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## **CHI KAN HOLDINGS LIMITED**

### **智勤控股有限公司**

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

**(Stock Code: 9913)**

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

### **FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 March 2025 (“**FY 2025**”) decreased by approximately 8.1% to approximately HK\$1,414.5 million compared with approximately HK\$1,538.8 million for the year ended 31 March 2024 (“**FY 2024**”).
- Gross profit margin increase by approximately 9.8% from approximately 15.9% for FY 2024 to approximately 25.7% for FY 2025 due to increase in gross profit for E-Commerce business from approximately HK\$214.1 million for FY2024 to approximately HK\$357.0 million in FY2025.
- Loss attributable to the owners of the Company for the year is approximately HK\$7.6 million, compared to profit attributable to the owners of the Company of HK\$28.1 million last year. Excluding the non-recurring impairment of loss of contract assets and trade receivables, the adjusted profit for the year attributable to owners of the Company amounted to approximately HK\$10.6 million for FY 2025, compared with approximately HK\$28.1 million for FY 2024, representing a decrease of approximately 62.1%.
- The Board does not recommend the payment of final dividend for FY 2025.

## RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Chi Kan Holdings Limited (the “**Company**”) is pleased to present the consolidated annual results of the Company and its subsidiaries (collectively as the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the corresponding period in 2024, as follows:

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

*For the year ended 31 March 2025*

		<b>Year ended 31 March</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	5	<b>1,414,549</b>	1,538,853
Cost of sales and services	7	<u><b>(1,050,384)</b></u>	<u>(1,292,756)</u>
<b>Gross profit</b>		<b>364,165</b>	246,097
Other income	6	<b>912</b>	394
Impairment loss on contract assets		<b>(16,149)</b>	(2,313)
Impairment loss on trade receivables		<b>(4,902)</b>	–
Selling and administrative expenses	7	<b>(305,732)</b>	(189,258)
Fair value gain on financial asset at fair value through profit or loss		<u><b>34</b></u>	<u>278</u>
<b>Operating profit</b>		<b>38,328</b>	55,198
Finance income, net	8	<u><b>2,952</b></u>	<u>3,007</u>
<b>Profit before tax</b>		<b>41,280</b>	58,205
Income tax expenses	9	<u><b>(19,716)</b></u>	<u>(14,230)</u>
<b>Profit for the year</b>	7	<u><b>21,564</b></u>	<u>43,975</u>
<b>Other comprehensive (loss)/income for the year, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		<u><b>(2,788)</b></u>	<u>(3,734)</u>
<b>Total comprehensive income for the year</b>		<u><b>18,776</b></u>	<u>40,241</u>

		<b>Year ended 31 March</b>	
		<b>2025</b>	<b>2024</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		<b>(7,685)</b>	28,107
Non-controlling interest		<b>29,249</b>	15,868
		<u><b>21,564</b></u>	<u>43,975</u>
<b>Total comprehensive income/(loss)</b>			
<b>for the year attributable to</b>			
Owners of the Company		<b>(10,646)</b>	24,743
Non-controlling interest		<b>29,422</b>	15,498
		<u><b>18,776</b></u>	<u>40,241</u>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
<i>Basic and diluted (HK cents per share)</i>	<i>10</i>	<u><b>(0.77)</b></u>	<u>2.81</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 March 2025

		<b>As at 31 March</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property and equipment		<b>1,845</b>	2,900
Financial asset at FVPL		<b>–</b>	1,873
Deposits	<i>13</i>	<b>54</b>	55
		<b>1,899</b>	4,828
<b>Current assets</b>			
Inventories		<b>12,377</b>	7,946
Trade receivables	<i>12</i>	<b>22,224</b>	56,733
Contract assets	<i>12</i>	<b>244,784</b>	252,964
Prepayment, deposits and other receivables	<i>13</i>	<b>11,790</b>	29,462
Financial asset at FVPL		<b>5,356</b>	15,176
Restricted bank deposits		<b>7,500</b>	27,500
Bank and cash balances		<b>228,236</b>	227,632
		<b>532,267</b>	617,413
<b>Current liabilities</b>			
Trade payables	<i>14</i>	<b>33,253</b>	65,772
Other payables and accruals	<i>15</i>	<b>21,114</b>	39,002
Bank borrowings		<b>–</b>	30,000
Lease liabilities		<b>629</b>	1,402
Tax payable		<b>5,272</b>	5,690
		<b>60,268</b>	141,866
<b>Net current assets</b>		<b>471,999</b>	475,547
<b>Total assets less current liabilities</b>		<b>473,898</b>	480,375

		<b>As at 31 March</b>	
		<b>2025</b>	<b>2024</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current liabilities</b>			
Lease liabilities		<u>239</u>	<u>871</u>
<b>NET ASSETS</b>		<b><u>473,659</u></b>	<b><u>479,504</u></b>
<b>Capital and reserves</b>			
Share capital	16	<b>10,000</b>	10,000
Share premium		<b>120,421</b>	120,421
Reserves		<u><b>329,227</b></u>	<u>339,873</u>
<b>Capital and reserves attributable to owners of the Company</b>		<b>459,648</b>	470,294
Non-controlling interest		<u><b>14,011</b></u>	<u>9,210</u>
<b>TOTAL EQUITY</b>		<b><u>473,659</u></b>	<b><u>479,504</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Chi Kan Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 16 April 2018 as an exempted company with limited liability under the Companies Law (Cap.22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is located at Room 1008 and 1009, 10/F., China Shipbuilding Tower, 650 Cheung Sha Wan Road, Kowloon, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) on 14 August 2020.

The Company is an investment holding company. The Company and its subsidiaries (together the “**Group**”) are principally engaged in the provision of formwork services and other construction services in Hong Kong and e-commerce business in the People’s Republic of China (the “**PRC**”).

The ultimate holding company of the Company is Magnificent Faith Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), and the controlling shareholder is Mr. Lo Hon Kwong (“**Mr. Lo**”), who is also the chairman and executive director of the Company.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all individual applicable HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKASs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated, which is the same as the functional currency of the Company. All values are rounded to the nearest thousands (HK\$’000) except when otherwise indicated.

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

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The application of these new HKFRS Accounting Standards will not have material impact on the consolidated financial statements of the Group.

#### 4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the “CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions. The CODM assesses the performance based on a measure of profit after income tax.

The Group is principally engaged in the business of providing formwork services and other construction services in Hong Kong and e-commerce business in the PRC during the year. The Group’s reportable and operating segments are as follows:

- Construction business: provision of formwork services and other construction services to customers in Hong Kong
- E-commerce business: online trading of products in the PRC

##### Segment results, segment assets and liabilities

Segment results represent the profit before income tax from each segment except for the unallocated corporate expenses and income, being central administrative costs and certain other income. Segment assets include all current and non-current assets with the exception of other corporate assets and other unallocated corporate assets. Segment liabilities include all current and non-current liabilities with the exception of other corporate liabilities and other unallocated corporate liabilities.

Information regarding the Group’s reportable segments as provided to the Group’s CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below:

	Construction business HK\$’000	E-commerce business HK\$’000	Unallocated HK\$’000	Total HK\$’000
<b>Year ended 31 March 2025</b>				
Reportable segment revenue	876,931	537,618	–	1,414,549
Reportable segment profit/(loss) before income tax	(24,216)	79,408	(13,912)	41,280
Amounts included in the measure of segment profit or loss:				
Interest expenses	(616)	(18)	–	(634)
Interest income	780	44	2,762	3,586
Depreciation	(926)	(502)	(224)	(1,652)
Impairment loss on trade receivables	(4,902)	–	–	(4,902)
Impairment loss on contract assets	(16,149)	–	–	(16,149)
<b>Year ended 31 March 2024</b>				
Reportable segment revenue	1,212,063	326,790	–	1,538,853
Reportable segment profit/(loss) before income tax	22,390	43,450	(7,635)	58,205
Amounts included in the measure of segment profit or loss:				
Interest expenses	(2,074)	(83)	–	(2,157)
Interest income	4,469	155	540	5,164
Depreciation	(655)	(454)	(229)	(1,338)
Impairment loss on contract assets	(2,313)	–	–	(2,313)

	2025 HK\$'000	2024 HK\$'000
<b>Segment assets</b>		
Construction business	415,646	506,444
E-commerce business	49,226	39,923
Other corporate assets	69,294	75,874
	<u>534,166</u>	<u>622,241</u>
<b>Segment liabilities</b>		
Construction business	28,071	110,174
E-commerce business	28,221	30,007
Other corporate assets	4,215	2,556
	<u>60,507</u>	<u>142,737</u>

### Geographical information

Information about the Group's non-current assets (other than financial instruments) is presented based on the geographical location of the assets.

	2025 HK\$'000	2024 HK\$'000
Hong Kong	925	1,843
The PRC	920	1,057
	<u>1,845</u>	<u>2,900</u>
Consolidated total		

The Group's revenue are all derived from external customers in Hong Kong and PRC for the year ended 31 March 2025 (2024: Same). During the year ended 31 March 2025, revenue from 2 (2024: 2) customers individually contributed over 10% of the Group's total revenue. The revenue from each of these customers came from construction segment, are summarised below:

	2025 HK\$'000	2024 HK\$'000
Customer A	141,148	266,489
Customer B	N/A*	224,825
Customer C	234,381	N/A*

\* Customer did not contribute more than 10% of the total consolidated revenue of the Group for the year.



## 5. REVENUE

The Group's revenue represents provision of formwork services and other construction services to customers in Hong Kong and online trading of products in the PRC during the year.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Over time		
Contract revenue from construction business:		
Formwork services	813,637	1,199,351
Other construction services	<u>63,294</u>	<u>12,712</u>
	876,931	1,212,063
Point in time		
E-commerce business revenue	<u>537,618</u>	<u>326,790</u>
	<u><b>1,414,549</b></u>	<u><b>1,538,853</b></u>

## 6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Government grant	9	25
Gain on disposal of financial asset at FVPL – wealth management product	308	–
Gain on disposal of financial asset at FVPL – Unlisted equity investment	505	–
Sundry income	<u>90</u>	<u>369</u>
	<u><b>912</b></u>	<u><b>394</b></u>

## 7. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Subcontracting charges	546,920	688,851
Material costs	142,671	221,202
Cost of inventories sold	173,566	108,601
Commission expense to e-commerce platforms	258,634	158,828
Impairment loss on contract assets ( <i>Note (d)</i> )	16,149	2,313
Impairment loss on trade receivables ( <i>Note (d)</i> )	4,902	–
Employee benefits expenses, including directors' emoluments ( <i>Notes (a) and (b)</i> )		
Salaries, wages and other benefits	182,746	263,790
Contribution to defined contribution retirement plans	6,808	10,124
	<u>189,554</u>	<u>273,914</u>
Depreciation of property and equipment ( <i>Notes (c)</i> )		
Self-owned assets	588	266
Assets under leases	1,064	1,072
	<u>1,652</u>	<u>1,338</u>
Consultancy fee	–	375
Legal and professional fees	2,276	2,904
Auditor's remuneration	1,200	1,200

*Notes:*

- (a) Employee benefits expenses, including directors' emoluments:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Amount included in cost of sales and services	<b>176,245</b>	261,953
Amount included in administrative expenses	<b>13,309</b>	11,961
	<b><u>189,554</u></b>	<u>273,914</u>

As at 31 March 2025, the Group had forfeited contribution available to reduce the contributions payable in future years (2024: Same).

- (b) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group included 2 (2024: 2) directors for the year. The aggregate remunerations paid to the remaining 3 (2024: 3) highest paid individuals, whose remuneration falls within the salary band of Nil to HK\$1,000,000, for the year are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Wages, salaries, bonuses and other benefits	<b>2,136</b>	2,246
Contribution to defined contribution retirement plans	<b>36</b>	36
	<b><u>2,172</u></b>	<u>2,282</u>

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the directors or the five highest paid individuals during the year ended 31 March 2025 (2024: Nil).

- (c) Depreciation expense of approximately HK\$1,652,000 for the year (2024: HK\$1,338,000) has been recorded in administrative expenses.
- (d) During the year ended 31 March 2025, a main contractor entered provisional liquidation and winding up petitions against the main contractor have been filed by certain creditors due to default in debt repayments. In view of the financial distress of the main contractor, management assessed the collectability of trade and retention receivables and has provided the expected loss on trade receivables and contract assets in the amount of approximately HK\$4,902,000 and HK\$13,416,000 respectively.

## 8. FINANCE INCOME, NET

	2025 HK\$'000	2024 HK\$'000
<b>Finance income</b>		
Bank interest income	3,586	5,164
<b>Finance costs on:</b>		
– Lease liabilities	(65)	(103)
– Bank borrowings	(569)	(2,054)
Total interest expense on financial liabilities not at fair value	(634)	(2,157)
Finance income, net	<u>2,952</u>	<u>3,007</u>

## 9. INCOME TAX EXPENSES

	2025 HK\$'000	2024 HK\$'000
Current income tax		
– Hong Kong Profits Tax	–	3,164
– PRC Corporate Income Tax	19,716	11,066
Income tax expense	<u>19,716</u>	<u>14,230</u>

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Islands as they are exempted from tax in these jurisdictions.

All PRC subsidiaries are subject to income tax at 25% (2024: 25%) for the year under the PRC Corporate Income Tax law (“CIT Law”).

Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department of Hong Kong (“IRD”), the qualifying group entity will be taxed at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% on the remaining estimated assessable profits for the year (2024: Same). The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime was applicable to the Group for the year (2024: Same).

Pursuant to the CIT law, 10% withholding tax is levied on the foreign investor, (foreign investors which are registered in Hong Kong and meet certain requirements specified in the relevant tax regulations in the PRC may be entitled to a preferential 5% rate), in respect of dividend distributions arising from profit earned by a foreign investment enterprise in the PRC after 1 January 2008. As at 31 March 2025, no deferred tax liability has been recorded in respect of temporary differences relating to the undistributed profits amounting to approximately HK\$nil (2024: HK\$22,284,000) as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probably that these earnings will not be distributed in the foreseeable future.

The Group has no other material deferred tax not provided in the consolidated financial statements, as there were no other material temporary differences at the end of the reporting period.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the group entities as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Profit before income tax	<u><b>41,280</b></u>	<u>58,205</u>
Tax calculated at domestic tax rates applicable to different subsidiaries of the Group	<b>12,836</b>	12,992
Tax effect under two-tiered profits tax rates regime	–	(165)
Expenses not deductible for tax purposes	<b>1,564</b>	2,151
Income not subject to tax	<b>(129)</b>	(742)
Tax effect of tax losses not recognized	<b>1,975</b>	–
Deductible temporary differences not recognized for deferred income tax assets	<b>3,473</b>	–
Tax concession	<u><b>(3)</b></u>	<u>(6)</u>
Income tax expense	<u><b>19,716</b></u>	<u>14,230</u>

The Group did not recognize deferred income tax assets of approximately HK\$1,975,000 in respect of tax losses amounting to approximately RMB11,064,000 that can be carried forward against future taxable profit as at 31 March 2025.

## 10. (LOSS)/EARNINGS PER SHARE

### Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the year of approximately HK\$7,685,000 (2024: profit HK\$28,107,000) attributable to owners of the Company and the weighted average number of 1,000,000,000 (2024: 1,000,000,000) ordinary shares in issue during the year.

### Diluted (loss)/earnings per share

No diluted (loss)/earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 March 2025 and 2024.

## 11. DIVIDENDS

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

## 12. TRADE RECEIVABLES AND CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Trade receivables ( <i>Note (a)</i> )	27,126	56,733
Less: impairment loss of trade receivables ( <i>Note (b)</i> )	(4,902)	–
	<u>22,224</u>	<u>56,733</u>
Contract assets		
Uncertified work in progress	95,460	78,354
Retention sum for contract works ( <i>Note (c)</i> )	169,380	178,517
	<u>264,840</u>	<u>256,871</u>
Less: impairment loss of contract assets ( <i>Note (b) and (d)</i> )	(20,056)	(3,907)
	<u>244,784</u>	<u>252,964</u>

- (a) The balances mainly represented the trade receivables from construction business, the Group's credit terms granted to third-party customers range from 14 days to 60 days (2024: Same). In respect of e-commerce business, the sales are settled by electronic payment or credit cards, which will generally settle the amount with the Group within 2 to 3 days after the sales made.

At the end of reporting period, the ageing analysis of the third-party trade receivables, based on the date of certification or invoice date, are as follows:

	2025 HK\$'000	2024 HK\$'000
Up to 30 days	6,708	46,461
31–90 days	13,012	10,272
91–181 days	1,370	–
181–365 days	1,134	–
	<u>22,224</u>	<u>56,733</u>

At the end of reporting period, the ageing analysis of the third-party trade receivables, based on the date of past due date, are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Current and not yet past due	<b>19,720</b>	56,733
Past due		
Within 30 days	–	–
31–90 days	<b>1,044</b>	–
91–365 days	<b>1,460</b>	–
	<b>22,224</b>	56,733

Trade receivables that are neither past due nor impaired have good credit quality and low default rate under the internal credit assessment adopted by the Group. The Group does not hold any collateral over these balances. As at 31 March 2025, included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK\$1,460,000 (2024: HK\$nil) has been past due 90 days or more and is not considered as in default due to the long-term/on-going relationship, good repayment record and continuous repayment from these customers.

- (b) During the year ended 31 March 2025, a main contractor entered provisional liquidation and winding up petitions against the main contractor have been filed by certain creditors due to default in debt repayments. In view of the financial distress of the main contractor, management assessed the collectability of trade and retention receivables and has provided the expected loss on trade receivables and contract assets in the amount of approximately HK\$4,902,000 and HK\$13,416,000 respectively.
- (c) Contract assets represent the Group's rights to considerations from customers for the provision of formwork services and other construction services, which arise when: (i) the Group completed the relevant services under such contracts but the works are yet to be certified by surveyors or other representatives appointed by the customers; or (ii) the customers withhold certain certified amounts payable to the Group as retention money to secure the due performance of the contracts.

Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is certified by surveyors or other representatives appointed by the customers and becomes unconditional other than passage of time.

Retention sum for contract works is settled in accordance with the terms of the respective contracts. In the consolidated statement of financial position, retention sum for contract works was classified as current assets based on operating cycle. Prior to expiration of defect liability period, are classified as contract assets, which ranges from one to five years from the date of the practical completion of the construction. The relevant amount of contract asset is unsecured and interest-free and reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion or the expiry of the defect liability period. The Group does not hold any collateral as security.

In the consolidated statement of financial position, contract assets relating to retention sum for contract works were classified as current assets based on operating cycle. The ageing of the retention sum for contract works, based on the date of certification, are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Within 1 year	<b>138,345</b>	148,966
Between 1 and 2 years	<b>12,598</b>	20,521
Over 2 years	<b>18,437</b>	9,030
	<b><u>169,380</u></b>	<u>178,517</u>

As at 31 March 2025, the contract assets that are expected to be recovered after more than 12 months are approximately HK\$119,486,000 (2024: HK\$141,457,000), which represented the retention sum for contract works. The remaining contract assets are expected to be recovered within 12 months.

The following table shows unsatisfied performance obligations resulting from fixed-price long-term construction contracts.

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Aggregate amount of the transaction price allocated to long-term construction contracts that are unsatisfied	<b><u>268,071</u></b>	<u>761,562</u>

As at 31 March 2025, management expects that approximately HK\$238,442,000 (2024: HK\$722,823,000), will be recognised as revenue during the next reporting period and the remaining will be recognised within two years from each reporting date.

- (d) The Group applies the simplified approach to provide for excepted credit loss prescribed by HKFRS 9. As at 31 March 2025, a provision of HK\$6,640,000 (2024: HK\$3,907,000) was made against the gross amounts of contract assets less expected loss of HK\$251,424,000 (2024: HK\$256,871,000).



### 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments ( <i>note</i> )	8,905	28,471
Deposits and other receivables	<u>2,939</u>	<u>1,046</u>
Prepayments, deposits and other receivables	11,844	29,517
Less: non-current portion deposits	<u>(54)</u>	<u>(55)</u>
	<u>11,790</u>	<u>29,462</u>

*Note:* The prepayment consists mainly of suppliers from Construction business.

### 14. TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Construction business	22,385	52,167
E-commerce business	<u>10,868</u>	<u>13,605</u>
	<u>33,253</u>	<u>65,772</u>

The average credit period for trade purchases generally ranged from 15 days to 60 days (2024: 15 days to 60 days).

At the end of reporting period, the ageing analysis of the trade payables, based on invoice date, are as follows:

	2025 HK\$'000	2024 HK\$'000
Up to 30 days	32,206	55,475
31 – 90 days	990	9,568
91 – 180 days	1	102
Over 180 days	<u>56</u>	<u>627</u>
	<u>33,253</u>	<u>65,772</u>

## 15. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Accruals for staff salaries and other benefits	6,072	24,413
Contract liabilities	9,543	9,452
Other accruals and other payables	5,499	5,137
	<u>21,114</u>	<u>39,002</u>

Contract liabilities, representing receipt in advance from customers, are separately presented. The movement of contract liabilities during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
As at the beginning of the year	9,452	11,422
Revenue recognised in relation to construction business that was included in the contract liabilities at beginning of the year	(9,452)	(11,422)
Increase due to receipts in advance from customers during the year	<u>9,543</u>	<u>9,452</u>
<b>As at the end of the year</b>	<u><b>9,543</b></u>	<u><b>9,452</b></u>

## 16. SHARE CAPITAL

	2025 HK\$'000	2024 HK\$'000
<b>Authorised:</b>		
10,000,000,000 ordinary shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>		
1,000,000,000 ordinary shares of HK\$0.01 each	<u>10,000</u>	<u>10,000</u>

## 17. CONTINGENT LIABILITIES

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group's control, or when it is not possible to calculate the amount. As at 31 March 2025, the Group did not have any significant contingent liabilities. The directors of the Company believe that any potential compensation arising from the ongoing litigations will be covered by relevant insurance coverage and these litigations will not have a material adverse effect on the consolidated financial statements of the Group (2024: Nil).

## **BUSINESS REVIEW**

The principal activities of the Group are (i) construction business which included provision of formwork services and other construction services; and (ii) E-Commerce business.

### **Construction Business**

The Group is a Hong Kong-based formwork contractor, mainly engaged in the provision of (a) formwork services, comprising of: (i) conventional formwork which is built on-site by mainly using timber and plywood; and (ii) prefabricated formwork which is built out of prefabricated modules by mainly using aluminum and steel; and (b) other construction services.

Formwork is the temporary supporting structures and moulds used in construction where concrete is poured in and to be moulded into the required structural shape and size. When we undertake a formwork project, we are generally responsible for project planning and implementation, procurement of materials, quality control and overall management of our direct labour and workers of our engaged subcontractors in carrying out the implementation of formwork services in accordance with the main contractors' requirements and specifications.

During the course of providing our formwork services, we may also be requested by our customers, in the form of variation orders, to provide other construction services, including plastering, installing curtain wall and other miscellaneous works on an ancillary basis.

During the FY2025, 1 new project with an aggregate contract value of approximately HK\$3.4 million were awarded to the Group. 5 existing projects were completed during the year. As at 31 March 2025, 21 projects with the outstanding contract sum of approximately HK\$265.5 million were all in progress.

### **E-Commerce Business**

The Group has engaged in E-Commerce business since March 2021 via Baiyin Chi Kan Technology Development Company Limited ("**CK Baiyin**"), which is incorporated in People's Republic of China ("**PRC**") on 24 February 2021. The Group hold 51% equity interest in CK Baiyin whereas an independent third party holds 49% equity interest in CK Baiyin.

The Group is strategically positioned as a brand retailers in private E-Commerce platforms. We have cooperated with three private E-Commerce platforms to provide brand commodities that match with the need of our customers. Specifically, the income of the Group is generated from retailing in the private E-Commerce platforms.

With the continuously rapid development of online retail business, we have cooperated with various suppliers and brand merchants, and committed to provide high quality and diversified products in our best effort. Under our E-Commerce business, we offer over 500 types of products, including agricultural products rich in selenium, nutritional supplements, daily necessities, and cosmetic and skin care products. Quality of products would be regarded as our primary consideration in choosing products and products and manufacturers would be strictly selected for the sake of better products and quality, so as to achieve the sustainable development of corporation.

## **FINANCIAL REVIEW**

During the FY2025, the Group's audited consolidated revenue amounted to approximately HK\$1,414.5 million (FY2024: approximately HK\$1,538.8 million). The decrease were mainly due to (i) 21 projects on hand as at 31 March 2025 (FY2024: 25) which contributed approximately HK\$876.9 million from construction business (FY2024: approximately HK\$1,212.0 million); and (ii) revenue of approximately HK\$537.6 million from E-Commerce business (FY2024: approximately HK\$326.7 million).

During the FY2025, the gross profit amounted to approximately HK\$364.1 million (FY2024: approximately HK\$246.0 million), while the gross profit margin was approximately 25.7% (FY2024: approximately 15.9%). Gross profit margin increased by approximately 9.8% from approximately 15.9% for FY2024 to approximately 25.7% for FY2025 due to increase in gross profit from E-Commerce business from approximately HK\$214.1 million for FY2024 to approximately HK\$357.0 million for FY2025.

Other incomes primarily comprise government grant and other income last year. Other incomes for the year increased by HK\$0.5 million from approximately HK\$0.4 million for FY2024 to approximately HK\$0.9 million for FY2025, which mainly due to the gain on disposal of unlisted equity investment by approximately HK\$0.5 million.

Selling and administrative expenses (the “**S&A Expenses**”) primarily comprise selling commission, staff costs, business development expenses, depreciation, consultancy fee and legal and professional charges. The S&A Expenses for the year increased by approximately HK\$116.5 million to approximately HK\$305.7 million, compared with approximately HK\$189.2 million of last year, which mainly due to increase in operating expenses for E-Commerce business.

As a result, loss attributable to the owners of the Company for the year was a loss of approximately HK\$7.6 million, compared to profit attributable to the owners of the Company of approximately HK\$28.1 million last year.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group’s overall funding and treasury activities are currently managed and controlled by the Directors and senior management. The Directors and senior management will closely monitor the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities, and other commitments can meet its funding needs.

	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Current ratio <sup>1</sup>	<b>8.8 times</b>	4.4 times
Gearing ratio (%) <sup>2</sup>	<b>0.2%</b>	6.7%
Debt to equity ratio (%) <sup>3</sup>	<b>N/A</b>	N/A

### *Notes:*

1. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the respective year end.
2. Gearing ratio is calculated based on the payables incurred not in the ordinary course of business (being bank borrowings and lease liabilities) divided by total equity as at the respective year end and multiplied by 100%.
3. Debt to equity ratio is calculated based on the net debt (being bank borrowings and lease liabilities net of cash and cash equivalents) divided by the total equity as at the respective year end and multiplied by 100%.

Current ratio increased from 4.4 as at 31 March 2024 to 8.8 as at 31 March 2025, mainly due to decrease in trade payables. Gearing ratio decreased from 6.7% as at 31 March 2024 to 0.2% as at 31 March 2025, mainly due to decrease in bank borrowings. Debt to equity ratio is not applicable as at 31 March 2025 due to the cash and cash equivalents larger than the total of bank borrowings and lease liabilities at that date.

As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$228.2 million (31 March 2024: approximately HK\$227.6 million) and restricted cash of approximately HK\$7.5 million (31 March 2024: HK\$27.5 million). Such restricted bank balances were held for the requirement of our general banking facilities. The Group expected to fund the future cash flow needs through internally generated cash flows from operations and bank facilities.

The capital structure of the Group consisted of equity of approximately HK\$473.6 million and debts (lease liabilities and bank borrowings) of approximately HK\$0.8 million as at 31 March 2025.

The Group adopts a prudent approach in cash management. Apart from certain debts including lease liabilities, the Group did not have any material outstanding debts as at 31 March 2025. Payment to settle trade payable represented the significant part of the cash outflow of the Group. Taking into account the light debt leverage, the Group is able to generate cash and meet upcoming cash requirements. In any case, the Group may utilise its banking facilities of HK\$7.5 million, of which the unutilised and unrestricted banking facilities amounted to approximately HK\$7.5 million.

## **EMPLOYEES**

The Group had 204 employees as at 31 March 2025 (2024: 1,118). The Group offers competitive remuneration package that is based on overall market rates and employee performance, as well as performance of the Group. Remuneration package is comprised of salary, performance-based bonus, and other benefits including training and provident funds.

## **CAPITAL COMMITMENTS**

The Group had no capital commitments as at 31 March 2025 (2024: Nil).

## **CHARGES ON GROUP ASSETS**

As at 31 March 2025, bank deposits of HK\$7.5 million were pledged to secure the banking facilities granted to the Group (31 March 2024: HK\$27.5 million).

## **CONTINGENT LIABILITIES**

The Group had no other contingent liabilities as at 31 March 2025 (2024: Same).

## **SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during FY2025.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

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

## **PROSPECTS**

The construction industry in Hong Kong is anticipated to encounter increasing challenges in the years ahead, with fewer new projects and heightened competition putting pressure on profit margins. While the Group will continue to manage our construction operations with discipline and efficiency, we recognise that growth opportunities in this segment may remain limited in the near future.

As a strategic response, the Group plans to gradually shift its focus toward expanding our e-commerce business. With the continued growth of mobile internet usage and evolving consumer habits, the online retail market presents significant long-term potential. We believe our e-commerce operations offer a more scalable and sustainable growth path under current market conditions.

Looking forward, we will strategically allocate resources to enhance the development of our e-commerce platform, while ensuring operational stability in our construction business. The Group remains dedicated to creating long-term value for shareholders by adapting to market changes and pursuing new growth opportunities.



The Group strive to maintain our comprehensive advantages in face of vigorous competition and complicated business environment, addressing the unexpected global challenges, realising growth in income and net profit continuously, and creating values for our shareholders incessantly. We will stay true to ourselves, keep our mission in mind, and take up social responsibility. We will lay solid foundation to foster regional economic development; we will make greater contribution to realise common prosperity in our country and society.

## **DIVIDENDS**

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

## **EVENT AFTER THE REPORTING PERIOD**

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this annual results announcement.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors. Upon specific enquires of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the year.

## **CORPORATE GOVERNANCE PRACTICES**

The Company recognises the importance of maintaining a high standard of corporate governance with an aim to protect the interest of shareholders.

The Company has adopted the Corporate Governance Code contained in Appendix C1 (the “**CG Code**”) of the Listing Rules. Upon the Listing and up to 31 March 2025, the Company complied with all applicable provisions of the CG Code except for the deviation as stated below:

Pursuant to C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not officially have chief executive. The role and function of chief executive have been performed by all the executive Directors collectively. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's business operations. The Board will continue to review the effectiveness of the Group's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of chief executive officer, is necessary.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee consists of three independent non-executive Directors and has reviewed the Group's consolidated financial statements for the year ended 31 March 2025.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of 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 Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA 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 opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the Company's website at [www.chikanck.com](http://www.chikanck.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). The 2025 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board  
**Chi Kan Holdings Limited**  
**Lo Hon Kwong**  
*Chairman and Executive Director*

Hong Kong, 27 June 2025

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lo Hon Kwong, Ms. Chan May Kiu and Ms. Zhou Honghong; one non-executive Director, namely Mr. Chen Zhongzhou; and three independent non-executive Directors, namely Mr. Lai Yick Fung, Ms. Chan Sze Man and Mr. Shum Ngok Wa.*