	(37,241)
Interest income	1,709	-	1,709	266	1,975
Other net gains/(losses)	7,423	32	7,455	421	7,876
Finance costs	(8,225)	(877)	(9,102)	-	(9,102)
Segmental results	<u>105,184</u>	<u>(38,340)</u>	<u>66,844</u>	<u>(6,240)</u>	<u>60,604</u>
Income tax					(36,140)
Profit for the year					<u>24,464</u>
Write-down of inventories, net	(2,578)	-	(2,578)	-	(2,578)
Net realised and unrealised loss on trading securities	-	-	-	(1)	(1)
Impairment loss reversed on trade receivables	473	-	473	-	473
Impairment loss recognised on other receivables	-	-	-	(1,755)	(1,755)
Depreciation	(26,171)	(103)	(26,274)	(13)	(26,287)
Segment assets	<u>378,809</u>	<u>320,811</u>	<u>699,620</u>	<u>5,859</u>	<u>705,479</u>
Financial assets at fair value through profit or loss					7,498
Total assets					<u>712,977</u>
Additions to non-current segment assets during the reporting period	<u>6,053</u>	<u>8,576</u>	<u>14,629</u>	<u>-</u>	<u>14,629</u>
Segment liabilities	<u>214,861</u>	<u>23,878</u>	<u>238,739</u>	<u>5,101</u>	<u>243,840</u>
Income tax payable					13,159
Deferred tax liabilities					<u>14,010</u>
Total liabilities					<u>271,009</u>

*Note:* There were no inter-segment sales during the year ended 31st March 2025.

	2024				
	Sales of watches HK\$'000	Property leasing HK\$'000	Segmental total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition					
Point in time	696,162	–	696,162	–	696,162
Over time	–	8,295	8,295	946	9,241
External revenue ( <i>Note</i> )	<u>696,162</u>	<u>8,295</u>	<u>704,457</u>	<u>946</u>	<u>705,403</u>
Operating profit/(loss)	111,637	(1,149)	110,488	(5,461)	105,027
Fair value losses on investment properties, net	–	(31,731)	(31,731)	–	(31,731)
Interest income	2,204	–	2,204	351	2,555
Other net (losses)/gains	12	3	15	(194)	(179)
Finance costs	(9,622)	(956)	(10,578)	–	(10,578)
Segmental results	<u>104,231</u>	<u>(33,833)</u>	<u>70,398</u>	<u>(5,304)</u>	<u>65,094</u>
Income tax					<u>(38,893)</u>
Profit for the year					<u>26,201</u>
Reversal of write-down of inventories, net	1,400	–	1,400	–	1,400
Net realised and unrealised loss on trading securities	–	–	–	(8)	(8)
Impairment loss (recognised)/reversed on trade receivables	(254)	–	(254)	3	(251)
Impairment loss recognised on other receivables	–	–	–	(162)	(162)
Depreciation	(29,596)	(210)	(29,806)	(16)	(29,822)
Segment assets	<u>406,117</u>	<u>349,728</u>	<u>755,845</u>	<u>6,855</u>	<u>762,700</u>
Financial assets at fair value through profit or loss					7,487
Deferred tax assets					<u>2,418</u>
Total assets					<u>772,605</u>
Additions to non-current segment assets during the reporting period	<u>18,627</u>	<u>10,322</u>	<u>28,949</u>	<u>–</u>	<u>28,949</u>
Segment liabilities	<u>260,330</u>	<u>24,280</u>	<u>284,610</u>	<u>5,214</u>	<u>289,824</u>
Income tax payable					15,139
Deferred tax liabilities					<u>23,125</u>
Total liabilities					<u>328,088</u>

*Note:* There were no inter-segment sales during the year ended 31st March 2024.

	Revenues from external customers		Non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	<b>696,218</b>	693,077	<b>34,328</b>	57,317
Hong Kong (place of domicile)	<b>12,100</b>	10,957	<b>189,810</b>	228,333
Switzerland	<b>1,055</b>	1,369	<b>18,744</b>	18,863
United Kingdom	–	–	<b>111,343</b>	106,154
	<b>709,373</b>	705,403	<b>354,225</b>	410,667

#### Information about major customers

For the year ended 31st March 2025 and 2024, no revenue from a single external customer contributed 10% or more of the total revenue of the Group.

#### 4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

##### (a) Finance costs

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	<b>7,179</b>	8,260
Interest on lease liabilities	<b>1,923</b>	2,318
Total interest expenses on financial liabilities not at fair value through profit or loss	<b>9,102</b>	10,578

(b) **Employee benefits expenses (including directors' emoluments)**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries, wages and other benefits (including directors' fee and emoluments)	52,721	48,664
Retirement benefits scheme contribution	3,694	3,637
	<u>56,415</u>	<u>52,301</u>

(c) **Other items**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Rental receivable from investment properties less direct outgoings of HK\$185,000 (2024: HK\$328,000)	(9,046)	(7,967)
Net exchange loss	1,037	678
Auditors' remuneration		
– Audit services	1,200	1,200
– Other services	375	355
Depreciation		
– Owned property, plant and equipment	5,702	8,016
– Right-of-use assets	20,585	21,806
	26,287	29,822
Write down/(reversal of write-down) of inventories	2,578	(1,400)
Impairment loss (reversed)/recognised on trade receivables	(473)	251
Impairment loss recognised on other receivables	1,755	162
Impairment loss recognised on right-of-use assets	3,036	–
Variable lease payments not included in the measurement of lease liabilities	15,975	15,125
Cost of inventories recognised as expenses	476,865	471,038

## 5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
PRC Corporate Income Tax		
– Charge for the year	37,494	36,955
– Underprovision in prior year	47	16
Hong Kong Profits tax		
– Charge for the year	5,296	4,912
	<u>42,837</u>	<u>41,883</u>
Deferred tax		
Origination and reversal of temporary differences	(6,697)	(2,990)
Income tax expense	<u><u>36,140</u></u>	<u><u>38,893</u></u>

The subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2024: 16.5%). No Hong Kong Profits Tax has been provided for in the financial statements for the years ended 31st March 2025 and 2024 either because the Hong Kong subsidiaries have accumulated tax losses brought forward which exceeded the estimated assessable profits or the Hong Kong subsidiaries sustained losses for taxation purpose.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years, except for subsidiaries which are eligible as Small Low-profit Enterprise\* (小型微利企業). An entity eligible as a Small Low-profit Enterprise is subject to preferential tax treatments up to 31st December 2027. The annual taxable income of a Small Low-profit Enterprise which is not more than RMB3,000,000, 75% of its taxable income is not subject to EIT and the remaining 25% of its taxable income is subject to EIT at a tax rate of 20%. During the year, two subsidiaries (2024: two subsidiaries) are subject to the relevant preferential tax treatments.

The subsidiaries in Switzerland are subject to Switzerland Profits Tax at the rate of 16% (2024: 16%). No Switzerland Profits Tax has been provided for the years ended 31st March 2025 and 2024 as the Group has no estimated assessable profits in Switzerland.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

The subsidiary in the United States is subject to Federal Corporate Income Tax at the rate of 21% (2024: 21%) and Maryland Corporation Income Tax at the rate of 8.25% (2024: 8.25%). No corporate income tax has been provided for the years ended 31st March 2025 and 2024 as the subsidiary did not generate any estimated assessable profits in the United States.

\* *For identification purpose only*

## 6. DIVIDENDS

### (a) Dividends payable to owners of the Company attributable to the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of HK\$0.02677 (2024: HK\$0.0348) per ordinary share	<u>20,000</u>	<u>26,000</u>

The distribution of the final dividend is subject to the shareholders' approvals at the forthcoming annual general meeting of the Company. The final dividend declared or proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

### (b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.0348 (2024: HK\$0.0469) per ordinary share	<u>26,000</u>	<u>35,040</u>

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share has been based on earnings attributable to owners of the Company of HK\$24,465,000 (2024: HK\$26,202,000) and the weighted average number of 747,123,000 ordinary shares in issue during the year.

Diluted earnings per share is equal to the basic earnings per share as the Company does not have any dilutive potential ordinary shares outstanding for both years.

## 8. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables, net of loss allowance		
– Third parties	52,216	66,351
– Related parties	3,987	4,223
	<b>56,203</b>	70,574
Other receivables	<b>1,960</b>	4,032
Deposits and prepayments	<b>9,895</b>	8,091
	<b>68,058</b>	82,697
	<b>68,058</b>	82,697
Analysed as:		
Non-current	<b>3,134</b>	4,306
Current	<b>64,924</b>	78,391
	<b>68,058</b>	82,697
	<b>68,058</b>	82,697

### Aging analysis

The Group allows credit period of up to 180 days to its customers. The aging analysis of the trade receivables at the end of the reporting period based on invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 90 days	<b>52,344</b>	66,389
91 to 180 days	–	2
181 to 365 days	<b>42</b>	14
Over 365 days	<b>3,817</b>	4,169
	<b>56,203</b>	70,574
	<b>56,203</b>	70,574

## 9. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	2,229	2,462
Other payables and accrued charges	25,919	23,735
Rental received in advance	2,861	2,865
Deposits received	976	872
Other tax payable	45,929	53,107
	<u>77,914</u>	<u>83,041</u>
Analysed as:		
Non-current	2,704	2,659
Current	75,210	80,382
	<u>77,914</u>	<u>83,041</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The aging analysis of trade payables based on date of receipt of goods as at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 90 days	1,157	1,275
91 to 180 days	–	–
181 to 365 days	–	–
Over 365 days	1,072	1,187
	<u>2,229</u>	<u>2,462</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group's revenue for the year amounted to HK\$709 million which was comparable to HK\$705 million in last year. The sales in Mainland China this year amounted to HK\$696 million which were comparable to HK\$693 million in last year. The "Sales of watches" segment continued to play a key role this year and achieved a total revenue of HK\$699 million. On the other hand, the business in the "Property leasing" segment derived a total revenue of HK\$9 million this year, representing an increase of 13% as compared with HK\$8 million in last year due to the commencement of a new tenancy for the investment property in late last year.

The total number of stores is as below:

	<b>As at 31st March 2025</b>	<b>As at 31st March 2024</b>
Beijing	1	1
Shanghai	2	2
Xiamen	1	1
Nantong	1	1
	<hr/>	<hr/>
	<b>5</b>	<b>5</b>
	<hr/> <hr/>	<hr/> <hr/>

### Financial Review

#### *Results review*

For the year ended 31st March 2025, the Group's revenue amounted to HK\$709 million which was comparable to HK\$705 million in last year. Gross profit margin was 33% which was the same as last year.

Distribution costs this year amounted to HK\$99 million which was comparable to HK\$100 million in last year.

Administrative expenses increased by 13% this year to HK\$35 million as compared with HK\$31 million in last year which was mainly due to the increase in director's remuneration.

Fair value losses on investment properties amounted to HK\$37 million this year as compared with fair value losses of HK\$32 million in last year as there was a downturn in both the property markets in Hong Kong and London, and in particular the Hong Kong market.

Finance costs amounted to HK\$9 million this year which was 18% lower than the last year's amount of HK\$11 million as there was a decrease in bank borrowings.

Other net gains amounting to HK\$8 million this year as compared with net losses of approximately HK\$0.2 million in last year was mainly due to government subsidies received in this year.

As a result of the above, the Group achieved a net profit of HK\$24 million this year as compared with a net profit of HK\$26 million in last year.

### ***Liquidity, financial resources and capital structure***

As at 31st March 2025, the Group's total cash balance amounted to HK\$179 million (31st March 2024: HK\$165 million). The increase was mainly due to the increase in cashflow from operations which was partially offset by the repayments of bank loans and payment of dividend during the year. Bank loans amounted to HK\$134 million as of 31st March 2025 (HK\$159 million as of 31st March 2024). The bank loans were secured by (i) pledged of investment properties of HK\$289 million; (ii) corporate guarantees given by the Company; (iii) subordination of the payables to the group companies owned by a subsidiary of the Company as the loan borrower and (iv) assignment of rental income from certain investment properties.

Gearing ratio of the Group, expressed as a ratio of total bank borrowings over total equity, was 30% as at 31st March 2025 (31st March 2024: 36%).

### ***Foreign exchange risks***

The Group views its main currencies as Hong Kong dollars, Renminbi, Pound Sterling and Swiss Francs.

The Group monitors its exposure to foreign exchange risks and, when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

### **Prospect**

The Group currently operates 5 stores in Mainland China. The Group remained focus on its core stores and has streamlined their operating costs during the year and will continue to do so with a view to further enhance the cost efficiency of each store. Though our sales in Mainland China were stable this year, the slowing economy in Mainland China is still a challenge for the luxury retail business looking ahead.

Apart from the "Sales of watches" segment which continues to be the core business of the Group, the Group is also developing its business in the "Property leasing" segment and acquired two residential properties in London in previous years in addition to the key investment properties located in Hong Kong.

The Group will continue to improve its business and take a cautious approach in its future expansion.

On behalf of the Group, we sincerely thank for the kind and positive support of our shareholders, customers, suppliers and associates.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited throughout the year ended 31st March 2025 except for the deviation from the Code Provision C.3.3 and those discussed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bound by the provision of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

To enhance good corporate governance practices, the Chairman of the Board will voluntarily retire as director at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election at the annual general meeting.

Code Provision C.3.3 stipulates that directors should clearly understand delegation arrangements in place. The Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointments. Except for the appointments of Mr. Kee Wah Sze as an independent non-executive Director of the Company in August 2020 and the appointment of Ms. Lam Kim Phung as a non-executive Director of the Company, the Chairman of the Board and the chairman of the Nomination Committee of the Company in June 2022, and her redesignation as an Executive Director of the Company in March 2023, the Company has not entered into any written letters of appointment with its Directors.

However, the Board recognises that (i) the Directors have already been subject to the laws and regulations applicable to directors of a company listed on The Stock Exchange of Hong Kong Limited, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its shareholders; (ii) all of them are well established in their professions and (iii) the current arrangement has been adopted by the Company for several years and has proven to be effective. Therefore, the Board considers that the Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

### **Compliance of the Model Code for Securities Transaction by Directors of Listed Issuers**

All Directors have confirmed that they complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules throughout the year under review.

## **OTHER INFORMATION**

### **Final Dividend**

The Directors have proposed a final dividend of HK\$0.02677 per share for the year ended 31st March 2025 (2024: HK\$0.0348) subject to the approval by shareholders at the forthcoming annual general meeting.

### **Purchase, Sale or Redemption of Listed Securities**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities on The Stock Exchange of Hong Kong Limited during the year.

### **Employees and Remuneration Policy**

There were 114 employees in the Group as at 31st March 2025. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses are offered to motivate employees.

### **Closure of Register of Members**

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 27th August 2025, the register of members of the Company will be closed from Friday, 22nd August 2025 to Wednesday, 27th August 2025, both days inclusive.

In order to be eligible to attend and vote at the Annual General Meeting, all completed transfer forms accompanied by the relevant share certificates 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 for registration not later than 4:30 p.m. on Thursday, 21st August 2025. Subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on Wednesday, 27th August 2025, the proposed final dividend will be payable on Tuesday, 16th September 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 5th September 2025.

To ascertain shareholders' entitlements to the final dividend, the register of members of the Company will be closed from Wednesday, 3rd September 2025 to Friday, 5th September 2025, both days inclusive. In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates 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 for registration not later than 4:30 p.m. on Tuesday, 2nd September 2025.

### **Audit Committee**

The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board. All the members of our Audit Committee are independent non-executive Directors.

### **Scope of work of Crowe (HK) CPA Limited**

The figures in respect of the announcement of the Group's results for the year ended 31st March 2025 have been agreed by the Group's auditor, Crowe (HK) CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on this announcement.

## **EXPRESSION OF GRATITUDE**

The Board would like to take this opportunity to express its gratitude to all staff members, shareholders, bankers, customers, suppliers and professional advisors for the sincere support to the Group.

By order of the Board  
**Asia Commercial Holdings Limited**  
**Eav Guech Rosanna**  
*Director*

Hong Kong, 26th June 2025

*As at the date of this announcement, the Board comprises Ms. Lam Kim Phung, Ms. Eav Guech Rosanna and Mr. Eav Feng Ming, Jonathan as executive directors, and Mr. Lai Si Ming, Mr. Lee Tat Cheung, Vincent and Mr. Kee Wah Sze as independent non-executive directors.*

\* *For identification purpose only*