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MOS HOUSE GROUP LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1653)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board (the “**Board**”) of directors (the “**Directors**”) of MOS House Group Limited (the “**Company**”) presents the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 together with the comparative figures of the previous financial year ended 31 March 2024 as set out below. Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Company’s prospectus dated 28 September 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

| | | 2025 | 2024 |
|--|--------------|------------------------|------------------------|
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue | 4 | 109,393 | 122,577 |
| Other income, gains and losses | 5 | 4,607 | 2,396 |
| Reversal of impairment loss (impairment loss) under expected credit loss model on trade receivables, net | | 1,870 | (1,455) |
| Changes in fair value of investment properties | | (8,280) | 280 |
| Cost of inventories sold | | (54,408) | (42,429) |
| Staff costs | 8 | (14,627) | (17,422) |
| Depreciation | 8 | (25,848) | (36,786) |
| Property related expenses | | (2,064) | (2,289) |
| Other expenses | 8 | (8,274) | (14,829) |
| Share of result of an associate | | 1,594 | 18 |
| Finance costs | 7 | (6,819) | (7,411) |
| (Loss) profit before taxation | 8 | (2,856) | 2,650 |
| Taxation | 9 | (544) | (487) |
| (Loss) profit and total comprehensive (expenses) income for the year | | <u>(3,400)</u> | <u>2,163</u> |
| (Loss) profit and total comprehensive (expenses) income for the year attributable to: | | | |
| Owners of the Company | | <u>(3,400)</u> | <u>2,163</u> |
| | | <i>HK cents</i> | <i>HK cents</i> |
| (Loss) earnings per share | | | |
| Basic | 11 | <u>(1.20)</u> | <u>0.87</u> |
| Diluted | | <u>(1.19)</u> | <u>0.87</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Investment properties | | 26,000 | 34,280 |
| Property, plant and equipment | | 13,726 | 1,870 |
| Right-of-use assets | | 22,584 | 25,110 |
| Interest in an associate | | 15,509 | 13,915 |
| Deferred tax assets | | 666 | 1,039 |
| Deposits and prepayments | | 6,706 | 9,406 |
| Financial assets at fair value through profit or loss | | 7,580 | 7,359 |
| | | 92,771 | 92,979 |
| Current assets | | | |
| Inventories | | 70,394 | 69,860 |
| Trade receivables | 12 | 61,730 | 66,180 |
| Deposits, prepayments and other receivables | | 72,796 | 69,546 |
| Tax recoverable | | 36 | 1,962 |
| Pledged bank deposit | | 15,000 | 15,000 |
| Bank balances and cash | | 1,377 | 1,465 |
| | | 221,333 | 224,013 |
| Current liabilities | | | |
| Trade payables | 13 | 4,552 | 11,411 |
| Other payables and accrued charges | | 17,978 | 20,918 |
| Contract liabilities | | 4,123 | 7,512 |
| Lease liabilities | | 33,305 | 25,217 |
| Amount due to a director | | 6,480 | 64 |
| Loan from a director | | – | 11,333 |
| Tax payable | | 3,560 | 3,420 |
| Bank borrowings | | 66,964 | 92,083 |
| | | 136,962 | 171,958 |
| Net current assets | | 84,371 | 52,055 |
| Total assets less current liabilities | | 177,142 | 145,034 |

| | | 2025 | 2024 |
|--------------------------------|-------|-----------------------|----------------|
| | Notes | HK\$'000 | HK\$'000 |
| Non-current liabilities | | | |
| Lease liabilities | | 5,706 | 1,614 |
| Loan from a director | | 11,133 | — |
| Loan from a related company | | 20,283 | — |
| | | <u>37,122</u> | <u>1,614</u> |
| NET ASSETS | | <u>140,020</u> | <u>143,420</u> |
| Capital and reserves | | | |
| Share capital | 14 | 28,412 | 28,412 |
| Reserves | | 111,608 | 115,008 |
| TOTAL EQUITY | | <u>140,020</u> | <u>143,420</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL

MOS House Group Limited is incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act, and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The addresses of the Company’s registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit 1001, 10/F, Plaza 228, 228 Wan Chai Road, Wan Chai, Hong Kong, respectively.

Its immediate holding company is RB Power Limited (“**RB Power**”) and its ultimate holding company is TMF (Cayman) Ltd., the trustee of a discretionary trust established by Mr. Simon Tso (“**Mr. Tso**”), an executive Director (as the settlor), with Mr. Tso being one of the beneficiaries.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are trading of tiles and bathroom fixture products in Hong Kong and Macau and property investment.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

| | |
|----------------------------------|---|
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The application of the amendments to HKFRS Accounting Standards 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.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

| | |
|--|--|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ³ |
| 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 9 and HKFRS 7 | Contracts Referencing Nature-Dependent Electricity ³ |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards — Volume 11 ³ |
| Amendments to HKAS 21 | Lack of Exchangeability ² |
| HKFRS 18 | Presentation and Disclosure in Financial Statements ⁴ |

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 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18 and amendments to other standards will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on the historical cost basis, except for the payments for life insurance policies and investment properties which are measured at fair value, and in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance.

4. REVENUE

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Revenue from contracts with customers within HKFRS 15 | | |
| <i>Types of products:</i> | | |
| Tiles | 86,653 | 109,666 |
| Bathroom fixtures and others | 22,260 | 12,431 |
| | 108,913 | 122,097 |
| Revenue from other sources: | | |
| Rental income from investment properties | 480 | 480 |
| | 109,393 | 122,577 |
| Sales channel of revenue from contracts with customers within HKFRS 15: | | |
| Retail | 36,899 | 58,875 |
| Non-retail | 72,014 | 63,222 |
| | 108,913 | 122,097 |

The above revenue from contracts with customers within HKFRS 15 is recognised at a point in time and at fixed price.

5. OTHER INCOME, GAINS AND LOSSES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Bank interest income | 785 | 660 |
| Compensation income from insurance claim | – | 15 |
| Fair value gain on financial assets at fair value through profit or loss (“FVTPL”) | 299 | 338 |
| Gain on early termination of lease | 204 | 362 |
| Net exchange gain | 38 | 13 |
| Loss on disposal of property, plant and equipment | (228) | – |
| Sale of solar panel | 3,267 | – |
| Interest income on rental deposits | 212 | 532 |
| Sundry income | 30 | 476 |
| | 4,607 | 2,396 |

6. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. The Group's operating segments are structured and managed separately according to the nature of their businesses, which are currently organised into two operating businesses as follows:

- (a) Trading of tiles and bathroom fixture products — sale of tiles and bathroom fixture products through either retail or non-retail channel; and
- (b) Property investment.

The segment performance is evaluated based on reportable segment profit or loss before income tax without allocation of finance costs (other than interest on lease liabilities), share of result of an associate, fair value gain on financial assets at FVTPL and other unallocated corporate expenses and the basis of preparing such information is consistent with that of the consolidated financial statements. All assets are allocated to reportable segments other than tax recoverable, deferred tax assets, interest in an associate, bank balances and cash (including pledged bank deposit), financial assets at FVTPL and other unallocated corporate assets. All liabilities are allocated to reportable segments other than tax payable, bank borrowings, loan from a director, loan from a related company, amount due to a director and other unallocated corporate liabilities.

Business segments

| | Trading of tiles and bathroom fixture products | | Property investment | | Consolidated | |
|---|--|----------------|---------------------|------------|-----------------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment revenue | | | | | | |
| Revenue from external customers | <u>108,913</u> | <u>122,097</u> | <u>480</u> | <u>480</u> | <u>109,393</u> | <u>122,577</u> |
| Segment results | 13,943 | 12,418 | (7,954) | 653 | 5,989 | 13,071 |
| Unallocated corporate expenses | | | | | (4,801) | (5,673) |
| Fair value gain on financial assets at FVTPL | | | | | 299 | 338 |
| Share of result of an associate | | | | | 1,594 | 18 |
| Finance costs (other than interest on lease liabilities) | | | | | <u>(5,937)</u> | <u>(5,104)</u> |
| (Loss) profit before taxation | | | | | <u>(2,856)</u> | <u>2,650</u> |

Segment assets and liabilities

The following table presents segment assets and liabilities of the Group's business segments as at 31 March 2025:

| | Trading of tiles and bathroom fixture products | | Property investment | | Consolidated | |
|-----------------------------------|--|----------|---------------------|----------|----------------|----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Assets and liabilities | | | | | | |
| Segment assets | 247,700 | 241,727 | 26,003 | 34,282 | 273,703 | 276,009 |
| Tax recoverable | | | | | 36 | 1,962 |
| Deferred tax assets | | | | | 666 | 1,039 |
| Financial assets at FVTPL | | | | | 7,580 | 7,359 |
| Bank balances and cash | | | | | 1,377 | 1,465 |
| Pledged bank deposit | | | | | 15,000 | 15,000 |
| Interest in an associate | | | | | 15,509 | 13,915 |
| Unallocated corporate assets | | | | | 233 | 243 |
| Total consolidated assets | | | | | 314,104 | 316,992 |
| Segment liabilities | 65,190 | 66,183 | 176 | 176 | 65,366 | 66,359 |
| Tax payable | | | | | 3,560 | 3,420 |
| Bank borrowings | | | | | 66,964 | 92,083 |
| Loan from a related company | | | | | 20,283 | – |
| Loan from a director | | | | | 11,133 | 11,333 |
| Amount due to a director | | | | | 6,480 | 64 |
| Unallocated corporate liabilities | | | | | 298 | 313 |
| Total consolidated liabilities | | | | | 174,084 | 173,572 |

Other information

| | Trading of tiles and bathroom fixture products | | Property investment | | Unallocated | | Consolidated | |
|--|--|----------|---------------------|----------|-------------|----------|--------------|----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Capital expenditures | | | | | | | | |
| Property, plant and equipment | 313 | 406 | - | - | - | - | 313 | 406 |
| Right-of-use assets | 22,594 | 8,899 | - | - | - | - | 22,594 | 8,899 |
| Depreciation | | | | | | | | |
| Property, plant and equipment | 728 | 965 | - | - | - | - | 728 | 965 |
| Right-of-use assets | 25,120 | 35,821 | - | - | - | - | 25,120 | 35,821 |
| (Decrease) increase in fair value of investment properties | - | - | (8,280) | 280 | - | - | (8,280) | 280 |
| Fair value gain on financial assets at FVTPL | - | - | - | - | 299 | 338 | 299 | 338 |
| Reversal of impairment loss (impairment loss) under expected credit loss model on trade receivables, net | 1,870 | (1,455) | - | - | - | - | 1,870 | (1,455) |
| Net exchange gain | 38 | 13 | - | - | - | - | 38 | 13 |

Geographical information

The Group's operations are principally located in Hong Kong and Macau. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the products are delivered:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------|------------------|------------------|
| Hong Kong | 90,994 | 101,077 |
| Macau | 18,399 | 21,500 |
| | 109,393 | 122,577 |

The following is an analysis of the carrying amount of non-current assets (excluding financial instruments and deferred tax assets) in which the assets are located:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------|------------------|------------------|
| Hong Kong | 77,819 | 75,175 |

Information about major customers

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group is disclosed as follows:

| | Segment | Geographical market which the transactions are located | 2025 HK\$'000 | 2024 HK\$'000 |
|------------|--|--|------------------|------------------|
| Customer A | Trading of tiles and bathroom fixture products | Hong Kong and Macau | 25,088 | N/A* |
| Customer B | Trading of tiles and bathroom fixture products | Hong Kong | 16,865 | N/A* |
| Customer C | Trading of tiles and bathroom fixture products | Hong Kong | 14,565 | N/A* |

* The corresponding revenue did not contribute 10% or more of the total revenue of the Group for the relevant year.

7. FINANCE COSTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Interest on bank borrowings | 3,880 | 4,304 |
| Interest on loan from a director | 800 | 800 |
| Interest on loan from a related company | 1,257 | — |
| Interest on lease liabilities | 882 | 2,307 |
| | <u>6,819</u> | <u>7,411</u> |

8. (LOSS) PROFIT BEFORE TAXATION

(Loss) profit before taxation is arrived after charging:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| a. Employee benefits expenses (including Directors' emoluments) | | |
| Salaries and other benefits | 14,162 | 16,857 |
| Retirement benefits scheme contributions | 465 | 565 |
| | <u>14,627</u> | <u>17,422</u> |

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| b. Other expenses | | |
| Auditor's remuneration | 600 | 600 |
| Bank charges | 828 | 1,174 |
| Direct operating expenses arising from investment property that generated rental income | 104 | 107 |
| Product delivery expenses | 3,220 | 5,731 |
| Legal and professional fees | 1,376 | 2,699 |
| Utility and office expenses | 1,547 | 2,465 |
| Sundry items | 599 | 2,053 |
| | <u>8,274</u> | <u>14,829</u> |
| c. Other items | | |
| Depreciation: | | |
| — Property, plant and equipment | 728 | 965 |
| — Right-of-use assets | 25,120 | 35,821 |
| | <u>25,848</u> | <u>36,786</u> |

9. TAXATION

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-------------------------------|------------------|------------------|
| Current tax | | |
| Hong Kong Profits Tax | | |
| Current year | — | 62 |
| Underprovision in prior years | — | 4 |
| Macau Corporate Income Tax | | |
| Current year | <u>171</u> | <u>550</u> |
| | 171 | 616 |
| Deferred taxation | | |
| Charge (credit) for the year | <u>373</u> | <u>(129)</u> |
| | <u>544</u> | <u>487</u> |

Under the two-tiered profits tax rates, the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities are taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 are taxed at the rate of 16.5%. The profits of one of the group entities are taxed in accordance with the two-tiered profits tax rates. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Macau Corporate Income Tax has been provided at the rate of 12% (2024: 12%) on the estimated assessable profits of the Macau subsidiary during the year.

10. DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil).

11. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on (loss) profit attributable to the owners of the Company and the weighted average number of ordinary shares in issue during both years.

The calculations of basic and diluted (loss) earnings per share are based on:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------------------------|--------------------|
| (Loss) profit for the year attributable to owners of the Company, for the purpose of basic and diluted (loss) earnings per share | <u>(3,400)</u> | <u>2,163</u> |
| | Number of shares | |
| | 2025 | 2024 |
| Weighted average number of ordinary shares in issue during the year, for the purpose of basic (loss) earnings per share | 284,117,000 | 247,232,295 |
| Effect of dilutive potential shares from share option scheme | <u>561,641</u> | <u>790,375</u> |
| Weighted average number of ordinary shares in issue during the year, for the purpose of diluted (loss) earnings per share | <u>284,678,641</u> | <u>248,022,670</u> |

12. TRADE RECEIVABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Trade receivables | 62,970 | 69,290 |
| Less: allowance for expected credit loss | <u>(1,240)</u> | <u>(3,110)</u> |
| | <u>61,730</u> | <u>66,180</u> |

Generally, the Group did not grant any credit period to its retail customers. Credit period ranging from 30 to 180 days is granted to customers with bulk purchases.

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------|--------------------------------|-------------------------|
| 0–90 days | 51,574 | 32,937 |
| 91–180 days | 9,812 | 6,530 |
| 181–365 days | 53 | 63 |
| Over 365 days | 291 | 26,650 |
| | <u>61,730</u> | <u>66,180</u> |

13. TRADE PAYABLES

The credit period on purchases of goods is 90 to 180 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting periods:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------|--------------------------------|-------------------------|
| 0–30 days | 504 | 506 |
| 31–60 days | 151 | 870 |
| 61–90 days | – | 392 |
| 91–120 days | 80 | 504 |
| Over 120 days | 3,817 | 9,139 |
| | <u>4,552</u> | <u>11,411</u> |

14. SHARE CAPITAL

| | Number of shares | Amount HK\$'000 |
|---|-----------------------------|----------------------------|
| Ordinary shares of HK\$0.1 each | | |
| Authorised: | | |
| As at 1 April 2023, 31 March 2024 and 31 March 2025 | <u>500,000,000</u> | <u>50,000</u> |
| Issued and fully paid: | | |
| As at 1 April 2023 | 240,000,000 | 24,000 |
| Issue of shares on acquisition of an associate | <u>44,117,000</u> | <u>4,412</u> |
| As at 31 March 2024 and 31 March 2025 | <u>284,117,000</u> | <u>28,412</u> |

15. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2025, additions to property, plant and equipment amounted to approximately HK\$12,499,000 (2024: n/a) were transferred from other receivables and deposits.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, the Group was principally engaged in (i) the trading of tiles, bathroom fixtures and other products through its retail shops in Hong Kong and non-retail channels in Hong Kong and Macau; and (ii) the property investment in Hong Kong.

The Group's business faced a downward pressure during the year under review, marked by depressed economic conditions and sluggish market sentiments in Hong Kong. The adverse market conditions were exacerbated by the China-US tariff war, further weakening consumer spending sentiments. The Group's revenue has inevitably been impacted under such challenging economic environment, with revenue for the year ended 31 March 2025 declined by approximately 10.8% to HK\$109.4 million from HK\$122.6 million as compared with last year.

The Group recorded a loss attributable to owners of the Company of approximately HK\$3.4 million for the year ended 31 March 2025, as compared to a profit of approximately HK\$2.2 million for the year ended 31 March 2024. Excluding the effects of (i) the fair value loss of an investment property of approximately HK\$8.3 million (2024: fair value gain of approximately HK\$0.3 million); (ii) the reversal of expected credit loss of approximately HK\$1.9 million (2024: impairment loss of approximately HK\$1.5 million); and (iii) the share of profit of an associate of approximately HK\$1.6 million (2024: HK\$0.02 million), the Group would have recorded a profit attributable to owners of the Company of approximately HK\$1.4 million for the year ended 31 March 2025, representing a decrease of approximately 57.3% compared with last year's profit of approximately HK\$3.3 million. Such decrease was mainly attributable to the decrease in revenue.

i) Sale of tiles and bathroom fixture products

During the year under review, consumer sentiment remained substantially low, leading to a significant impact on the Group's retail business. Revenue generated from the retail sale of tile and bathroom fixture products decreased by approximately 37.3% to approximately HK\$36.9 million from approximately HK\$58.9 million for the year ended 31 March 2024.

To mitigate the impact of the decline in retail sales, the Group was committed to expanding non-retail sale by exploring more corporate customers. The Group recorded a moderate increase in non-retail sale by approximately 13.9% from approximately HK\$63.2 million for the year ended 31 March 2024 to approximately HK\$72.0 million for the year ended 31 March 2025. In addition, the proportion of revenue from non-retail sale increased to approximately 66.1% (2024: 51.8%) of the total revenue.

ii) Property investment

The Group earned rental income of approximately HK\$0.5 million (31 March 2024: HK\$0.5 million) from its investment property for year ended 31 March 2025. The rental income remained stable.

In addition, the Group has strived to diversify its product offerings by selling more green energy products which are complementary to the Company's core business of selling high-end tile products to retail customers as well as non-retail project customers. For the year under review, the Group generated income from sale of solar panels of approximately HK\$3.3 million.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2025, the Group recorded a total revenue of approximately HK\$109.4 million, representing a decrease of approximately 10.8% as compared to approximately HK\$122.6 million for the year ended 31 March 2024.

Revenue generated from the sale of tiles, bathroom fixtures and other products was approximately HK\$108.9 million (2024: HK\$122.1 million), of which retail sale was approximately HK\$36.9 million (2024: HK\$58.9 million) and non-retail sale was approximately HK\$72.0 million (2024: HK\$63.2 million). Revenue from the sale of tiles and bathroom fixture products accounted for approximately 99.5% (2024: 99.6%) of the Group's total revenue for the year ended 31 March 2025.

Revenue generated from the property investment segment was rental income of approximately HK\$0.5 million (2024: HK\$0.5 million), which accounted for approximately 0.5% (2024: 0.4%) of the Group's total revenue for the year ended 31 March 2025.

Gross profit and product margin

The Group's gross profit (i.e. revenue from the sale of tiles, bathroom fixtures and other products minus cost of inventories sold) amounted to approximately HK\$54.5 million for the year ended 31 March 2025, representing a decrease of approximately 31.6% from approximately HK\$79.7 million for the year ended 31 March 2024. The overall product margin decreased from approximately 65.3% for the year ended 31 March 2024 to approximately 50.0% for the year ended 31 March 2025. Such decrease was mainly due to the increase in the proportion of non-retail sale with lower product margin.

Share of result of an associate

For the year ended 31 March 2025, share of result of an associate had a profit of approximately HK\$1.6 million (2024: HK\$0.02 million). On 31 January 2024, the Group completed the acquisition of 50% of the equity interest in Smart Asian Limited, a company engaged in project management for solar panel installation for residential, industrial and commercial buildings and other value-added services.

Other income, gains and losses

For the year ended 31 March 2025, other income amounted to approximately HK\$4.6 million (2024: HK\$2.4 million). Other income mainly consisted of bank interest income of approximately HK\$0.8 million (2024: HK\$0.7 million), fair value gain on financial assets of approximately HK\$0.3 million (2024: HK\$0.3 million), gain on early termination of lease of approximately HK\$0.2 million (2024: HK\$0.4 million) and sale of solar panel of approximately HK\$3.3 million (2024: nil).

Staff costs

Staff costs for the year ended 31 March 2025 was approximately HK\$14.6 million (2024: HK\$17.4 million). The decrease in staff costs was a result of decrease in headcount.

Property related expenses/Depreciation on right-of-use assets

In respect of the rented premises, the Group recorded property related expenses of approximately HK\$2.1 million (2024: HK\$2.3 million), the depreciation on right-of-use assets of approximately HK\$25.1 million (2024: HK\$35.8 million) and the relevant interest expense on lease liabilities of approximately HK\$0.9 million (2024: HK\$2.3 million). The decrease in depreciation on right-of-use assets was due to the closure of underperforming retail shops during the year.

Property, plant and equipment

As at 31 March 2025, the Group's property, plant and equipment amounted to approximately HK\$13.7 million (2024: HK\$1.9 million). The increase was due to the installation of solar panel system in the warehouse. The Group is committed to combating climate change and achieving carbon neutrality by utilizing solar energy to achieve environmental and energy efficiency goals. While contributing to a greener future, solar energy can help the Group to reduce its operating expenses.

Other expenses

The Group recorded other expenses of approximately HK\$8.3 million and HK\$14.8 million for the years ended 31 March 2025 and 2024 respectively. The Group's other expenses for the year ended 31 March 2025 mainly consisted of audit fee of approximately HK\$0.6 million (2024: HK\$0.6 million), bank charges of approximately HK\$0.8 million (2024: HK\$1.2 million), products delivery expenses of approximately HK\$3.2 million (2024: HK\$5.7 million), legal and professional fees of approximately HK\$1.4 million (2024: HK\$2.7 million), utility and office expenses of approximately HK\$1.5 million (2024: HK\$2.5 million) and sundry items of approximately HK\$0.6 million (2024: HK\$2.1 million). The decrease in other expenses for the year ended 31 March 2025 was mainly due to (i) the decrease in product delivery expenses of approximately HK\$2.5 million as a result of the decrease in revenue; (ii) the decrease in legal and professional fees of approximately HK\$1.3 million; (iii) the decrease in utility expenses of approximately HK\$1 million as a result of the reduction in number of retail shops; and (iv) the decrease in sundry expenses of approximately HK\$1.4 million (including entertainment and business-related expenses) due to the reduction in headcount.

Loss attributable to owners of the Company

For the year ended 31 March 2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$3.4 million, compared to a profit of approximately HK\$2.2 million for the year ended 31 March 2024. Such decrease was mainly due to (i) decrease in gross profit from sale of tiles and bathroom fixtures by approximately HK\$25.2 million as a result of decrease in revenue and (ii) fair value loss of investment properties of approximately HK\$8.3 million.

The aforesaid factors were partially offset by (i) increase in other income by approximately HK\$3.3 million in connection with the sale of solar panel; (ii) reversal of impairment loss on trade receivables of approximately HK\$1.9 million compared with impairment losses of approximately HK\$1.5 million recorded last year; (iii) net decrease in lease-related expenses (including property related expenses, depreciation on right-of-use assets and interest on lease liabilities) by approximately HK\$12.3 million; (iv) decrease in other expenses by approximately HK\$6.5 million; and (v) increase in share of result of an associate by approximately HK\$1.6 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Capital structure

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

As at 31 March 2025, the Group's pledged bank deposit and bank and cash balances totalled approximately HK\$16.4 million (2024: HK\$16.5 million), including approximately HK\$16.2 million (2024: HK\$16.2 million) denominated in Hong Kong dollars and approximately HK\$0.2 million (2024: HK\$0.3 million) denominated in Euro, US dollars and Renminbi.

Indebtedness

As at 31 March 2025, the Group had bank borrowings of approximately HK\$67.0 million (2024: HK\$92.1 million) of which all borrowings were denominated in Hong Kong dollars and were secured by the Group's investment properties and the deposit pledged to a bank of the Group.

As at 31 March 2025, the Group's gearing ratio was approximately 0.48 time (2024: 0.64 time) which is calculated based on total bank borrowings divided by total equity attributable to owners of the Company as at 31 March 2025. The Board, taking into account the nature and scale of operations of the Group, considered that the gearing ratio as at 31 March 2025 was reasonable. The Board would keep monitoring the financial and liquidity position of the Group closely and make appropriate financing strategy for the Group from time to time.

Foreign exchange exposure

The Group incurs its cost of purchases in Euro while it receives its revenue in Hong Kong dollars. Accordingly, the Group is exposed to the currency risk and fluctuations in foreign currency exchange rates, in particular, Euro, can increase or decrease the Group's profit margin and affect the results of its operations.

In addition, fluctuations in exchange rates between HK\$ and other currencies, primarily Euro, US\$ and RMB, affect the translation of the Group's non-HK\$ denominated assets and liabilities into HK\$ when the Group prepares its financial statements and result in foreign exchange gains or losses which will affect its financial condition and results of operations.

The Group had not used any financial instruments for hedging purposes during the year. The Group currently does not have any foreign currency hedging policy. However, the Group's management closely monitors its exposure to foreign currency risk and will consider hedging significant foreign currency exposure should the need arise.

Securities in issue

As at 31 March 2025, there were 284,117,000 ordinary shares in issue. There was no movement in the issued share capital of the Company during the year ended 31 March 2025.

Commitments

As at 31 March 2025, the Group had outstanding contracted capital commitments in respect of property, plant and equipment of approximately HK\$1.0 million (2024: approximately HK\$1.0 million).

Charge on assets

As at 31 March 2025, the Group had pledged its investment properties at the carrying value of approximately HK\$26.0 million and bank deposit of approximately HK\$15.0 million as securities for the Group's bank borrowings.

Contingent liabilities

As at 31 March 2025, the Group and the Company did not have any significant contingent liabilities.

Employees and remuneration policies

The Group had approximately 37 employees (2024: 51 employees) as at 31 March 2025. The Group's staff costs, including Directors' emoluments, were approximately HK\$14.6 million and HK\$17.4 million for the years ended 31 March 2025 and 2024 respectively. The remuneration policy of the Group is based on merit, performance and individual competence.

The Directors and the senior management of the Group (the "**Senior Management**") receive compensation in the form of salaries and discretionary bonuses with reference to salaries paid by comparable companies, time commitment of each of the Directors and Senior Management and the performance of the Group. The Group regularly reviews and determines the remuneration and compensation package of the Directors and the Senior Management by reference to, among other things, the market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the Senior Management and the performance of the Group.

The remuneration committee of the Board reviews and determines the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, the time devoted to the Group and the performance of the Group. The Directors may also receive options to be granted under the share option scheme adopted by the Company on 20 September 2018. During the year ended 31 March 2025, no share option was granted to relevant participants pursuant to such scheme.

Dividend

The Directors do not recommend any payment of a final dividend for the year ended 31 March 2025 (2024: nil).

PROSPECTS

The general macro environment will continue to be challenging as the retail market remains competitive and local consumer spending is still conservative. In particular, Hong Kong's property market turned more sluggish in the second half of 2024, which have significantly eroded consumer confidence.

The Group will continue to monitor the ever-changing market trends and consumer preferences by reviewing its branded products, so as to provide comprehensive branded products to meet different needs and specifications, providing our customers solutions for different purposes and functionality whether for residential or commercial use. In addition, the Group will continue to diversify its product offerings to enhance its competitive edge with greater agility and responsiveness by exploring more green energy products which are complementary to the Company's core business of selling high-end tiles products.

The Group is also actively considering other business opportunities that would further bring new revenue streams. The Group will establish a new business line in focusing on trading of gold products. Meanwhile, the Group has submitted an application for a precious metals trading license. The Board believes that gold has been a stable performer in recent years, which can diversify the Group's business portfolio and enhance revenue streams and profitability. The Board will adopt cautious measures to manage the Group's business portfolio with an aim to deliver sustainable returns to its shareholders in the near future.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 March 2025 and up to the date of this announcement, each of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the Listing Rules) has confirmed that none of them had any business or interest in any company that competes or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

CONTINUING CONNECTED TRANSACTIONS

On 29 March 2025, Fortune Rich Limited (as tenant), an indirect wholly owned subsidiary of the Company entered into two renewal tenancy agreements (the “**Renewal Tenancy Agreements**”) with Cyber Building Limited (“**Cyber Building**”) (as landlord) in relation to the leases of a warehouse and a retail shop (the “**Properties**”) to the Group. The lease terms of the premises under the Renewal Tenancy Agreements are both for 2 years from 1 April 2025 to 31 March 2027.

Mr. Tso is an executive Director and a Controlling Shareholder of the Company. Ms. Tsui is an executive Director and the spouse of Mr. Tso. Cyber Building is owned as to 50% by Mr. Tso and 50% by Ms. Tsui. As such, Cyber Building is an associate of Mr. Tso and Ms. Tsui and hence a connected person of the Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the Renewal Tenancy Agreements with Cyber Building constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “**Code**”) in Appendix C1 of the Listing Rules. Throughout the year, to the best knowledge of the Board and after the review of the Company's performance of its corporate governance practices, the Company has applied the principles and complied with all the applicable code provisions set out in the Code, save for the following deviations:

Code Provision C.2.1

Under Code Provision C.2.1 of the Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

During the year ended 31 March 2025, the Company has not separated the roles of chairman and chief executive officer of the Company. Mr. Tso is the chairman and also the chief executive officer of the Company and is responsible for overseeing the operations of the Group during the year. In view of the present composition of the Board, Mr. Tso's in-depth knowledge and experience in the industry in which the Group operates and his familiarity with the operations of the Group, the Company believes that it is in the best interest of the Group for Mr. Tso to assume both roles as the chairman and the chief executive officer of the Company. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Following specific enquiries by the Company, all Directors had confirmed that they had complied with the Model Code throughout the year ended 31 March 2025.

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

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

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme to provide incentives and rewards to Directors, employees and advisers, etc. of the Company for their contributions to the success of the Company and its subsidiaries.

Pursuant to the Scheme, on 29 September 2022, the Company granted the options to subscribe for an aggregate of 4,800,000 Shares to the executive Directors at an exercise price of HK\$0.300 per Share. For the year ended 31 March 2025, no share options were exercised. As at 31 March 2025, the maximum number of Shares which might be issued upon exercise of all outstanding options granted under the Scheme was 4,800,000 Shares, representing 1.69% of the Company's issued share capital as at 31 March 2025.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors. The Audit Committee reviews, amongst others, the financial information of the Group, the relationship with and terms of appointment of the external auditor, and the Group's financial reporting system and internal control procedures.

The consolidated financial statements of the Group for the year ended 31 March 2025 have been reviewed by the Audit Committee.

SCOPE OF WORK OF CL PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, 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 announcement have been agreed by the Company's auditor, CL Partners CPA Limited ("CL Partners"), to the amounts set out in the Company's draft consolidated financial statements for the year. The work performed by CL Partners 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 HKICPA and consequently no assurance has been expressed by CL Partners on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.moshouse.com.hk). The annual report of the Company for the year ended 31 March 2025 containing all the information required by the Listing Rules will be posted on the above websites in due course.

By Order of the Board
MOS House Group Limited
Simon Tso
Chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Simon Tso and Ms. Tsui To Fei and three independent non-executive Directors, namely Mr. Woo King Hang, J.P., Mr. Hui Chun Tak, PDSM and Mr. Wong Chun Ping, MH, JP.

In case of any inconsistency between the English and Chinese versions, the English text of this announcement shall prevail over the Chinese text.