

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS	For the year ended 31 March		
	2025	2024 (Restated)	Change
Continuing operations			
Revenue (HK\$'000)	488,489	196,421	148.7%
Gross (loss) profit (HK\$'000)	(17,052)	30,903	N/A
Gross profit margin	N/A	15.7%	N/A
Profit (loss) for the year attributable to owners of the Company (HK\$'000)	15,595	(228,334)	N/A
Discontinued operation			
Revenue (HK\$'000)	–	30,693	(100%)
Loss for the year attributable to owners of the Company (HK\$'000)	(733,263)	(24,891)	2,845.9%
Continuing and discontinued operations			
Basic loss per share (HK\$)	(9.71)	(3.50)	177.4%
Diluted loss per share (HK\$)	(10.09)	(4.20)	140.2%
	As at 31 March		
	2025	2024	Change
Total assets (HK\$'000)	3,329,958	8,739,039	(61.9%)
Total liabilities (HK\$'000)	1,603,393	4,136,948	(61.2%)
Net asset value (HK\$'000)	1,726,565	4,602,091	(62.5%)
Net asset value per share (HK\$)	23.3	62.2	(62.5%)

RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Easyknit International Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2025 (the “**Year**”), together with comparative figures for the year ended 31 March 2024 (the “**Previous Year**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	2025 HK\$'000	2024 HK\$'000 (Restated)
Continuing operations			
Revenue	3		
Sales of properties		466,837	169,971
Rental income		16,009	14,350
Interest income from loan financing		4,500	11,131
Building management		1,143	969
		<u>488,489</u>	<u>196,421</u>
Cost of properties sold and services rendered		<u>(505,541)</u>	<u>(165,518)</u>
Gross (loss) profit		(17,052)	30,903
Other income, gains and losses		16,360	7,319
Distribution and selling expenses		(51,791)	(24,264)
Administrative expenses		(47,706)	(51,383)
Write-down on properties held for development for sale, net		(10,200)	–
Write-down on properties held for sale		(18,307)	(59,766)
Loss on changes in fair value of investment properties		(17,130)	(37,770)
Loss on partial redemption of convertible note		(13,825)	–
Gain on modification of terms of convertible note		33,154	–
Net (loss) gain on changes in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(14,361)	2,228

	<i>NOTES</i>	2025 HK\$'000	2024 <i>HK\$'000</i> <i>(Restated)</i>
Reversal of impairment loss on financial assets, net:			
– Loans receivable		2,013	2,202
– Debt instruments at amortised cost		–	717
Gain on bargain purchase at date of deemed acquisition of an associate		244,996	–
Share of result of an associate		(27,803)	–
Share of results of a joint venture		(5)	(5)
Finance costs	5	<u>(69,565)</u>	<u>(90,110)</u>
Profit (loss) before taxation	6	8,778	(219,929)
Income tax credit (expense)	7	<u>6,790</u>	<u>(8,506)</u>
Profit (loss) for the year from continuing operations		15,568	(228,435)
Discontinued operation			
Loss for the year from discontinued operation	8	<u>(733,263)</u>	<u>(180,124)</u>
Loss for the year		<u>(717,695)</u>	<u>(408,559)</u>

	2025 HK\$'000	2024 HK\$'000 (Restated)
Other comprehensive income (expense)		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value gain on a leasehold property upon transfer to an investment property	<u>8,986</u>	<u>–</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of financial statements of foreign operations	–	1,078
Change in fair value of debt instruments at fair value through other comprehensive income (“FVTOCI”)	153	(1,439)
Release on disposal of debt instruments at FVTOCI	–	2,119
Reversal of impairment loss on debt instruments at FVTOCI included in profit or loss, net	–	(1,775)
Share of other comprehensive income of an associate	525	–
Reclassification of translation reserve to profit or loss upon deemed disposal of subsidiaries	12,981	–
Reclassification of FVTOCI reserve to profit or loss upon deemed disposal of subsidiaries	9,898	–
Reclassification of treasury shares to profit or loss upon deemed disposal of subsidiaries	<u>6,468</u>	<u>–</u>
Other comprehensive income (expense) for the year	<u>30,025</u>	<u>(17)</u>
Total comprehensive expense for the year	<u>(678,684)</u>	<u>(408,576)</u>
Profit (loss) for the year attributable to owners of the Company:		
– from continuing operations	15,595	(228,344)
– from discontinued operation	<u>(733,263)</u>	<u>(24,891)</u>
Loss for the year attributable to owners of the Company	<u>(717,668)</u>	<u>(253,235)</u>
Loss for the year attributable to non-controlling interests:		
– from continuing operations	(27)	(91)
– from discontinued operation	<u>–</u>	<u>(155,233)</u>
Loss for the year attributable to non-controlling interests	<u>(27)</u>	<u>(155,324)</u>
Loss for the year	<u>(717,695)</u>	<u>(408,559)</u>

	<i>NOTE</i>	2025 HK\$'000	2024 <i>HK\$'000</i> <i>(Restated)</i>
Total comprehensive expense attributable to owners of the Company:			
– from continuing operations		25,259	(228,344)
– from discontinued operation		<u>(703,916)</u>	<u>(24,900)</u>
Total comprehensive expense attributable to owners of the Company		<u>(678,657)</u>	<u>(253,244)</u>
Total comprehensive expense attributable to non-controlling interests:			
– from continuing operations		(27)	(91)
– from discontinued operation		<u>–</u>	<u>(155,241)</u>
Total comprehensive expense attributable to non-controlling interests		<u>(27)</u>	<u>(155,332)</u>
Total comprehensive expense for the year		<u>(678,684)</u>	<u>(408,576)</u>
(Loss) earnings per share	<i>10</i>	HK\$	<i>HK\$</i>
From continuing and discontinued operations			
– Basic		(9.71)	(3.50)
– Diluted		<u>(10.09)</u>	<u>(4.20)</u>
From continuing operations			
– Basic		0.21	(3.15)
– Diluted		<u>(0.17)</u>	<u>(3.15)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2025

	<i>NOTE</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		96,041	191,445
Right-of-use assets		598	168
Intangible assets		500	500
Investment properties		899,100	2,069,773
Investment in an associate		228,279	–
Interests in joint ventures		91	351
Financial assets at FVTPL		69,993	6,264
Debt instruments at FVTOCI		–	100
Debt instruments at amortised cost		–	22,576
Loans receivable		3,000	112,354
Deferred tax assets		–	1,030
Deposits		285	285
		1,297,887	2,404,846
Current assets			
Properties held for development for sale		696,000	3,021,999
Properties held for sale		1,120,130	2,646,550
Trade and other receivables	<i>11</i>	38,961	58,850
Financial assets at FVTPL		69,571	205,590
Loans receivable		89,102	58,918
Debt instruments at amortised cost		2,206	1,955
Debt instruments at FVTOCI		463	313
Time deposits over three months		–	32,583
Cash and cash equivalents		15,638	307,435
		2,032,071	6,334,193

	<i>NOTE</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>12</i>	96,821	151,991
Contract liabilities		19,066	35,340
Amount due to a non-controlling shareholder		174,568	212,531
Tax payable		37,159	65,041
Lease liabilities		574	184
Secured bank borrowings		1,112,302	2,323,047
		1,440,490	2,788,134
Net current assets		591,581	3,546,059
Total assets less current liabilities		1,889,468	5,950,905
Non-current liabilities			
Secured bank borrowings		161,935	1,348,814
Lease liabilities		52	–
Deferred tax liabilities		916	–
		162,903	1,348,814
		1,726,565	4,602,091
Capital and reserves			
Share capital		7,399	7,399
Reserves		1,720,997	2,399,654
Equity attributable to owners of the Company		1,728,396	2,407,053
Non-controlling interests		(1,831)	2,195,038
		1,726,565	4,602,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL INFORMATION

Easyknit International Holdings Limited (the “**Company**”; the Company and its subsidiaries are collectively referred to as the “**Group**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company.

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 the 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 Group’s annual periods beginning on 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.

3. REVENUE

Revenue from continuing operations represents the aggregate of the amounts received or receivable in respect of rental income and building management from property investment, interest income from loan financing and property sales from property development during the year.

4. SEGMENT INFORMATION

Information reported to the Group's chief executive officer, being the chief operating decision maker (the "CODM"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis of organisation, whereby the management has chosen to organise the Group around differences in products and services.

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are (i) property investment, (ii) property development, (iii) investment in securities and others and (iv) loan financing.

The segment information reported does not include any amounts for the discontinued operation, which are described in more detail in note 8.

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

For the year ended 31 March 2025

	Property investment <i>HK\$'000</i> <i>(note)</i>	Property development <i>HK\$'000</i>	Investment in securities and others <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External sales	<u>17,152</u>	<u>466,837</u>	<u>–</u>	<u>4,500</u>	<u>488,489</u>
RESULTS					
Segment results	<u>(22,047)</u>	<u>(131,715)</u>	<u>(1,490)</u>	<u>212</u>	(155,040)
Unallocated corporate income					11,310
Unallocated corporate expenses					(14,444)
Gain on bargain purchase at date of deemed acquisition of an associate					244,996
Loss on partial redemption of convertible note					(13,825)
Gain on modification of term of convertible note					33,154
Share of result of an associate					(27,803)
Share of result of a joint venture					(5)
Finance costs					<u>(69,565)</u>
Profit before taxation from continuing operations					<u>8,778</u>

For the year ended 31 March 2024 (Restated)

	Property investment <i>HK\$'000</i> <i>(note)</i>	Property development <i>HK\$'000</i>	Investment in securities and others <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE					
External sales	<u>15,319</u>	<u>169,971</u>	<u>–</u>	<u>11,131</u>	<u>196,421</u>
RESULTS					
Segment results	<u>(37,409)</u>	<u>(97,557)</u>	<u>6,160</u>	<u>88</u>	(128,718)
Unallocated corporate income					13,351
Unallocated corporate expenses					(14,447)
Share of results of a joint venture					(5)
Finance costs					<u>(90,110)</u>
Loss before taxation from continuing operations					<u>(219,929)</u>

Note: Rental income generated from properties held for development for sale (included in property development segment) was included in property investment segment.

Segment results represent the profit earned or loss incurred from continuing operations by each segment without allocation of gain on bargain purchase at date of deemed acquisition of an associate, share of results of an associate, share of results of a joint venture, finance costs, other expenses and unallocated corporate income and expenses. There are asymmetrical allocations to operating segments because the Group allocates all fair value changes of financial assets at FVTPL to segment of investment in securities and others without allocating the certain financial instruments to those segment assets. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> <i>(Restated)</i>
<u>Continuing operations</u>		
Interest on bank borrowings	82,734	102,632
Interest on loan from an associate	2,743	–
Interest on lease liabilities	<u>10</u>	<u>16</u>
	85,487	102,648
Less: Amount capitalised in the cost of qualifying assets	<u>(15,922)</u>	<u>(12,538)</u>
	<u><u>69,565</u></u>	<u><u>90,110</u></u>

Borrowing costs capitalised during the year arose on a specific borrowing with interest ranging from 5.4% to 6.1% (2024: interest rate of 5.26%) per annum to expenditure on qualifying assets.

6. PROFIT (LOSS) BEFORE TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> <i>(Restated)</i>
<u>Continuing operations</u>		
Profit (loss) before taxation has been arrived at after charging:		
Directors' emoluments	10,529	9,411
Other staff costs, including retirement benefits scheme contributions	<u>15,675</u>	<u>23,784</u>
Total staff costs	<u>26,204</u>	33,195
Auditors' remuneration		
– audit services	1,550	1,600
– non-audit services	–	29
Cost of properties recognised as expense	503,986	163,978
Depreciation of property, plant and equipment	2,894	2,775
Depreciation of right-of-use assets	499	521
Net exchange loss	19	6
Loss on disposal of property, plant and equipment	12	–
and after crediting:		
Dividend income from investments	1,799	1,811
Interest income from		
Debt instruments at amortised cost	4,500	13,061
Financial asset at FVTPL	5,239	–
Banks and others	142	366
Other income		
Debt instruments at amortised cost	271	8,799
Debt instruments at FVTOCI	–	130
	<u><u> </u></u>	<u><u> </u></u>

7. INCOME TAX (CREDIT) EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> <i>(Restated)</i>
<u>Continuing operations</u>		
The tax (credit) charge comprises:		
Over-provision in prior years:		
Hong Kong	<u>(8,384)</u>	<u>–</u>
Deferred tax	<u>1,594</u>	<u>8,506</u>
	<u><u>(6,790)</u></u>	<u><u>8,506</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

8. DISCONTINUED OPERATION/LOSS ON DEEMED DISPOSAL OF SUBSIDIARIES

On 17 April 2024, Eminence Enterprise Limited (“**Eminence**”), a non-wholly owned subsidiary of the Group, completed a placing of shares which resulted in a dilution of the Group’s effective equity interest in Eminence to 8.11%. Since then, the Group has lost control over Eminence and ceased to account for Eminence as a subsidiary.

After the change in the Group’s effective equity interest in Eminence, the directors of the Company considered the Group can no longer exercise control over Eminence since 17 April 2024. As Eminence and its subsidiaries (the “**Eminence Group**”) is mainly engaged in non-residential property development sector, the directors of the Company considered the operation of the Eminence Group to be a discontinued operation. Details of the discontinued operation are set out below.

The profit for the year from the discontinued operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the operation in the Eminence as a discontinued operation.

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i> (Restated)
Revenue		
Rental income	–	28,751
Interest income from loan financing	–	1,930
Building management	–	12
	–	30,693
Cost of properties sold and services rendered	–	(3,520)
Gross profit	–	27,173
Other income, gains and losses	–	38,661
Administrative expenses	–	(61,199)
Loss on changes in fair value of investment properties	–	(9,563)
Write-down on properties held for development for sales	–	(84,162)
Net loss on changes in fair value of financial assets	–	(3,983)
Release on disposal of debt instrument at FVTOCI	–	(2,119)
Reversal of impairment loss on financial assets, net:		
– Loans receivable	–	473
– Debt instruments at FVTOCI	–	1,775
Share of results of a joint venture	–	142
Finance costs	–	(36,512)
Loss on deemed disposal of subsidiaries	<u>(733,263)</u>	–
Loss before taxation	(733,263)	(129,314)
Taxation charge	–	(50,810)
Loss for the year	<u><u>(733,263)</u></u>	<u><u>(180,124)</u></u>

	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss for the year from discontinued operation had been arrived at after charging (crediting):		
Staff costs, including retirement benefits costs	-	40,218
Auditors' remuneration	-	1,700
Depreciation of property, plant and equipment	-	3,965
Gain on disposal of investment properties	-	(66,611)
Loss on write-off of property, plant and equipment	-	29
Dividend income from investments	-	1,373
Bank and other interest income	-	(8,563)
	<u> </u>	<u> </u>

The major classes of assets and liabilities of the Eminence Group as at the date of deemed disposal were as follows:

HK\$'000

The net assets of the subsidiaries being disposed of at the date of deemed disposal are as follows:

Deemed consideration:

Fair value of the equity interest retained in the Eminence Group, based on share price of Eminence at the date of deemed disposal

	<u>5,513</u>
Property, plant and equipment	4,669
Investment properties	1,250,443
Interest in a joint venture	255
Financial assets at FVTPL	106,157
Debt instruments at FVTOCI	100
Debt instruments at amortised cost	22,576
Loans receivable	30,878
Amount due from a related party	30,000
Deferred tax assets	352
Properties held for development for sale	2,473,366
Properties held for sale	1,004,126
Trade and other receivables	21,143
Amount due from a joint venture	1,850
Time deposits over three months	31,183
Cash and cash equivalents	299,717
Trade and other payables	(82,426)
Tax payable	(19,511)
Secured bank borrowings	(2,066,734)
Convertible note	<u>(167,954)</u>
	2,940,190
Less: Non-controlling interests	<u>(2,196,842)</u>
	<u>743,348</u>

HK\$'000

The net assets of the subsidiaries being disposed of at the date of deemed disposal are as follows:

Loss on deemed disposal:

Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of Eminence Group	(12,981)
Reclassification of FVTOCI reserve to profit or loss upon loss of control of Eminence Group	(9,898)
Reclassification of treasury share to profit or loss upon loss of control of Eminence Group	(6,468)
Reclassification of equity component of convertible note to profit or loss upon loss of control of Eminence Group	47,493
Fair value of the equity interest retained in Eminence Group, based on share price of Eminence at the date of deemed disposal	5,513
Loss on changes in fair value of convertible note at the date of deemed disposal	(13,574)
Net assets disposed of	<u>(743,348)</u>
	<u><u>(733,263)</u></u>

9. DIVIDEND

No dividend were paid or proposed for the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

10. (LOSS) EARNINGS PER SHARE

From continuing operations

The calculation of the basic and diluted (loss) earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> <i>(Restated)</i>
Loss for the year attributable to owners of the Company (from continuing and discontinued operations)	(717,668)	(253,235)
Less: Loss for the year attributable to owners of the Company from discontinued operation	<u>(733,263)</u>	<u>(24,891)</u>
Profit (loss) for the purpose of basic earnings (loss) per share from continuing operations	15,595	(228,344)
Effect of dilutive potential ordinary shares: Conversion of convertible notes issued by Eminence	<u>(27,921)</u>	<u>–</u>
Loss for the purpose of diluted loss per share from continuing operations	<u><u>(12,326)</u></u>	<u><u>(228,344)</u></u>
	<i>Number of shares</i>	
	2025	2024
Weighted average number of ordinary shares less treasury shares for the purpose of basic and diluted (loss) earnings per share	<u><u>73,908,014</u></u>	<u><u>72,414,449</u></u>

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Loss for the purpose of basic loss per share	(717,668)	(253,235)
Effect of dilutive potential ordinary shares:		
Conversion of convertible notes issued by Eminence	<u>(27,921)</u>	<u>(50,714)</u>
Loss for the purpose of diluted loss per share	<u>(745,589)</u>	<u>(303,949)</u>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

Basic loss per share for the discontinued operation was HK\$9.92 per share (2024 (Restated): HK\$0.35 per share), based on the loss for the year attributable to owners of the Company from the discontinued operation of HK\$733,263,000 (2024 (Restated): HK\$24,891,000). Diluted loss per share for the discontinued operation was HK\$9.92 per share (2024 (Restated): HK\$1.05 per share), based on the loss for the year attributable to owners of the Company from the discontinued operation of HK\$733,263,000 (2024 (Restated): HK\$75,605,000). Denominators detailed above for both basic and diluted earnings per share for the discontinued operation.

For the year ended 31 March 2025, the computation of diluted earnings per share for the continuing operations does not assume the exercise of share options issued by the Company since the exercise price of those options was higher than the average market price for shares for the year.

For the years ended 31 March 2025 and 2024, the computation of diluted loss per share does not assume the exercise of share options issued by the Company since their exercise would result in decrease in loss per share.

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Lease receivables	103	905
Prepayments	458	2,048
Interest receivable	655	877
Escrow deposits for properties held for sale	2,030	7,109
Staff loans (<i>note i</i>)	–	9,000
Accounts receivable from margin financing (<i>note ii</i>)	29,804	17,151
Amounts due from joint ventures (<i>note iii</i>)	20	1,850
Other receivables and deposits	<u>5,891</u>	<u>19,910</u>
	<u>38,961</u>	<u>58,850</u>

Notes:

- (i) During the year ended 31 March 2024, the Group entered into several loan agreements with certain staff. Pursuant to the loan agreements, the staff loans are unsecured with fixed interest rate at 2% per annum and repayable on demand.
- (ii) The Group provides margin financing to certain individuals for securities transactions secured by the individuals securities held as collateral. Securities are assigned with specific margin ratios for calculation margin values. Additional funds or collateral are required if the outstanding amounts of accounts receivable from margin financing exceed the eligible margin value of the securities deposited. No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of margin financing.
- (iii) The amounts due from joint ventures are unsecured, interest-free and repayable on demand.

The Group did not grant any credit period to its tenants in property investment segment. The aged analysis of lease receivables, based on invoice date, at the end of the reporting period is as follows:

	2025 HK\$'000	2024 <i>HK\$'000</i>
0 – 60 days	58	905
61 – 90 days	<u>45</u>	<u>–</u>
	<u>103</u>	<u>905</u>

No credit loss allowance has been recognised on the trade and other receivables as the directors of the Company consider that the amount is immaterial.

12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	19,532	46,062
Retention payable (<i>note</i>)	24,625	53,851
Rental deposits received and rental received in advance	7,803	13,251
Interest payable	2,748	12,327
Other taxes payable	–	2,767
Accruals and other payables	<u>42,113</u>	<u>23,733</u>
	<u><u>96,821</u></u>	<u><u>151,991</u></u>

Note: Retention payable is withheld from subcontractors and will be released by the Group within twelve months upon completion of their works.

The aged analysis of trade payables determined based on invoice date at the end of the reporting period is as follows. The average credit period on purchases of goods is 30 days.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 60 days	<u><u>19,532</u></u>	<u><u>46,062</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group was principally engaged in property development, property investment, investment in securities and others and loan financing businesses, in which property development and property investment are the core businesses of the Group.

The financial results and positions of Eminence Enterprise Limited (“**Eminence**”, together with its subsidiaries, collectively the “**Eminence Group**”) (stock code: 616) had been consolidated in the consolidated financial statements of the Group for the Previous Year.

Upon completion of the Eminence Placing II (as defined and with details of which disclosed in the section headed “Very Substantial Disposal – Deemed disposal of interest in Eminence” of this announcement), Eminence’s financial results and financial positions has no longer be consolidated in the consolidated financial statements of the Group since 17 April 2024.

FINANCIAL RESULTS

For the Year, the Group’s revenue from continuing operations amounted to approximately HK\$488,489,000 as compared with the Previous Year of approximately HK\$196,421,000 (restated), which represented an increase of approximately HK\$292,068,000 or approximately 148.7% mainly due to increase in sales of properties. The gross profit margin of the Year was not applicable due to gross loss (2024: approximately 15.7%). For the Year, the Group’s revenue from discontinued operation amounted to nil as compared with the Previous Year of approximately HK\$30,693,000 (restated), which represented a decrease of approximately HK\$30,693,000 or 100%.

For the Year, the Group’s consolidated loss attributable to the owner of the Company (the “**Shareholders**”) was approximately HK\$717,668,000 as compared with the Previous Year of a loss of HK\$253,235,000 (restated). The increase in net loss was primarily attributable to, among other things, the loss on deemed disposal of subsidiaries, which was partially offset by (i) the decrease in write-down on properties held for sale; (ii) the decrease in loss on change in fair value of investment properties; (iii) gain on modification of terms of convertible note; and (iv) gain on bargain purchase at date of deemed acquisition of an associate.

The consolidated profit from continuing operations for the Year was approximately HK\$15,568,000 as compared with loss of approximately HK\$228,435,000 (restated) in Previous Year. The consolidated loss from discontinued operation was HK\$733,263,000, as compared with a loss of approximately HK\$180,124,000 (restated) for the Previous Year.

The basic loss per share from continuing and discontinued operations amounted to HK\$9.71 for the Year and the diluted loss per share from continuing and discontinued amounted to HK\$10.09 for the Year. The basic and diluted loss per share from continuing and discontinued operations amounted to HK\$3.50 (restated) and HK\$4.20 (restated) respectively for the Previous Year.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the Year (2024: nil).

BUSINESS REVIEW

The review of each business segment of the Group is set out below.

Property Development

The property development segment consists of Hong Kong residential properties.

Revenue from continuing operations recognised in this business segment during the Year amounted to approximately HK\$466,837,000 (2024: approximately HK\$169,971,000 (restated)). Review on existing major projects of the Group is set out below:

Project Waterloo Road – “Garden Crescent”

The Group launched sales of this residential project located at No. 93 Waterloo Road, Ho Man Tin, Kowloon, Hong Kong namely “Garden Crescent”, in November 2023. Garden Crescent is located in Ho Man Tin, a prestigious residential area, which is bound by a vast network of transportation and enjoys an extensive top education network. Boasting 56 luxurious apartments ranging from 260 square feet to 2,597 square feet (saleable area), this 20-storey development with 2 levels of basement for carparking spaces is designed to be a modern and stylish building for those seeking a bespoke residence. The property offers recreational facilities, including a fully-equipped gym (The Solace), a children playroom (The Forest) and a multi-function room with flat roof (Great Room) for residents to host gatherings with family and friends and a lounge in purpose.

As at the date of this announcement, 22 units released were sold and the aggregate contracted sales amounted to approximately HK\$220,953,000. During the Year, 17 units among the transactions have been completed (2024: 5) and a revenue of approximately HK\$169,442,000 (2024: approximately HK\$51,511,000) has been recorded for sale of properties.

Project Chatham Road North

The Group, through its wholly-owned subsidiary, owns the site located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong with a total site area of approximately 4,653 square feet.

Project Chatham Road North will be redeveloped into a composite building with residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 41,747 square feet. Occupation permit was obtained in March 2025. In light of the current market condition, change of development plan may be considered.

Inverness Road Property – “Ayton”

“Ayton” is a completed residential project located at Nos. 14–20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong developed and wholly-owned by the Group. It consists of two 8-storey residential blocks comprising 60 residential units, 29 car parking spaces and 3 motor parking spaces.

As at the date of this announcement, 52 units and 5 carparks released were sold and the aggregate contracted sales amounted to approximately HK\$968,397,000. During the Year, 12 units and 1 carpark among the transactions have been completed (2024: 5 units and 1 carpark) and a revenue of approximately HK\$297,395,000 (2024: approximately HK\$118,460,000) has been recorded for sale of properties.

Property Investment

As at 31 March 2025, the Group’s portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong.

For the Year, the rental and building management income of the Group from continuing operations was approximately HK\$17,152,000 (2024: approximately HK\$15,319,000 (restated)), representing an increase of approximately 12.0%. For the Year, the rental income of the Group from discontinued operation was nil (2024: HK\$28,751,000 (restated)).

As at 31 March 2025, the occupancy rate of residential unit, commercial units and industrial units of the Group’s investment properties were 0.0%, 98.7% and 75.6% (2024: 100.0%, 99.2% and 95.0%) respectively. A loss on changes in fair value of investment properties from continuing operations of approximately HK\$17,130,000 (2024: approximately HK\$37,770,000 (restated)) was recognised during the Year. The segment reported a loss from continuing operations of approximately HK\$22,047,000 for the Year (2024: approximately HK\$37,409,000 (restated)), representing a decrease of approximately HK\$15,362,000 or approximately 41.1% as compared to the Previous Year.

The Group acts as a principal and is primarily responsible for providing building management services to property owners in Hong Kong. To meet the statutory requirements under the property management licensing regime, which became mandatory on 1 August 2023, the Group’s related residential and commercial property management companies have obtained the required licences, reinforcing the Group’s commitment to delivering high-quality property management services.

Investment in Securities and Others

The Group invested in a diversified portfolio of investments including listed equity securities and convertible note based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

As at 31 March 2025, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$139,564,000 (2024: approximately HK\$211,854,000). The Group recorded a loss in the securities investment segment from continuing operations of approximately HK\$1,490,000 during the Year (2024: profit of approximately HK\$6,160,000 (restated)).

As at 31 March 2025, details of the Group's financial assets are set out as follows:

Nature of investments	As at 31 March 2025				For the Year		
	Number of shares held	Investment Cost HK\$'000	Fair value HK\$'000	Approximate percentage to Group's total assets	Dividend/ Interest income HK\$'000	Fair value gain/(loss) HK\$'000	Realised loss HK\$'000
Equity Investments							
Best Food Holding Company Limited (stock code: 1488)	59,036,000	41,996	49,571	1.5%	-	(9,465)	(2,694)
Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318)	268,000	23,253	12,408	0.4%	1,753	3,551	3,805
Others	N/A	11,988	7,592	0.2%	46	(1,335)	473
Convertible note	N/A	70,000	69,993	2.1%	5,239	(3,462)	-
Total:		<u>147,237</u>	<u>139,564</u>	<u>4.2%</u>	<u>7,038</u>	<u>(10,711)</u>	<u>1,584</u>

As at 1 April 2024, the total outstanding principal amount of Eminence convertible note (“**2023 CN**”) held by a wholly-owned subsidiary of the Company (the “**Holder**”) is as follow:

Issue date	Outstanding principal amount <i>HK\$</i>	Number of conversion shares	Conversion price <i>HK\$</i>	Annual interest	Maturity date
2023.02.20	209,000,000	1,971,698,113	0.106	5%	2028.02.19

On 23 January 2024, the Holder entered into a deed of amendment (the “**Deed of Amendment**”) with Eminence to amend the terms of the 2023 CN mainly to (i) change the conversion price and (ii) alter the early redemption provision, to give Eminence and the Holder the right to redeem the 2023 CN at any time, in whole or in part. The Deed of Amendment and the transactions contemplated thereunder were approved at a special general meeting by the independent shareholders of Eminence held on 27 March 2024. The total number of conversion shares of Eminence (the “**Conversion Share(s)**”) and conversion price had been adjusted to 1,161,111,111 Conversion Shares at HK\$0.18 per Conversion Share respectively on 17 April 2024 pursuant to the Deed of Amendment subsequent to the completion of Eminence Placing II (as defined below).

Upon (i) completion of the rights issue of Eminence on 4 February 2025, the conversion price of the 2023 CN was adjusted from HK\$0.18 to HK\$0.14 per Conversion Share; and (ii) completion of partial redemptions during the Year, the outstanding principal amount of 2023 CN was reduced to HK\$70,000,000. Based on the adjusted current conversion price of the 2023 CN of HK\$0.14 per Conversion Share, the number of Conversion Shares decreased to 500,000,000.

Loan Financing

The loan financing business of the Group is operated by Planetic International Limited (“**Planetic**”, a wholly-owned subsidiary of the Company) which is a licensed money lenders carrying on business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

For the Year, the Group recorded an interest income from the loan financing business from continuing operations amounted to approximately HK\$4,500,000 (2024: approximately HK\$11,131,000 (restated)), representing a decrease of approximately 59.6% as compared with the Previous Year. The decrease in interest income was primarily due to the repayments of loans receivable. Profit derived from the loan financing segment from continuing operations was approximately HK\$212,000 for the Year (2024: approximately HK\$88,000 (restated)).

The target customer groups of the loan financing business are generally individuals and corporate entities that have short-term funding needs and can provide collaterals for their borrowings at their best endeavour. The Group's clientele is primarily acquired through business referrals and introductions from the Company's directors, senior management, business partners or clients. As at 31 March 2025, the Group had a total of 8 borrowers under its loan portfolio. The source of funds for the loan financing business is funded by the internal resources of the Group.

As at 31 March 2025, the gross carrying amount of loans receivable amounting to HK\$114,492,000 (2024: HK\$195,657,000) of which 31% (2024: 52%) were secured by marketable securities with fair values of HK\$28,200,000 (2024: HK\$30,000,000) or properties with fair values of HK\$16,950,000 (2024: HK\$96,345,000). The Group is not permitted to sell or repledge the collaterals, if any, in the absence of default by the borrower. In addition, the gross carrying amount of unsecured loans receivable amounting to HK\$60,392,000 (2024: HK\$91,357,000). The largest borrower of the Group by itself and together with the other four largest borrowers of the Group accounted for approximately 37% and 93% respectively (2024: approximately 21% and 67% respectively) of the Group's loans receivable as at 31 March 2025.

During the Year, the range of interest rate on the Group's fixed-rate loans receivable was 2.5% to 6.5% (2024: 0% to 16%) per annum and the range of interest rate on the Group's variable-rate loans receivable was prime rate less 1% (2024: prime rate less 1%) per annum. The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. The due diligence procedures included conducting research on the borrowers' background, evaluating its current business operations and financial conditions, market reputation and creditability, and conducting financial analysis and recoverability analysis. To minimise credit or investment risks, the Group will seek securities and/or guarantees, including collaterals with expected realised value exceeding the loan or investment amount, and/or personal guarantees and corporate guarantees.

The Group generally provides short-term loans. For the new and renewal loans during the Year, approximately 97% was with a term within 1 year, and approximately 3% was more than 1 year but not more than 3 years. The repayment terms and conditions are determined from the factors including the liquidity needs of the borrowers, the Group's funding and cash flows management strategies, and the terms and rates of the prevailing market.

After drawdown of loan, the loan agreement will be filed with the loan documents properly. The Group maintains regular contact with the borrowers and carries out periodical review to assess the recovery of the loan based on the business development, financial status, repayment ability of the borrowers such as recent settlement record of the borrowers and whether there are any litigations and bankruptcy orders against the borrowers. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

The Group performs impairment assessment under expected credit loss (“ECL”) model on loans receivable which are subject to impairment assessment under Hong Kong Financial Reporting Standard 9 “Financial Instruments”. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. In particular, the following information is being considered when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the loans receivable’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the borrower;
- an actual or expected significant adverse change in the regulatory, economic, or technological environments of the borrower that results in a significant decrease in the borrower’s ability to meet its debt obligations.

During the year ended 31 March 2025, the reversal of impairment loss recognised in profit or loss amounted to approximately HK\$2,013,000 (2024: approximately HK\$2,202,000 (restated)) in its loan financing business from continuing operations.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flow and bank borrowings. As at 31 March 2025, the Group had aggregate bank borrowings amounted to approximately HK\$1,274,237,000 (2024: approximately HK\$3,671,861,000). The gearing ratio of the Group, calculated as a ratio of total bank borrowings to total equity, for the Year was approximately 0.7 (2024: approximately 0.8).

As at 31 March 2025, the Group has net current assets of approximately HK\$591,581,000 (2024: approximately HK\$3,546,059,000). Current ratio was approximately 1.4 (2024: approximately 2.3). The cash and cash equivalents as at 31 March 2025 was approximately HK\$15,638,000 (2024: approximately HK\$307,435,000), representing a decrease of approximately 94.9% or approximately HK\$291,797,000 compared to 31 March 2024. which was mainly due to the repayment of bank borrowings and the fact that the financial information of Eminence Group is not consolidated in the consolidated financial statements of the Group.

The maturity profile of the Group's secured bank borrowings is set out below:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):		
– within a period not exceeding one year	1,112,302	2,323,047
– within a period of more than one year but not exceeding two years	16,196	1,115,397
– within a period of more than two years but not exceeding five years	52,681	100,408
– within a period of more than five years	93,058	133,009
	1,274,237	3,671,861
<i>Less: Amount due within one year shown under current liabilities</i>	(1,112,302)	(2,323,047)
Amount due after one year shown under non-current liabilities	161,935	1,348,814

At 31 March 2025, the Group's secured bank borrowings carry interest ranging from the Hong Kong Inter-Bank Offered Rate (“**HIBOR**”) plus 1.0% to 1.825% and the Secured Overnight Financing Rate (“**SOFR**”) plus 1.0% (2024: HIBOR plus 1.0% to 1.825%, SOFR plus 0.8% to 1.0%) per annum, with effective interest ranging from 4.8% to 5.6% (2024: 4.4% to 6.1%) per annum. The loans are secured by certain assets. The proceeds were mainly used to finance development of properties and acquisition of financial products.

CHARGES OF ASSETS

As at 31 March 2025, bank loans of the Group in the aggregate amount of approximately HK\$1,274,237,000 (31 March 2024: approximately HK\$3,671,861,000) which were secured by leasehold properties, investment properties, properties held for development for sale, properties held for sale and listed equity securities in Hong Kong and overseas of the Group having a net book value of approximately HK\$2,718,406,000 (31 March 2024: approximately HK\$7,119,902,000). In addition, a credit facility granted by a bank for a property development project in Hong Kong was secured by pledge of 7,500,000 Eminence shares with fair value of HK\$728,000 (31 March 2024: 7,500,000 Eminence shares with fair value of HK\$1,643,000) held by a subsidiary of the Group.

TREASURY POLICY

The Group diversifies its source of funds including internal generated cash flow and interest-bearing bank borrowings during the Year to generate source of funds for its business operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

All bank borrowings are denominated in Hong Kong dollars. The revenue and payments of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during the Year under review. Management of the Group is of the opinion that the Group has no material foreign exchange exposure in the usual course of the Group's daily operation.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2025 (31 March 2024: nil).

CAPITAL EXPENDITURE

For the Year, the Group invested approximately HK\$85,000 (2024: approximately HK\$1,443,000) in the acquisition of property, plant and equipment, and did not invest in additions of investment properties for the Year and Previous Year.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had no capital commitment in respect of capital expenditure contracted for but not provided (2024: approximately HK\$4,418,000).

CHANGES SINCE 31 MARCH 2024

Very substantial disposal – deemed disposal of interest in Eminence

Upon completion of the placing of a maximum of up to 235,000,000 new Eminence shares at a placing price of HK\$0.18 per placing share to not less than six allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing II**”) on 17 April 2024, the Group held an aggregate of 27,428,937 shares of Eminence, representing approximately 8.11% of the total issued share capital of Eminence. As a result, Eminence’s financial results and financial positions shall no longer be consolidated in the consolidated financial statements of the Group. Further information can be found in the Company’s announcements dated 23 January 2024 and 17 April 2024, and the Company’s circular dated 29 February 2024.

Discloseable transaction – subscription of listed securities

On 16 August 2024, the Group through a placing agent agreed to subscribe for 18,580,000 shares in Pacific Legend Group Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8547), at a consideration of approximately HK\$3,066,000 (exclusive of transaction cost), representing HK\$0.165 per share. The subscription was completed on 28 August 2024. Further information can be found in the Company’s announcement dated 16 August 2024.

Discloseable transaction – disposal of listed securities

On 10 September 2024, the Group disposed in a series of transactions for a total of 17,600,000 shares in Best Food Holding Company Limited (“**Best Food Share(s)**”), a company incorporated in the Cayman Islands with limited liability and its issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1488), (representing approximately 1.11% of the total issued Best Food Shares) on the open market with an aggregate gross sales proceeds of HK\$14,960,000 (exclusive of expenses) (equivalent to an average price of HK\$0.85 per Best Food Share). Further information can be found in the Company’s announcement dated 10 September 2024.

Discloseable transaction – disposal of listed securities

On 23 September 2024, the Group disposed a total of 302,000 shares in Ping An Insurance (Group) Company of China, Ltd. (“**Ping An Share(s)**”), a joint stock limited company incorporated in the PRC with limited liability and its H shares are listed on the Main Board of the Stock Exchange (stock code: 2318), (representing approximately 0.0041% of the total issued Ping An Shares) on the open market with an aggregate gross sales proceeds of approximately HK\$11,355,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$37.60 per Ping An Share). Further information can be found in the Company’s announcement dated 23 September 2024.

Discloseable transaction – disposal of listed securities

On 10 December 2024, the Group disposed in a series of transactions for a total of 163,460 Ping An Shares (representing approximately 0.0022% of the total issued Ping An Shares) on the open market with an aggregate gross sales proceeds of approximately HK\$7,879,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$48.20 per Ping An Share). Further information can be found in the Company’s announcement dated 16 December 2024.

Change of Hong Kong Branch Share Registrar and Transfer office

On 26 February 2025, the Company announced the change of the Company’s Hong Kong branch share registrar and transfer office with effect from 31 March 2025. Further information can be found in the Company’s announcement dated 26 February 2025.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Discloseable Transaction – acquisitions of listed securities

It was announced on 16 May 2025 that the Group acquired (i) in a series of transactions for a total of 3,004,000 Best Food Shares (representing approximately 0.19% of the total issued Best Food Shares) on the open market on 12 May 2025 and 13 May 2025; and (ii) 12,000,000 Best Food Shares (representing approximately 0.76% of the total issued Best Food Shares) by way of cross trade from a vendor on 16 May 2025 with an aggregate consideration of approximately HK\$15,003,960 (exclusive of expenses) (equivalent to an average purchase price of approximately HK\$1.00 per acquired Best Food Share). Further information can be found in the Company’s announcement dated 16 May 2025.

Amendment to 2023 CN

On 4 June 2025, after trading hours, the Group (as the Holder) entered into a second deed of amendment with Eminence pursuant to which both parties conditionally agreed to amend the conversion price of the 2023 CN from HK\$0.14 per Conversion Share to HK\$0.07 per Conversion Share. Pursuant to Rule 28.05 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. As a result, Eminence applied for the approval of the Stock Exchange for the aforesaid amendment pursuant to Rule 28.05 of the Listing Rules. Further information can be found in the Company’s announcement dated 4 June 2025.

PROSPECTS

The geopolitical tensions, sustained high interest rates, underperforming stock market returns, and below-expectation GDP growth have been dragging on the economy and property market in Hong Kong.

With a view to stabilising the property market and stimulating the economy in Hong Kong, the Financial Secretary of Hong Kong announced in his Budget Speech in February 2025 a number of support measures which include rates concession for both domestic and non-domestic properties for the first quarter of 2025/26, reduction in salaries tax and tax under personal assessment for the assessment year 2024/25, reduction in profits tax for the assessment year 2024/25 and raising the maximum value of properties chargeable to a stamp duty of HK\$100 from HK\$3 million to HK\$4 million.

The trend of Mainland talents and professionals working and buying their own homes in Hong Kong is still expected for 2025. It is also observed that a number of new property developments which were launched in 2024 for sale, after the withdrawal of the restrictions on the sale of properties in early 2024 as well as the suspension of the mortgage stress test and the relaxation of the loan-to-value ratios of certain types of properties announced by the Hong Kong Monetary Authority at around the same time, achieved satisfactory sales performance.

The Group shares the view of the Government of Hong Kong that the Hong Kong economy still faces a very challenging external environment for 2025, but there are quite a few positive factors at the same time. The Group anticipates that when the interest rates begin to ease due to the gradual easing of monetary policies by major central banks to support their economic growth, the market confidence towards the property sector in Hong Kong will gradually restore although the economic and trade policies of the US have brought uncertainties to the pace of rate cuts in 2025. The European Central Bank also indicated that it would lower interest rates further if inflation broadly trends towards its target level. According to the International Monetary Fund’s latest projections, the global economy will grow by 3.3% for 2025, slightly higher than last year.

Along with the revival of inbound tourism, Hong Kong's retail market is expected to recover despite the fact that some discretionary categories, such as jewelry and other retailers in the luxury retail segment, struggled amidst the tough economic landscape in 2024. The changes in the spending patterns of tourists and intense competition from neighbouring regions that create new challenges to the office and retail leasing business in Hong Kong are observed. As a result, tenants have remained cautious and delayed their relocation or expansion plans for leases. The Group is confident that the resumption of multiple entry Individual Visit Endorsements for Shenzhen permanent residents and the expansion of the arrangement to Shenzhen residence permit holders at the end of 2024 by the Government of the PRC, which attracted over 700,000 visitors travelling to Hong Kong during the period from the date of implementation to February 2025, would enhance the demand for office and retail leasing in Hong Kong in the long term.

Looking ahead, the Group will continue to focus its efforts in the development of its existing principal businesses and will exercise prudent capital management and approach in its operations. The Group will continue to monitor the market changes closely and strengthen the principal segments of its businesses while exploring other potential opportunities with a view to providing steady and favourable returns for the Shareholders and bringing increased values to the Group's stakeholders.

EMPLOYEES

As at 31 March 2025, the Group had 18 employees (2024: 22). Staff costs (including Directors' emoluments) amounted to approximately HK\$26,204,000 for the Year (2024: approximately HK\$33,195,000 (restated)). The Group remunerates its employees based on individual performance, experience and prevailing industry practice. The Group provides a defined contribution to Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees of the Group in Hong Kong.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. During the Year, the Company has fully complied with the code provisions of the CG Code, except for the deviations disclosed herein.

Code Provision C.2.1

The roles of president and chief executive officer should be separate and should not be performed by the same individual

Ms. Koon Ho Yan Candy serves as the president as well as the chief executive officer of the Company. The Board considers this arrangement to be appropriate for the Company as it preserves the consistent leadership which is conducive to making effective planning and better execution of long-term strategies consistently. The Board is of the view that a balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high caliber individuals, with over half of them being independent non-executive Directors of the Company. The Directors also meet regularly to consider and execute major matters affecting the Group's operations with the support of the senior management of the Group. The Company will continue to review the existing structure when and as it becomes appropriate.

Code Provision D.2.5

The issuer should have an internal audit function

The Group does not have an internal audit function. During the Year, the Company's audit committee and the Board has reviewed the effectiveness of the internal control system of the Group and considered that the current risk management and internal control processes are adequate to meet the needs of the Group in its current business environment and nothing has come to its attention to cause the Board to believe that the Group's risk management and internal control systems are inadequate. The Board is of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business, however, it shall review the need for it on an annual basis.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing Directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code throughout the Year.

The Company also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

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

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

AUDIT COMMITTEE REVIEW

The Group's consolidated financial statements for the Year have been reviewed by the Audit Committee of the Company and audited by the independent auditor of the Company, Messrs. Deloitte Touche Tohmatsu.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board of Directors on 27 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assumed conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement has been published on the Company's website at www.easyknit.com and the Stock Exchange's website at www.hkexnews.hk respectively. The annual report of the Company for the Year containing all information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "2025 AGM") will be held on Thursday, 21 August 2025. Details of the arrangements will be provided in the Company's circular in relation to the 2025 AGM to be published and despatched to the Shareholders in accordance with the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 18 August 2025 to Thursday, 21 August 2025, both dates inclusive. During such period, no transfer of shares will be registered for the purpose of ascertaining Shareholders' entitlement for attending and voting at the 2025 AGM. In order to be eligible to attend and vote at the 2025 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 15 August 2025.

APPRECIATION

The Board would like to offer its sincere gratitude to the management team and all other employees for their hard work and dedications. Their excellence and commitment are of vital importance in enhancing the Company's growth.

Finally, the Board would like to take this opportunity to thank the Shareholders and all other stakeholders of the Company for their continuous support and confidence in the Company.

By Order of the Board
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
Koon Ho Yan Candy
President and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date hereof, the Board comprises Ms. Koon Ho Yan Candy and Ms. Lui Yuk Chu as executive Directors; and Mr. Tsui Chun Kong, Mr. Lau Chak Hang Charles and Mr. Ma Man Yuet as independent non-executive Directors.