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## Wan Kei Group Holdings Limited

宏基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1718)

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

#### GROUP FINANCIAL HIGHLIGHT

For the year ended 31 March 2025

	2025	2024
	HK\$	HK\$
Revenue	301,128,972	288,653,824
Gross profit	52,962,354	53,073,477
Loss before tax	(51,896,177)	(19,340,608)
Loss attributable to owners of the Company	(51,429,751)	(20,621,836)
Loss per share		(Restated)
Basic and diluted (HK cents)	(40.10)	(21.97)
Cash and cash equivalents	106,964,960	138,285,822
Net assets	49,700,787	90,828,717
Total assets	267,272,894	323,973,873

#### DIVIDEND

The Board did not recommend the payment of a final dividend to the shareholders of the Company for the year ended 31 March 2025.

## RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Wan Kei Group Holdings Limited (“**Wan Kei Group**” or the “**Company**”) announces the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**Reporting Period**” or “**YR2025**”) together with the comparative audited figures for the year ended 31 March 2024 (the “**YR2024**”) as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	2025 HK\$	2024 HK\$
<b>Revenue</b>	4(a)	<b>301,128,972</b>	288,653,824
Cost of sales	6(c)	<u>(248,166,618)</u>	<u>(235,580,347)</u>
<b>Gross profit</b>		<b>52,962,354</b>	53,073,477
Other income, other gains and losses, net	5	<b>6,622,922</b>	2,065,971
Selling expenses		<b>(4,094,283)</b>	–
General and administrative expenses		<b>(97,883,405)</b>	(61,439,636)
Reversal of impairment/(Impairment losses) on financial and contract assets, net	6(c)	<u><b>1,056,622</b></u>	<u>(3,886,525)</u>
<b>Loss from operations</b>		<b>(41,335,790)</b>	(10,186,713)
Finance costs	6(a)	<u><b>(10,560,387)</b></u>	<u>(9,153,895)</u>
<b>Loss before tax</b>	6	<b>(51,896,177)</b>	(19,340,608)
Income tax expenses	7	<u><b>(1,406,992)</b></u>	<u>(759,814)</u>
<b>Loss for the year</b>		<u><b>(53,303,169)</b></u>	<u>(20,100,422)</u>
<b>Loss attributable to:</b>			
Owners of the Company		<b>(51,429,751)</b>	(20,621,836)
Non-controlling interests		<u><b>(1,873,418)</b></u>	<u>521,414</u>
		<u><b>(53,303,169)</b></u>	<u>(20,100,422)</u>
		<b>HK cents</b>	<b>HK cents</b>
			(Restated)
<b>Loss per share</b>			
Basic and diluted	9	<u><b>(40.10)</b></u>	<u>(21.97)</u>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	<b>2025</b>	2024
		<b>HK\$</b>	<b>HK\$</b>
<b>Loss for the year</b>		<u>(53,303,169)</u>	<u>(20,100,422)</u>
<b>Other comprehensive income</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of foreign operations		(397,781)	(583,708)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investment at fair value through other comprehensive income:			
– Change in fair value	<i>10</i>	<u>(1,134,980)</u>	<u>(5,824,609)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>(1,532,761)</u>	<u>(6,408,317)</u>
<b>Total comprehensive income for the year</b>		<u><b>(54,835,930)</b></u>	<u><b>(26,508,739)</b></u>
<b>Attributable to:</b>			
Owners of the Company		(52,995,576)	(27,015,478)
Non-controlling interests		<u>(1,840,354)</u>	<u>506,739</u>
		<u><b>(54,835,930)</b></u>	<u><b>(26,508,739)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$</b>	2024 <i>HK\$</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>18,602,736</b>	9,235,366
Intangible assets		<b>1,223,625</b>	290,000
Financial assets at fair value through other comprehensive income	<i>10</i>	–	2,734,980
Loan receivables		<b>2,771,136</b>	809,100
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>22,597,497</b>	13,069,446
<b>Current assets</b>			
Inventories		<b>9,447,328</b>	–
Contract assets		<b>88,266,155</b>	117,555,252
Trade and other receivables	<i>11</i>	<b>36,428,854</b>	49,151,153
Loan receivables		<b>1,088,100</b>	3,953,000
Financial assets at fair value through profit or loss	<i>12</i>	<b>2,480,000</b>	1,959,200
Cash and cash equivalents		<b>106,964,960</b>	138,285,822
		<hr/>	<hr/>
<b>Total current assets</b>		<b>244,675,397</b>	310,904,427
<b>Current liabilities</b>			
Trade and other payables and accruals	<i>13</i>	<b>34,635,535</b>	48,755,379
Due to a related company	<i>14</i>	<b>56,016,771</b>	55,350,521
Due to directors of subsidiaries	<i>14</i>	<b>114,234,029</b>	122,000,000
Lease liabilities		<b>5,723,368</b>	1,617,757
Tax payable		<b>1,191,435</b>	2,448,933
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>211,801,138</b>	230,172,590
<b>Net current assets</b>		<b>32,874,259</b>	80,731,837
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>55,471,756</b>	93,801,283
		<hr/>	<hr/>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2025

	<i>Notes</i>	<b>2025</b>	2024
		<b><i>HK\$</i></b>	<i>HK\$</i>
<b>Non-current liabilities</b>			
Long service payment liabilities		<b>1,486,225</b>	1,486,225
Lease liabilities		<b>2,908,599</b>	972,685
Deferred tax liabilities		<b>1,376,145</b>	513,656
		<u>5,770,969</u>	<u>2,972,566</u>
<b>Total non-current liabilities</b>		<b>5,770,969</b>	2,972,566
<b>Net assets</b>		<b>49,700,787</b>	90,828,717
<b>Capital and reserves attributable to the owners of the Company</b>			
Share capital	<i>15</i>	<b>11,520,000</b>	9,600,000
Reserves		<b>39,382,780</b>	80,721,978
		<u>50,902,780</u>	90,321,978
<b>Non-controlling interests</b>		<b>(1,201,993)</b>	506,739
		<u>49,700,787</u>	<u>90,828,717</u>
<b>Total equity</b>		<b>49,700,787</b>	90,828,717

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2025*

## 1. GENERAL INFORMATION

Wan Kei Group Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 7 October 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company’s registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business in Hong Kong is located at Unit No. 07, 16/F, Emperor Group Centre, No. 288 Hennessy Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are the provision for the (i) foundation construction works, (ii) ground investigation services, (iii) financial services, (iv) trading of consumer products, and (v) e-commerce sales, live streaming and promotion business in the social media.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 August 2015.

## 2. BASIS OF PREPARATION

### Statement of Compliance

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange. The consolidated financial statements have been prepared under the historical cost convention except for (i) the financial assets at fair value through profit or loss (“**FVTPL**”) and (ii) the financial assets at fair value through other comprehensive income (“**FVOCI**”), which are stated at their fair value. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”).

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group and the Company. Information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period is reflected in these consolidated financial statements.

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

## 2. BASIS OF PREPARATION (Continued)

### Statement of Compliance (Continued)

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

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's 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 (the “ <b>2020 Amendments</b> ”)
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “ <b>2022 Amendments</b> ”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The nature and the impact of the revised HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the consolidated financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2024 and 2023 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the consolidated financial position or performance of the Group.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's consolidated financial statements.

### 4. REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are the provision of foundation construction works, ground investigation services, financial services, trading of consumer products and e-commerce business.

Disaggregation of revenue from contracts with customers of each significant category is as follows:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
<b>Revenue from contract with customers within the scope of HKFRS 15:</b>		
Revenue from foundation construction works	210,229,215	219,633,347
Revenue from ground investigation services	46,591,336	65,709,218
Trading of consumer products	4,633,291	–
Revenue from e-commerce business	34,847,532	2,757,238
Other trading revenue	4,302,598	–
	<u>300,603,972</u>	<u>288,099,803</u>
<b>Revenue from other sources</b>		
Interest income from financial services	525,000	554,021
	<u>301,128,972</u>	<u>288,653,824</u>

#### 4. REVENUE AND SEGMENT REPORTING (Continued)

##### (a) Revenue (Continued)

Information about the Group's performance obligation is summarised below:

##### *Foundation construction works and ground investigation services*

The performance obligation is satisfied over time using output method, which is based on direct measurements of value of services delivered or surveys of work performed with reference to (i) the progress payment applications submitted by the Group to the main-contractors and customers and (ii) the certificates from the surveyors of the main-contractors and customers.

##### *Trading of consumer products and other products*

The performance obligation is satisfied at a point in time upon the delivery of consumer products and other products.

##### *E-commerce business*

The performance obligation is satisfied at the point in time upon the relevant specific performance measures are fulfilled.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 4(b)(i).

As at 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately HK\$200,400,000 (2024: approximately HK\$275,503,000). This amount represents revenue expected to be recognised in the future from foundation construction works and ground investigation services. The Group will recognise the expected revenue in future when or as the work is completed or, in the case of the foundation construction works and ground investigation services, when the obligations performed, which is expected to occur over the next 1 to 2 years.

##### (b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Foundation construction works: this segment provides foundation construction works to customers.
- Ground investigation services: this segment provides ground investigation services to customers.
- Financial services: this segment provides investment, financing and money lending business.
- Trading of consumer products: this segment engages in the trading of consumer products.
- E-commerce business: this segment engages in the provision of e-commerce sales live streaming and promotion services in the social media.

#### 4. REVENUE AND SEGMENT REPORTING (Continued)

##### (b) Segment reporting (Continued)

###### (i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of (i) unallocated head office and corporate assets, (ii) financial assets at FVOCI, and (iii) financial assets at FVTPL. Segment liabilities include all current and non-current liabilities with the exception of (i) unallocated head office and corporate liabilities, (ii) tax payable and (iii) deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment results is profit/(loss) before tax.

Disaggregation of revenue from contracts with customers by the time of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 is set out below:

	Year ended 31 March 2025						Total HK\$
	Foundation construction works HK\$	Ground investigation services HK\$	Financial services HK\$	Trading of consumer products HK\$	E-commerce business HK\$	Others HK\$	
Disaggregated by timing of revenue recognition							
- Over time	210,229,215	46,591,336	525,000	-	-	-	257,345,551
- At a point in time	-	-	-	4,633,291	34,847,532	4,302,598	43,783,421
Revenue from external customers	<u>210,229,215</u>	<u>46,591,336</u>	<u>525,000</u>	<u>4,633,291</u>	<u>34,847,532</u>	<u>4,302,598</u>	<u>301,128,972</u>
Reportable segment revenue	<u>210,229,215</u>	<u>46,591,336</u>	<u>525,000</u>	<u>4,633,291</u>	<u>34,847,532</u>	<u>4,302,598</u>	<u>301,128,972</u>
Reportable segment gross profit	<u>29,355,719</u>	<u>19,054,529</u>	<u>524,439</u>	<u>627,484</u>	<u>2,766,241</u>	<u>633,942</u>	<u>52,962,354</u>
Reportable segment profit/(loss) before tax	<u>(2,305,733)</u>	<u>4,604,093</u>	<u>(19,852,819)</u>	<u>13,790</u>	<u>(8,565,108)</u>	<u>(4,182,016)</u>	<u>(30,287,793)</u>
Interest income from bank deposits	-	-	(680,767)	(368,034)	(1,548)	(26,436)	(1,076,785)
Interest expenses	6,975,862	-	606,993	-	218,574	50,955	7,852,384
Depreciation and amortization for the year	1,408,037	1,793,877	3,800,174	23,702	468,138	686,671	8,180,599
Impairment losses/(Reversal of impairment) on financial and contract assets, net	6,093,136	(983)	(5,148,372)	37,501	11,391	19,620	1,012,293
Impairment of property, plant and equipment	-	-	764,877	-	170,673	1,211,420	2,146,970
Reportable segment assets	263,981,085	69,756,617	185,690,765	65,276,116	9,073,320	6,642,895	600,420,798
Capital expenditure	6,168,050	2,279,204	1,274,559	167,300	128,081	592,928	10,610,122
Reportable segment liabilities	<u>(183,388,903)</u>	<u>(14,626,129)</u>	<u>(327,290,010)</u>	<u>(59,566,473)</u>	<u>(10,574,134)</u>	<u>(1,104,901)</u>	<u>(596,550,550)</u>

#### 4. REVENUE AND SEGMENT REPORTING (Continued)

##### (b) Segment reporting (Continued)

##### (i) Segment results, assets and liabilities (Continued)

	Year ended 31 March 2024					Total HK\$
	Foundation construction works HK\$	Ground investigation services HK\$	Financial services HK\$	Trading of consumer products HK\$	E-commerce business HK\$	
<b>Disaggregated by timing of revenue recognition</b>						
– Over time	219,633,347	65,709,218	554,021	–	–	285,896,586
– At a point in time	–	–	–	–	2,757,238	2,757,238
<b>Revenue from external customers</b>	<u>219,633,347</u>	<u>65,709,218</u>	<u>554,021</u>	<u>–</u>	<u>2,757,238</u>	<u>288,653,824</u>
<b>Reportable segment revenue</b>	<u>219,633,347</u>	<u>65,709,218</u>	<u>554,021</u>	<u>–</u>	<u>2,757,238</u>	<u>288,653,824</u>
<b>Reportable segment gross profit</b>	<u>30,986,678</u>	<u>19,126,983</u>	<u>553,967</u>	<u>–</u>	<u>2,405,849</u>	<u>53,073,477</u>
<b>Reportable segment profit/(loss) before tax</b>	<u>1,405,440</u>	<u>4,791,200</u>	<u>(20,893,310)</u>	<u>11,114,486</u>	<u>1,168,945</u>	<u>(2,413,239)</u>
Interest income from bank deposits	–	–	(352,909)	(289,056)	(263)	(642,228)
Interest expenses	6,106,965	–	112,592	–	21,267	6,240,824
Depreciation for the year	693,431	1,753,967	516,612	–	141,447	3,105,457
Impairment losses/(Reversal of impairment) on financial and contract assets, net	2,038,284	3,042	11,173,311	(10,386,260)	3,230	2,831,607
<b>Reportable segment assets</b>	<u>283,989,947</u>	<u>65,393,881</u>	<u>165,692,900</u>	<u>67,079,789</u>	<u>6,952,742</u>	<u>589,109,259</u>
Capital expenditure	459,155	204,013	1,067,195	–	650,092	2,380,455
<b>Reportable segment liabilities</b>	<u>(201,092,033)</u>	<u>(14,073,889)</u>	<u>(286,619,325)</u>	<u>(60,375,531)</u>	<u>(813,746)</u>	<u>(562,974,524)</u>

#### 4. REVENUE AND SEGMENT REPORTING (Continued)

##### (b) Segment reporting (Continued)

##### (ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2025 HK\$	2024 HK\$
<b>Revenue</b>		
Reportable segment revenue and consolidated revenue (note 4(a))	<u><b>301,128,972</b></u>	<u>288,653,824</u>
<b>Loss</b>		
Reportable segment loss	(30,287,793)	(2,413,239)
Net change in fair value of financial assets at FVTPL	<b>520,800</b>	(520,800)
Unallocated head office and corporate expenses	<u>(22,129,184)</u>	<u>(16,406,569)</u>
Consolidated loss before tax	<u><b>(51,896,177)</b></u>	<u>(19,340,608)</u>
<b>Assets</b>		
Reportable segment assets	<b>600,420,798</b>	589,109,259
Elimination of inter-segment and head office's receivables	<u>(342,195,049)</u>	<u>(278,885,493)</u>
	<b>258,225,749</b>	310,223,766
Financial assets at FVOCI	–	2,734,980
Financial assets at FVTPL	<b>2,480,000</b>	1,959,200
Unallocated head office and corporate assets	<u><b>6,567,145</b></u>	<u>9,055,927</u>
Consolidated total assets	<u><b>267,272,894</b></u>	<u>323,973,873</u>
<b>Liabilities</b>		
Reportable segment liabilities	<b>596,550,550</b>	562,974,524
Elimination of inter-segment and head office's payables	<u>(439,361,969)</u>	<u>(390,487,095)</u>
	<b>157,188,581</b>	172,487,429
Tax payable	<b>1,191,435</b>	2,448,933
Deferred tax liabilities	<b>1,376,145</b>	513,656
Unallocated head office and corporate liabilities	<u><b>57,815,946</b></u>	<u>57,695,138</u>
Consolidated total liabilities	<u><b>217,572,107</b></u>	<u>233,145,156</u>

#### 4. REVENUE AND SEGMENT REPORTING (Continued)

##### (b) Segment reporting (Continued)

###### (iii) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group for the corresponding years are as follows:

	2025 HK\$	2024 HK\$
<b>Foundation construction works:</b>		
Customer A	47,602,519	N/A*
Customer B	47,159,870	N/A*
Customer C	N/A*	63,406,012
	<u>                    </u>	<u>                    </u>

\* Revenue from the relevant customer was less than 10% of the Group's total revenue for the respective year.

###### (iv) Geographical information

The geographical information of the revenue is set out as follows:

	2025 HK\$	2024 HK\$
Hong Kong	261,978,842	285,896,586
Chinese Mainland	39,150,130	2,757,238
	<u>                    </u>	<u>                    </u>
	<u>301,128,972</u>	<u>288,653,824</u>

The geographical information of the non-current assets is set out as follows:

	2025 HK\$	2024 HK\$
Hong Kong	22,399,835	11,339,831
Chinese Mainland	197,662	1,729,615
	<u>                    </u>	<u>                    </u>
	<u>22,597,497</u>	<u>13,069,446</u>

**5. OTHER INCOME, OTHER GAINS AND LOSSES, NET**

	<b>2025</b>	2024
	<b><i>HK\$</i></b>	<i>HK\$</i>
Rental income from lease of machinery	<b>165,800</b>	40,000
Bank interest income	<b>1,149,428</b>	655,521
Other interest income	–	1,275,842
Gain on disposal of property, plant and equipment	<b>1,015,000</b>	135,235
Net change in fair value of financial assets at FVTPL	<b>520,800</b>	(520,800)
Foreign exchange gains, net	<b>170,274</b>	43,457
Sales of raw materials	<b>588,605</b>	406,040
Government grant*	<b>1,200,000</b>	–
Write back of other payables	<b>1,631,760</b>	–
Others	<b>181,255</b>	30,676
	<b><u>6,622,922</u></b>	<b><u>2,065,971</u></b>

\* During the year ended 31 March 2025, there were no unfulfilled conditions or other contingencies attaching to these subsidies.

## 6. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	2025 HK\$	2024 HK\$
<b>(a) Finance costs</b>		
Interest on borrowing from a related company	2,666,250	2,866,250
Interest on borrowing from directors of subsidiaries	7,139,991	6,100,000
Interest on lease liabilities	754,146	187,645
	<u>10,560,387</u>	<u>9,153,895</u>
<b>(b) Staff costs* (including directors' remuneration)</b>		
Salaries, wages and other benefits	90,526,675	74,371,251
Contribution to defined contribution retirement plans	3,136,084	2,216,132
	<u>93,662,759</u>	<u>76,587,383</u>
<b>(c) Other items</b>		
Cost of sales*:		
– cost of construction	208,410,303	235,228,904
– cost of services provided	18,577,132	351,443
– cost of goods sold	21,179,183	–
	<u>248,166,618</u>	<u>235,580,347</u>
Depreciation and amortisation:		
– property, plant and equipment*	3,768,230	2,477,293
– right-of-use assets	5,230,387	1,657,720
– intangible assets	6,375	–
	<u>9,004,992</u>	<u>4,135,013</u>
(Reversal of impairment)/Impairment losses on financial and contract assets, net:		
– loan receivables	(4,297,136)	(16,725,896)
– trade receivables and contract assets	6,130,536	(8,400,236)
– other receivables	(2,890,022)	29,012,657
	<u>(1,056,622)</u>	<u>3,886,525</u>
Auditor's remuneration:		
– audit services	1,300,000	1,030,000
– non-audit services	530,000	–
Gain on disposal of property, plant and equipment	(1,015,000)	(135,235)
Impairment of property, plant and equipment	2,541,814	–
Foreign exchange gains, net	(170,274)	(43,457)
	<u>(170,274)</u>	<u>(43,457)</u>

\* The staff costs and depreciation of property, plant and equipment with aggregate amount of approximately HK\$41,047,000 (2024: approximately HK\$42,061,000) are included in “Cost of sales” in the consolidated statement of profit or loss for the year ended 31 March 2025.

## 7. INCOME TAX EXPENSES

### Income tax expenses in the consolidated statement of profit or loss represents:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
<b>Current tax:</b>		
Charge for the year	550,179	917,814
Over-provision in previous years	<u>(5,676)</u>	<u>(5,271)</u>
	544,503	912,543
<b>Deferred tax:</b>		
Charge/(Credit) for the year	<u>862,489</u>	<u>(152,729)</u>
	<u><u>1,406,992</u></u>	<u><u>759,814</u></u>

#### Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (ii) The provision for Hong Kong Profits Tax for year ended 31 March 2025 is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of the assessable profits is taxed at 8.25% and the remaining assessable profits is taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

- (iii) According to the relevant announcements of income tax relief policy for small low-profit enterprises issued by the State Administration of Taxation, a lower corporate income tax (“CIT”) rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, the subsidiaries qualified as small-scale enterprises with assessable profits not over RMB3,000,000 are effectively taxable at 5% (i.e. 20% CIT rate on the 25% of the assessable profits) for the years ended 31 March 2024 and 2025.

## 8. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2025. No dividend has been declared or paid by the Company for the years ended 31 March 2025 and 2024.

## 9. LOSS PER SHARE

### (a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following:

	2025	2024
<b>Loss</b>		
Loss attributable to owners of the Company (HK\$)	<u>(51,429,751)</u>	<u>(20,621,836)</u>
<b>Number of shares</b>		(Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>128,240,855</u>	<u>93,876,074</u>

For the year ended 31 March 2025, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the loss attributable to owners of the Company and (ii) the weighted average number of ordinary shares in issue which was adjusted by the effect of (a) 3,164,500 shares (adjusted for the share consolidation (note 15)) held for the Group's share award scheme, and (b) the rights issue which was completed subsequent to the end of the reporting period on 9 May 2025 (note 18).

Comparative figure has also been adjusted on the assumption that the rights issue has been effective as at 1 April 2023.

### (b) Diluted losses per share

There were no diluted potential shares in existence during the years ended 31 March 2025 and 2024.

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Investment in equity securities – Unlisted, at fair value	<u>–</u>	<u>2,734,980</u>

As at 31 March 2024, the above unlisted equity investment represented approximately 19.7% equity interest in Matsu Gami IP Development Limited (the “**Matsu Gami**”), an entity established in the BVI, which was irrevocably designated as financial assets at FVOCI as the Group considers this investment to be strategic in nature. The Group engaged an independent professional valuer to determine the fair value of this equity investment as at 31 March 2024 by using discounted cash flow method.

During the year, the Group further recorded a fair value loss of approximately HK\$1,135,000 for the financial assets at FVOCI, which has been disposed at a consideration of HK\$1,600,000. Upon the disposal of the financial assets at FVOCI, the fair value reserve was released to the accumulated losses.

## 11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Trade receivables ( <i>Note</i> )	19,326,142	31,800,294
Deposits, prepayments and other receivables	<u>51,213,072</u>	<u>50,528,742</u>
	<u>70,539,214</u>	<u>82,329,036</u>
<i>Less: Impairment</i>		
– trade receivables ( <i>Note</i> )	(5,023,014)	(1,177,123)
– other receivables	<u>(29,087,346)</u>	<u>(32,000,760)</u>
	<u>(34,110,360)</u>	<u>(33,177,883)</u>
	<u><u>36,428,854</u></u>	<u><u>49,151,153</u></u>

### *Note:*

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade receivables are normally due within 30 to 60 days from the certificate date or 60 to 90 days from the invoice date.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. As at the end of the reporting period, the Group had concentrations of credit risk as the trade receivables relate to a few number of customers.

## 11. TRADE AND OTHER RECEIVABLES (Continued)

### Ageing analysis

As at the end of the reporting period, the ageing analysis of trade receivables, net of impairment, based on the date of progress certificates issued by customers or date of invoice issued to customers and net of allowance, is as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Within 1 month	8,806,622	10,409,405
1 to 2 months	3,881,962	6,329,711
2 to 3 months	–	1,754,280
Over 3 months	1,614,544	12,129,775
	<u>14,303,128</u>	<u>30,623,171</u>

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Investment in equity securities – listed in Hong Kong, at fair value	<u>2,480,000</u>	<u>1,959,200</u>

The fair value of listed equity investments is determined with reference to quoted market bid price from the Stock Exchange and within level 1 of the fair value hierarchy. The above equity investments were classified as financial assets at FVTPL as they were held for trading.

## 13. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Trade payables	18,069,687	30,929,648
Retention payables	6,925,933	5,918,872
Other payables and accruals	9,639,915	11,906,859
	<u>34,635,535</u>	<u>48,755,379</u>

### 13. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

#### Ageing analysis

As at the end of the reporting period, ageing analysis of trade payables based on the invoice date is as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Within 1 month	11,009,837	17,347,931
1 to 2 months	5,717,693	9,357,136
2 to 3 months	98,151	2,922,128
Over 3 months	<u>1,244,006</u>	<u>1,302,453</u>
	<u><u>18,069,687</u></u>	<u><u>30,929,648</u></u>

### 14. DUE TO A RELATED COMPANY/DIRECTORS OF SUBSIDIARIES

The amount due to a related company, Bright Dynasty Trading Limited (“**Bright Dynasty**”), is unsecured, bearing interest at 5% (2024: 5%) per annum and repayable on demand. Bright Dynasty is beneficially owned by Mr. Fong Hon Hung (“**Mr. Fong**”), who is a member of key management personnel of the Group and is a director of a principal subsidiary. In addition, Bright Dynasty agreed, for a period up to 25 March 2026, not to demand for repayment of the amount due to it of approximately HK\$53,000,000 and until Hong Kong Wan Wai Company Limited, a subsidiary of the Company, is in a position to do so.

The amount due to a director of a subsidiary, Mr. Lau Woon Si (“**Mr. Lau**”) in the amount of HK\$107,637,000 (2024: HK\$122,000,000), is unsecured, bearing interest at 6.5% (2024: 5%) per annum and repayable on demand. Mr. Lau is a member of key management personnel of the Group and is a director of a subsidiary. In addition, Mr. Lau, for a period up to 25 March 2026, not to demand for repayment of the amount due to him of HK\$102,000,000 and until Wan Kei Machinery Company Limited, a subsidiary of the Company, is in a position to do so.

The amount due to a director of a subsidiary, Mr. Chen Yu (“**Mr. Chen**”) in the amount of HK\$6,597,000 (2024: HK\$Nil), is unsecured, bearing interest at 4.5% (2024: nil) per annum and repayable on demand. Mr. Chen is a member of key management personnel of the Group and is a director of a subsidiary.

## 15. SHARE CAPITAL

	2025		2024	
	Number of ordinary shares	Nominal value <i>HK\$</i>	Number of ordinary shares	Nominal value <i>HK\$</i>
Ordinary shares, authorised:				
At beginning of year, of HK\$0.1 each (1 April 2023: HK\$ 0.01 each)	200,000,000	20,000,000	2,000,000,000	20,000,000
Share consolidation (note (i))	–	–	(1,800,000,000)	–
Increase in authorised share capital (note (ii))	800,000,000	80,000,000	–	–
At end of year, ordinary shares of HK\$0.1 each	<u>1,000,000,000</u>	<u>100,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>

	2025		2024	
	Number of ordinary shares	Nominal value <i>HK\$</i>	Number of ordinary shares	Nominal value <i>HK\$</i>
Ordinary shares, issued and fully paid:				
At beginning of year, of HK\$0.1 each (1 April 2023: HK\$0.01 each)	96,000,000	9,600,000	960,000,000	9,600,000
Share consolidation (note (i))	–	–	(864,000,000)	–
Issue of shares (note (iii))	19,200,000	1,920,000	–	–
At end of year, ordinary shares of HK\$0.1 each	<u>115,200,000</u>	<u>11,520,000</u>	<u>96,000,000</u>	<u>9,600,000</u>

- (i) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 20 November 2023, every ten issued and unissued existing shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.1 each, The share consolidation has been effective on 22 November 2023.
- (ii) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 13 March 2025, the authorised share capital of the Company was increased from 200,000,000 to 1,000,000,000 shares of HK\$0.1 each. The increase in the authorised share capital has been effective on 13 March 2025.

## 15. SHARE CAPITAL (Continued)

- (iii) On 3 April 2024, the Company entered into a placing agreement (the “**Placing Agreement**”) with a placing agent, pursuant to which, the placing agent has procured six placees to subscribe for (the “**Placing**”) 19,200,000 shares (the “**Placing Shares**”) of the Company at a placing price of HK\$1.00 per Placing Share.

Upon the completion of the Placing on 16 April 2024, net proceeds from the Placing were approximately HK\$18,708,000 (net of the issuing expenses of approximately HK\$492,000) which will be used for the headquarters’ administration and operation expenses.

## 16. MATERIAL RELATED PARTY TRANSACTIONS

- (a) During the years ended 31 March 2025 and 2024, the related parties that had transactions with the Group were as follows:

Name of related parties	Relationships with the Group
Chung Hang Enterprises Holdings Limited (“ <b>Chung Hang</b> ”)	A related company owned by Mr. Lau
Chung Wah Investment Company Limited (“ <b>Chung Wah</b> ”)	A related company owned by Mr. Lau
Mr. Cheung Kit Shing (“ <b>Mr. Cheung</b> ”)	A director of a subsidiary (Resigned on 3 May 2024)
Cheer Trend Limited (“ <b>Cheer Trend</b> ”)	Non-controlling interest of a subsidiary wholly-owned by Mr. Cheung until the completion of the Pure Luck Acquisition (defined herein below)
Etoiles Consultancy Limited (“ <b>Etoiles</b> ”)	A related company owned by Mr. Cheung
Mr. Chong Ka Yee (“ <b>Mr. Chong</b> ”)	A director of a subsidiary

In addition to the transactions and balances disclosed in note 6(a) and 14 to this announcement, the Group entered into the following material related party transactions during the year:

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
(i) Leases of properties from:		
Chung Hang	720,000	720,000
Chung Wah	<u>1,380,000</u>	<u>1,380,000</u>
	<b><u>2,100,000</u></b>	<b><u>2,100,000</u></b>
(ii) Other transactions		
– Professional fees paid to Etoiles	750,000	–
– Acquisition of the additional interests in Pure Luck International Limited (“ <b>Pure Luck</b> ”) from Cheer Trend (note 17)	5,000,000	–
Acquisition of an intangible asset from Mr. Chong	<u>850,000</u>	–
	<b><u>6,600,000</u></b>	<b><u>–</u></b>

*Note:* The Directors are of opinion that apart from the borrowings from a related company and directors of subsidiaries disclosed in note 14 to this announcement, the above transactions were also entered into during the normal course of business. The related party transactions constitute connected transactions as defined in Chapter 14A of the Listing Rules, however, they are fully exempted from disclosure requirements in Chapter 14A of the Listing Rules.

**(b) Transaction with key management personnel**

***Key management personnel remuneration***

Remuneration of key management personnel, including amounts paid to the Directors and certain of the highest paid employees and senior management, is as follows:

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
Salaries, wages and other benefits	14,707,628	14,124,821
Contribution to defined Contribution retirement plans	<u>72,000</u>	<u>64,500</u>
	<b><u>14,779,628</u></b>	<b><u>14,189,321</u></b>

## 17. ACQUISITION OF THE SUBSIDIARIES

### Acquisition of additional interest in Pure Luck without change of control

As at 1 April 2024, the Group held 51% equity interest in Pure Luck which was accounted for as a subsidiary as the Group had controls over Pure Luck.

During the year, the Group further entered into an agreement and an supplemental agreement with the non-controlling interest, pursuant to which, the Group acquired (the “**Pure Luck Acquisition**”) (i) the remaining 49% equity interests of Pure Luck from the non-controlling interest; and (ii) assumed the outstanding indebtedness due from the non-controlling interest to Pure Luck for a cash consideration of HK\$5,000,000.

Upon completion of the Pure Luck Acquisition on 3 May 2024, Pure Luck became a wholly owned subsidiary of the Group. As the Pure Luck Acquisition did not involve the change of control, the difference between the consideration and the carrying amount of the additional interests acquired of approximately HK\$5,132,000 was recognised in the consolidated statement of change in equity as “capital reserve”.

## 18. EVENTS AFTER REPORTING PERIOD

Subsequent to the end of the reporting period, the Group has the following material events:

- (a) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 13 March 2025, the Company offered the rights issue (the “**Rights Issue**”) by issuing 115,200,000 rights shares (the “**Rights Share(s)**”) to the qualifying shareholders at the subscription price of HK\$0.2 per Rights Share on the basis of one Rights Share for every one existing shares (“**Share**”) of the Company held on 25 March 2025 (the “**Record Date**”). The Rights Issue was completed on 9 May 2025, and the Company intends to apply the net proceeds of approximately HK\$21.7 million, as to fund the construction segment of the Group and the general working capital of the headquarters (net of the issuing expense of approximately HK\$1.3 million) for required.
- (b) On 12 May 2025, the Group entered into the sales and purchase agreement with Dream Share Limited (the “**Vendor**”), pursuant to which, the Group disposed of its subsidiaries, Prestige Victory Limited and Topper Summit Limited, to the Vendor at consideration of HK\$1,350,000. The disposal was completed on 30 May 2025.

## 19. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current year’s presentation and the rights issue set out in note 9 to this announcement.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of (i) foundation construction works; (ii) ground investigation services; (iii) financial services; (iv) trading of consumer products; and (v) e-commerce business.

### Foundation construction works

During the Reporting Period, the foundation construction works undertaken by the Group mainly consisted of the construction of socketed H-piles, mini piles, soldier piles, pipe piles and king posts. The Group undertook foundation construction projects in both the public and private sectors in Hong Kong. Revenue from the foundation works contributed approximately 69.8% to the total revenue of the Group during the Reporting Period (YR2024: approximately 76.1%).

### Ground investigation services

The Group also acted as a contractor to provide ground investigation services in both public and private sectors in Hong Kong during the Reporting Period. Revenue from the ground investigation services contributed approximately 15.5% to the total revenue of the Group during the Reporting Period (YR2024: approximately 22.7%).

### Financial services

During the Reporting Period, revenue from financial services contributed approximately 0.2% to the total revenue of the Group (YR2024: approximately 0.2%).

### Trading of consumer products

During the Reporting Period, revenue from trading of consumer products contributed approximately 1.5% to the total revenue of the Group. There was no revenue generated from the Group's trading business in YR2024 as the Group was yet to receive the outstanding receivable arising from its previous trading of beauty and skin care products from the customer. The Group has resumed the trading business with a broader focus on general consumer products during the Reporting Period since the said outstanding trade receivable was fully settled.

### E-commerce business

During the Reporting Period, revenue from e-commerce business contributed approximately 11.6% to the total revenue of the Group (YR2024: approximately 1.0%).

## **Outlook**

Given the sluggish growth of Hong Kong's construction industry and the continued challenges facing the construction sector, particularly due to reduced land acquisitions and development projects by property developers, the Group has adopted a conservative approach to the operation and development of its existing construction business.

To ensure operational stability and long-term sustainability, the Group is not only expanding its core business activities but also strategically pursuing growth opportunities in new sectors.

To further strengthen its market position, the Group will leverage its industry expertise, existing resources, and skilled workforce to identify potential collaborations and investment opportunities with high-quality companies.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's total revenue for the Reporting Period increased by approximately HK\$12,475,000 or approximately 4.3%, from approximately HK\$288,654,000 for YR2024 to approximately HK\$301,129,000 for the Reporting Period, which was primarily due to the net effect of the following:

#### ***Foundation construction works***

The revenue from undertaking foundation construction works decreased by approximately HK\$9,404,000 or approximately 4.3%, from approximately HK\$219,633,000 for YR2024 to approximately HK\$210,229,000 for the Reporting Period. This was primarily due to the decrease in the number of sizable projects tendered by the Group during the Reporting Period.

#### ***Ground investigation services***

The revenue from ground investigation services decreased by approximately HK\$19,118,000 or approximately 29.1%, from approximately HK\$65,709,000 for YR2024 to approximately HK\$46,591,000 for the Reporting Period. This was primarily due to the decrease in the number of sizable projects tendered by the Group during the Reporting Period.

#### ***Financial services***

During the Reporting Period, revenue from financial services amounted to approximately HK\$525,000 (YR2024: approximately HK\$554,000).

### ***Trading of consumer products***

During the Reporting Period, revenue from trading of consumer products amounted to approximately HK\$4,633,000 (YR2024: nil). The Group has resumed the trading business with a broader focus in general consumer products during the Reporting Period.

### ***E-commerce***

During the Reporting Period, revenue from e-commerce business increased by approximately HK\$32,091,000 or approximately 1,164.0% from approximately HK\$2,757,000 for YR2024 to approximately HK\$34,848,000 for the Reporting Period. The increase in revenue was mainly due to the fact that the Group has expanded the e-commerce business with various types of products during the Reporting Period.

### **Gross profit and gross profit margin**

The gross profit decreased from approximately HK\$53,073,000 for YR2024 to approximately HK\$52,962,000 for the Reporting Period. The Group's overall gross profit margin during the Reporting Period was approximately 17.6% (YR2024: approximately 18.4%).

The gross profit of the Group's foundation construction works segment decreased from approximately HK\$30,987,000 for YR2024 to approximately HK\$29,356,000 for the Reporting Period. During the Reporting Period, gross profit margin of the foundation construction works segment amounted to approximately 14.0% (YR2024: approximately 14.1%). The decrease in gross profit margin was mainly due to the decrease in tendered price.

Gross profit of the Group's ground investigation services segment was approximately HK\$19,055,000 for the Reporting Period, representing a decrease of approximately 0.4% from approximately HK\$19,127,000 for YR2024. Gross profit margin of the ground investigation services segment increased from approximately 29.1% for YR2024 to approximately 40.9% for the Reporting Period. The increase in gross profit margin was mainly due to (i) tight control on the cost by the management during the Reporting Period which decreased the subcontracting fee; (ii) no additional bonus was paid to operating staff during the year; and (iii) tendered price had been improved.

Gross profit of the Group's financial service was approximately HK\$524,000 for the Reporting Period (YR2024: approximately HK\$554,000). Gross profit margin of the financial services amounted to approximately 100% (YR2024: approximately 100%).

Gross profit of the Group's trading of consumer products was approximately HK\$627,000 for the Reporting Period (YR2024: nil). Gross profit margin of the trading of consumer products amounted to approximately 13.5% for the Reporting Period (YR2024: nil).

Gross profit of the Group's e-commerce business segment was approximately HK\$2,766,000 for the Reporting Period (YR2024: approximately HK\$2,406,000). Gross profit margin of the e-commerce business segment amounted to approximately 7.9% (YR2024: approximately 87.3%). The decrease in gross profit margin was mainly due to increased proportion of promotion services which had much lower profit margin.

### **Other income, other gains and losses, net**

The other income, other gains and losses, net of the Group increased by approximately HK\$4,557,000, from approximately HK\$2,066,000 for YR2024 to approximately HK\$6,623,000 for the Reporting Period. The increase was mainly due to (i) fair value gain on financial assets at fair value through profit or loss of approximately HK\$521,000 for the Reporting Period (YR2024: loss approximately HK\$521,000); (ii) gain on disposal of property, plant and equipment of approximately HK\$1,015,000 for the Reporting Period (YR2024: approximately HK\$135,000); (iii) the government grants of approximately HK\$1,200,000 have been received during the Reporting Period (YR2024: nil) and (iv) bank interest income of approximately HK\$1,149,000 for the Reporting Period (YR2024: approximately HK\$656,000).

### **Selling expenses**

The Group's selling expenses for the Reporting Period were approximately HK\$4,094,000 (YR2024: nil). The expenses were mainly derived by the e-commerce business.

### **General and administrative expenses and reversal of impairment/impairment losses on the financial and contract assets, net**

The Group's general and administrative expenses and reversal of impairment/impairment losses on the financial and contract assets, net for the Reporting Period were approximately HK\$96,827,000 (YR2024: approximately HK\$65,326,000), representing an increase of approximately 48.2% as compared to that for YR2024. The increase was mainly attributable to the increase in directors' remuneration and staff salaries, the depreciation of right-of-use assets and other operation expenses as the Company has expanded its existing business to maintain the stability and sustainability of the Group's operations.

## **Finance costs**

The finance costs increased by approximately HK\$1,406,000 from approximately HK\$9,154,000 for YR2024 to approximately HK\$10,560,000 for the Reporting Period. The increase was mainly due to the increase of the interest rate for the amount due to a director of a subsidiary, Mr. Lau Woon Si, (Reporting Period: 6.5% per annum; YR2024: 5% per annum).

## **Income tax**

The tax expense for the Reporting Period was approximately HK\$1,407,000 (YR2024: approximately HK\$760,000). While there was a decrease in current tax of approximately HK\$368,000, there was an increase in deferred tax of approximately HK\$1,015,000 during the Reporting Period.

## **Financial assets at fair value through other comprehensive income**

In YR2024, the financial assets at fair value through other comprehensive income represent approximately 19.7% equity interest of Matsu Gami IP Development Limited and its subsidiaries (collectively the “**Matsu Gami Group**”). The fair value loss amounted to approximately HK\$5,825,000 in YR2024. The further fair value loss amounted to approximately HK\$1,135,000 for the Reporting Period.

On 11 November 2024, the Group entered into a sale and purchase agreement with certain independent third parties, pursuant to which, the Group disposed of approximately 19.7% equity interest in Matsu Gami Group at a consideration of HK\$1,600,000 (the “**Disposal**”). The completion of the Disposal took place on 31 December 2024.

## **Financial assets at fair value through profit or loss**

The financial assets at fair value through profit or loss represents the listed equity investments.

The fair value of listed equity investments is determined with reference to quoted market bid price from the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and within level 1 of the fair value hierarchy. The fair value gain of approximately HK\$521,000 (YR2024: loss of approximately HK\$521,000) was recognised in the consolidated statement of profit or loss for the Reporting Period.

## **Material provision for expected credit losses in relation to specific corporate loan receivable and other receivable from subscription**

In relation to the specific corporate loan receivable for money lending business (the “**Corporate Loan Receivable**”) and other receivable from subscription, the Group recognised reversal of provision for expected credit losses of approximately HK\$4,326,000 due to the partial subsequent settlement of the outstanding balances for the Reporting Period. The aggregate amounted to (after reversal of provision was made) approximately HK\$30,738,000 was recognised balance of impairment loss provision of these two receivables as at 31 March 2025 (the “**Impairment Loss**”).

### **(a) Corporate Loan Receivable**

Prior to the grant of the Corporate Loan Receivable, the Group performed various due diligence and credit assessment work on each of the borrowers and guarantors, which include (i) obtaining of the latest management financial statements, statutory records and credit history (where applicable) to assess the background and financial position of the borrowers and to identify any indicators of high default risks; (ii) considering the key terms by referencing the prevailing market interest rate and the financial position of the borrowers to compensate the associated credit risk (the “**Credit Risk Assessments**”); and (iii) performing an assessment to ensure compliance with the relevant requirements and regulations of anti-money laundering and counter-terrorist financing. The Group, having not identified any indication of high default risk of the loans and having assessed the terms and conditions for the grant of the Corporate Loan Receivable based on Credit Risk Assessments, considered that the initial grant of the loans based on such terms and conditions was fair and reasonable and was in the interest of the Company and its shareholders as a whole.

The Corporate Loan Receivable was past due since June 2020. The Company has commenced the winding up process against the customer company responsible for the non-payment of Corporate Loan receivable in April 2023. The hearing of winding-up petition originally fixed on 28 June 2023 was adjourned to 7 August 2023, and the Group has been liaising with the borrower in the interim with the view of settling the outstanding repayment amount. The Group subsequently entered into the settlement agreement and deed of guarantee with the borrower of the Corporate Loan Receivable and related guarantors on 31 July 2023, with the last instalment repayable on or before 30 September 2025 based on the repayment scheme. Following the entering into the settlement agreement, the winding-up petition was withdrawn on 7 August 2023. As at 31 March 2025, the outstanding principal was HK\$4,900,000.

**(b) Other receivable from subscription**

Other receivable from subscription is represented by an outstanding redemption amount arising from the redemption of a debt instrument which expired on 18 March 2023. The debt instrument was represented by certain class C shares in a fixed-income focused fund portfolio company (the “**Fund**”) managed by an external manager (the “**Manager**”) and a delegated investment manager (the “**Investment Manager**”) (all being independent third parties) which were subscribed by Sino Topper Holdings Limited (“**Sino Topper**”), being a wholly-owned subsidiary of the Company, on 20 April 2020 at a total subscription amount of HK\$60,000,000 with a term of 36 months after first issuance of any class B shares and class C shares (the “**Subscription**”). The Subscription was made at the material time as an investment to utilize the idle cash balance of the Group. For details of the Subscription, please refer to the announcements of the Company dated 20 April 2020 and 8 May 2020.

Prior to the Subscription, the Group performed various due diligence work on the Fund, the Manager and the Investment Manager, which include (i) conducting the necessary “know your customer” checks by obtaining their constitutional documents and statutory records to assess their background, (ii) reviewing the experience, qualifications and licenses of the Manager, the Investment Manager and the personnel in charge of the day-to-day operation of the Fund to consider their competence, (iii) reviewing the nature, composition, historical performance and future prospects of the target investments of the Fund to consider its risk profile and (iv) reviewing the material terms and conditions of the Fund including but not limited to rate of returns, target investment size, maturity period and exit mechanisms to consider their commercial reasonableness (the “**Investment Risk Assessments**”). The Group, having not identified any indication of high default risk of the Fund, and having assessed the terms and conditions for the Subscription based on the Investment Risk Assessments, considered that the Subscription based on such terms and conditions was fair and reasonable and was in the interest of the Company and its shareholders as a whole.

After the expiry date of the debt instrument (i.e. 18 March 2023), and taking into account the repayments received by Sino Topper for the partial redemption made prior to the expiry date, Sino Topper has received an aggregate of approximately HK\$40,181,000 (inclusive of accrued interests) as repayments for redemption of its subscription amount with the last batch of repayments received in December 2023, after which no further repayments have been received. Despite repeated efforts made by the Directors throughout the Reporting Period to communicate with the Fund, the Manager and the Investment Manager to demand for settlement of the outstanding redemption amount, Sino Topper has not received any explanation for the delay in repayment, and no further reply has been received since June 2023. Between April 2024 and July 2024, Sino Topper has issued demand letters against the Fund, the Manager, the Investment Manager, and the former Responsible Officer of the Investment Manager. Sino Topper has engaged BVI lawyers in September 2024, issued a Statutory Demand against the Fund in October 2024 and completed the winding up proceedings against the Fund in the BVI on 14 April 2025. Joint liquidators have been appointed to conduct investigations into the affairs of the Fund. As at the date of this announcement, a total redemption amount of approximately HK\$26,926,000 remained outstanding and payable to Sino Topper by the Fund and/or others.

(c) **Impairment loss and key value of inputs used and assumptions adopted in valuation**

The Group has engaged an independent valuer (the “**Valuer**”) to conduct a valuation in relation to impairment assessment over its loan receivable and other receivable as at 31 March 2025 (the “**Valuation**”).

The Valuer adopted the expected credit loss model (the “**ECL Model**”) to measure the ECL of the loan receivable and other receivable. The ECL Model was adopted in accordance with Hong Kong Financial Reporting Standards 9. Major inputs of the ECL Model include (i) probability of default (the “**PD**”) of the borrowers/debtors which in turn affecting the credit specific factor by, inter alia, assessing the loss stages and checking forward looking assumptions involved; (ii) loss given default; (iii) exposure at default; and (iv) discount factor reflecting time value of money.

The expected credit loss rate (the “**ECL rate**”) for the Corporate Loan Receivable was 77.8% (YR2024: 63.1%), and the provision for expected credit loss for the Corporate Loan Receivable was approximately HK\$3,812,000 with gross carrying of approximately HK\$4,900,000 as at 31 March 2025. After the end of the Reporting Period and as at the date of this announcement, approximately HK\$1,000,000 has been received for the settlement based on the repayment schedule.

The ECL rate for other receivable from subscription in respect of the outstanding redemption amount was relatively high in the Reporting Period due to a significant increase in credit risks since initial recognition due to (i) the debt instrument has matured for more than a year since March 2023, and (ii) it is uncertain whether Sino Topper is able to enter into any settlement arrangements with the Fund, the Manager and the Investment Manager to secure the repayment of the outstanding redemption amount as the Fund, the Manager and the Investment Manager have not been responsive, and (iii) between April and July, Sino Topper has issued a demand letter to the Fund, the Manager and the Investment Manager and the former Responsible Officer of the Investment Manager for the non-payment of the outstanding redemption amount, Sino Topper has engaged BVI lawyers in September 2024, issued a Statutory Demand against the Fund in October 2024 and completed the winding up proceedings against the Fund in the BVI on 14 April 2025. Joint liquidators have been appointed to conduct investigations into the affairs of the Fund. Accordingly, the Group has provided a full provision of approximately HK\$26,926,000 for other receivable in respect of the outstanding redemption amount with gross carrying amount of the approximately HK\$26,926,000 as at 31 March 2025.

## **Money lending business**

Within the Group's money lending business, prospective borrowers are sourced from the management's business networks. A credit committee ("**Credit Committee**") is established and the primary responsibility of this committee is to assess and approve loans. During the credit assessment phase, multiple approval criteria are considered, including the client's income source, outstanding debt, credit history, loan history with our company and relevant assessment results obtained during the application procedure.

As of 31 March 2025, the combined outstanding balance of the top two clients (YR2024: one client) in the money lending business amounted to 100% of the Group's total loan receivables (YR2024: 100%).

## **Business model of the Group's money lending business**

The Group's money lending business is managed through a wholly-owned subsidiary, Fortune Shiny (Hong Kong) Limited ("**Fortune Shiny**"), which holds a money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). Fortune Shiny provides loan financing services to both individual and corporate clients who are third parties independent of the Company and its connected persons (as defined in the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange). Corporate loans are offered to corporate clients requiring loan financing for their corporate needs, while individual loans are provided to clients who require loan financing for their personal needs.

Fortune Shiny is capable of granting loan financing services to both corporate and individual clients with greater flexibility compared to licensed banks and was established to generate interest income by providing loan financing services in Hong Kong. The Group's money lending business is primarily financed through internal resources.

## **Credit assessment policy**

Loan applications are evaluated and processed on a case-by-case basis, with each application assessed based on its individual merit. Prior to granting loans, the management conducts a financial background and credit check procedure.

The process for loan application involves collecting customer information including identity and financial documents, performing a customer due diligence check to verify identity and understand the purpose of the loan, conducting a background check including legal and property ownership searches, performing a valuation check on the collateral, conducting a credit assessment to determine the borrower's ability to repay, and performing an assessment to ensure compliance with the relevant requirements and regulations of anti-money laundering and counter-terrorist financing. The details of each step may vary depending on the specific circumstances of the loan application.

Overall, the loan application process involves a thorough evaluation of the borrower's financial standing, legal and financial history, collateral, and ability to repay the loan. By performing these checks and assessments, the Group can reduce the risk of default and ensure that their loans are being used for legitimate purposes.

### **Ongoing monitoring of loan recoverability and loan collection**

To ensure recoverability, the Group places particular emphasis on the financial background, assets or capital base, repayment ability, and reputation of the borrower when establishing loan terms. The manager communicates with borrowers regularly to monitor the recoverability of loans and assess the conditions of the borrowers. Any delays in payment or defaults on significant terms of the loan agreement are reported to the management. To mitigate risk and potential credit losses, various measures may be implemented, including but not limited to revising repayment terms, executing a settlement agreement, and/or initiating legal proceedings against the borrower to recover any late payments and default interest. These measures are taken after considering the normal market practice and the actual circumstances during the credit collection processes and negotiations with the relevant customers with the ultimate goal of reducing the possibility of credit losses.

### **Credit committee**

To manage credit risk and operations, the Credit Committee has been established, consisting of Mr. Bai Huawei and Ms. Xia Liping, with full authority to handle all credit-related matters of Fortune Shiny. All loans must be approved by the Credit Committee, following the authorization matrix for final approval.

The primary responsibilities of the Credit Committee include approving and supervising the Group's money lending business and monitoring the loan portfolio. The Credit Committee is also responsible for overseeing compliance and governance matters such as regularly reviewing and modifying the money lending policy to in line with changes in the market environment.

### **Major terms of loans granted**

Under the Group's money lending business for the Reporting Period, the Group offered a credit period of 6-24 months for the loan to its personal customers with interest rate of 8%–15% per annum (YR2024: nil). The loan to a corporate customer is interest-free, and secured by personal guarantee.

## **Breakdowns of material loan receivables**

As of 31 March 2025, the Group had a total outstanding loan principal amount of HK\$7,700,000 (YR2024: HK\$12,900,000) before taking into account the ECL. The outstanding principal amounts relate to the Corporate Loan Receivable, which was a corporate loan, and one other personal loan (YR2024: one corporate loan). The corporate loan accounted for 63.6% of the outstanding principal amount of HK\$7,700,000 (YR2024: the corporate loan accounted for 100% of the outstanding principal amount of HK\$12,900,000).

The Corporate Loan Receivable became interest-free based on the settlement agreement. During the Reporting Period, the Group granted two personal loans (one of which has been fully repaid during the year), the interest rates for the principal amounts were 8% to 15% per annum (YR2024: nil). The corporate loan receivable accounts as of 31 March 2025 was secured by personal guarantees.

## **Loan interest income**

For the Reporting Period, the total loan interest income from the Group's money lending business was approximately HK\$525,000 (YR2024: approximately HK\$554,000).

## **LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY**

For the Reporting Period, the Group recorded a net loss of approximately HK\$51,430,000 as compared with approximately HK\$20,622,000, for YR2024.

## **FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend to the owners for the Reporting Period (YR2024: nil).

## RIGHTS ISSUE

Reference is made to the Company's announcement dated 17 January 2025 and the prospectus dated 26 March 2025 (the "**Prospectus**"). In order to bolster its working capital and to ensure 12 months of operational funding amid a sluggish Hong Kong construction market, the Company (pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 13 March 2025) issued 115,200,000 ordinary Shares (the "**Rights Share(s)**") to the qualifying Shareholders at the subscription price of HK\$0.2 per Rights Share on the basis of one Rights Share for every one existing ordinary Share of the Company held on 25 March 2025 (the "**Rights Issue**"). The said subscription price represented a discount of approximately 29.82% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 17 January 2025. The aggregate nominal value of the Rights Shares issued was HK\$11,520,000, and the net subscription price per Rights Share (i.e. the subscription price less cost and expenses incurred in the Rights Issue) was approximately HK\$0.1858.

The Rights Issue was completed on 9 May 2025 (which was subsequent to the end of the Reporting Period), and accordingly none of the proceeds was utilized within the Reporting Period. The Company intends to apply the net proceeds from the Rights Issue ("**2025 Net Proceeds**") by 31 December 2025 as general working capital of the Group as disclosed in the Prospectus. The unutilised 2025 Net Proceeds were placed as bank balances with licensed bank in Hong Kong.

## THE PLACING IN 2024

References are made to the Company's announcements on 3 April 2024 and 16 April 2024 (the "**2024 Announcements**") in relation to the entering into of the placing agreement by the Company on 3 April 2024 for the placing of 19,200,000 ordinary shares of the Company (the "**2024 Placing**") which raised net proceeds of approximately HK\$18.7 million (the "**2024 Net Proceeds**"), representing a net issue price of approximately HK\$0.97 per placing share, and the 2024 Placing was completed on 16 April 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there were not less than six placees under the 2024 Placing who were individual investors that were third parties independent of and not connected with the Company and its connected persons. None of the placees under the 2024 Placing has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately upon completion of the 2024 Placing.

In view of the uncertainties in the economic and business environment of Hong Kong, the Company considered it is critical to replenish the financial resources of the Group for its development. The Directors were of the view that the 2024 Placing would strengthen the financial position and liquidity of the Group and provide financial resources to the Group without incurring interest costs. The Directors also believed that the 2024 Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base.

The aggregate nominal value of the maximum number of placing shares under the 2024 Placing is HK\$1,920,000. The placing price of HK\$1.00 per placing share under the 2024 Placing represents (i) a discount of approximately 14.53% to the closing price of HK\$1.17 per share of the Company (the “Share”) as quoted on the Stock Exchange on 3 April 2024; and (ii) a discount of approximately 18.70% to the average closing price of approximately HK\$1.23 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding 3 April 2024.

### Use of 2024 Net Proceeds

	Planned use of proceeds as disclosed in the 2024 Announcements <i>HK\$'000</i> <i>(approximately)</i>	Amount utilised during the Reporting Period <i>HK\$'000</i> <i>(approximately)</i>	Unutilised 2024 Net Proceeds as at 31 March 2025 <i>HK\$'000</i> <i>(approximately)</i>	Expected timeline
Administration and operation expenses of the headquarters of the Group in Hong Kong				N/A
– approximately 70% for director and staff remuneration	13,095	13,095	–	
– approximately 8% for rental expense	1,497	1,497	–	
– approximately 12% for professional fee	2,245	2,245	–	
– approximately 10% for other operation expenses	1,871	1,871	–	
	<u>18,708</u>	<u>18,708</u>	<u>–</u>	

### USE OF NET PROCEEDS FROM THE PLACING IN 2016

References are made to the Company’s announcement on 29 November 2016 (the “**2016 Announcement**”) in relation to placing of 160,000,000 new ordinary shares of the Company (the “**2016 Placing**”) which raised net proceeds of approximately HK \$134.0 million (the “**2016 Net Proceeds**”) and the announcements in relation to change in use of proceeds from the Placing dated 2 October 2018 (the “**2018 Announcement**”), 17 August 2021 (the “**2021 Announcement**”) and 3 January 2023 (the “**2023 Announcement**”), 17 November 2023 and the annual reports of the Company for the year ended 31 March 2019, 31 March 2022, 31 March 2023 and 31 March 2024.

Part of the 2016 Net Proceeds from the Placing were utilised up to 31 March 2025 and are intended to be applied in accordance with the revised proposed application set out in the announcement dated 3 January 2023. The below table sets out the details of the application of the 2016 Net Proceeds:

	Planned use of proceeds as disclosed in the 2016 Announcement	Revised allocation as at 2 October 2018	Unutilised 2016 Net Proceeds as at 31 March 2021	Revised allocation as at 17 August 2021	Amount utilised during year ended 31 March 2022	Revised allocation as at 3 January 2023	Amount utilised during year ended 31 March 2023	Amount utilised during year ended 31 March 2024	Unutilised 2016 Net Proceeds as at 31 March 2024	Amount utilised during the Reporting Period 2025	Unutilised 2016 Net Proceeds as at 31 March 2025	Expected timeline
	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	<i>HK\$ million (approximately)</i>	
		(Note 1)		(Note 2)		(Note 3)						
Investment, financing and money lending services	134.0	57.3	-	-	-	-	-	-	-	-	-	N/A
Funding the Acquisition (as defined below)	-	76.7	76.7	-	-	-	-	-	-	-	-	N/A
Funding further possible acquisition(s)	-	-	-	70.7	-	25.7	-	-	25.7	5.0	20.7	By 30 September 2026
General working capital	-	-	-	6.0	6.0	45.0	13.6	31.4	-	-	-	N/A
	<u>134.0</u>	<u>134.0</u>	<u>76.7</u>	<u>76.7</u>	<u>6.0</u>	<u>70.7</u>	<u>13.6</u>	<u>31.4</u>	<u>25.7</u>	<u>5.0</u>	<u>20.7</u>	

**Notes:**

- As disclosed in the 2018 Announcement, (i) the Group had used approximately HK\$20.8 million of the proceeds of the 2016 Placing for investment and financial services and for setting up a subsidiary with a money lenders licence and the Group intended to utilise up to approximately HK\$36.5 million of the 2016 Net Proceeds in developing the Group's money lending business in the next 12 months; and (ii) the Group intended to change the use of up to approximately HK\$76.7 million of the outstanding 2016 Net Proceeds to fund the acquisition of approximately 51.3% of the issued share capital of Blue Marble Limited at a total consideration of HK\$320,000,000 (the "Acquisition"). The Acquisition then lapsed on 2 April 2020. For details, please refer to the 2018 Announcement and the announcement of the Company dated 2 April 2020.
- On 17 August 2021, the Company resolved to change the use of the outstanding 2016 Net Proceeds, being approximately HK\$76,700,000 as at 31 March 2021 as follows: (i) as to approximately HK\$70,700,000, to fund further possible acquisition(s), including further possible acquisition of 16% of the issued share capital of Matsu Gami; and (ii) as to the remaining balance of approximately HK\$6,000,000, for general working capital. As at 31 March 2022, the Board has not exercised the call option to acquire 16% of the issued share capital of Matsu Gami. For details, please refer to the 2021 Announcement and the announcement of the Company dated 10 September 2021.
- On 3 January 2023, the Company resolved to change the use of the outstanding 2016 Net Proceeds, being approximately HK\$70,700,000 as at 31 March 2022 as follows: (i) as to approximately HK\$25,700,000, to fund further possible acquisition(s) and (ii) as to the remaining balance of approximately HK\$45,000,000, for general working capital. As at 31 March 2023, the Board has not exercised the call option to acquire 16% of the issued share capital of Matsu Gami. For details, please refer to the 2023 Announcement and the announcement of the Company dated 3 January 2023.

4. On 17 November 2023, the Company published the announcement and wishes to supplement that the unutilised 2016 Net Proceeds for further acquisitions are intended to be fully utilised by 31 March 2025 in the acquisition of equity interests in target company(ies) engaged in the food and beverage and/or the construction sectors, provided that, if any such opportunity(ies) arise in the meantime, the Group may also utilise the unutilised 2016 Net Proceeds for Further Acquisitions (or part thereof) in the acquisition of target company(ies) engaged in other sector(s) if such acquisition is considered by the Board to be conducive in broadening the source of the revenue for the Group or otherwise in the best interest of the Company and its shareholders as a whole.

During the Reporting Period, the Group entered into an agreement and supplemental agreement with the non-controlling interest, pursuant to which, the Group acquired (i) the remaining 49% equity interests of Pure Luck from the non-controlling interest; and (ii) assumed the outstanding indebtedness due from the non-controlling interest for a cash consideration of HK\$5,000,000.

5. On 28 March 2025, the Company resolved to extend the expected timeline of the use of the unutilized 2016 Net Proceeds to 30 September 2026.

The remaining unutilised 2016 Net Proceeds as at 31 March 2025 were placed as bank balances with licensed bank in Hong Kong and will be applied in the manner consistent with the proposed allocations.

## **DEBTS AND CHARGE ON ASSETS**

The total interest-bearing borrowings of the Group mainly consisted of leases liabilities, borrowing from directors of subsidiaries and borrowing from a related company of the Group. The above borrowings as at 31 March 2025 were approximately HK\$178,883,000 (YR2024: approximately HK\$179,941,000). All borrowings were mainly denominated in Hong Kong dollar. Interest on borrowings are charged at fixed rates. The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. As at 31 March 2025, the Group did not have any charges on the Group's assets.

## **NET CURRENT ASSETS**

As at 31 March 2025, the Group's net current assets amounted to approximately HK\$32,874,000 which was approximately HK\$47,858,000 lower than the net current assets of approximately HK\$80,732,000 as at 31 March 2024, the decrease was mainly due to the decrease in contract assets. As at 31 March 2025, the Group's current liabilities amounted to approximately HK\$211,801,000 representing a decrease of approximately HK\$18,372,000 from approximately HK\$230,173,000 as at 31 March 2024, the decrease was mainly due to the decrease in trade and other payables and accruals.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2025, the Group had cash and bank balances of approximately HK\$106,965,000, representing a decrease of approximately HK\$31,321,000 (as at 31 March 2024: approximately HK\$138,286,000), which were mainly denominated in Hong Kong dollar.

During the Reporting Period, the Group did not employ any financial instrument for hedging purposes.

## **CASH FLOW**

The net cash used by the Group in its operating activities amounted to approximately HK\$14,977,000 during the Reporting Period, which was mainly due to the financial performance of the Group. Net cash used in investing activities was approximately HK\$12,286,000 mainly arose from the purchase of property, plant and equipment of approximately HK\$10,610,000. The net cash used in financing activities was approximately HK\$3,683,000 in which approximately HK\$19,200,000 arose from proceeds from issue of shares received, was set off by (i) decreasing in amount due to directors of subsidiaries of approximately HK\$14,906,000; and (ii) payment of principal and interest portion of lease liabilities of approximately HK\$5,485,000.

The gearing ratio of the Group as at 31 March 2025 (defined as total interest-bearing liabilities divided by the Group's total equity) was approximately 351.7% (as at 31 March 2024: approximately 199.2%).

The current ratio of the Group as at 31 March 2025 was approximately 1.14 (as at 31 March 2024: approximately 1.35).

## **TREASURY POLICY**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy position of liquidity throughout the Reporting Period. The Group strives to reduce the exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **FOREIGN EXCHANGE EXPOSURE**

Since the Group mainly operates in Hong Kong and most of the revenue and transactions arising from its operations were mainly settled in Hong Kong dollar, and the Group's assets and liabilities are primarily denominated in Hong Kong dollar. The Directors believe that the Group's risk in foreign exchange is insignificant and the Group will have sufficient foreign exchange to meet its foreign exchange requirements. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates; and it has not adopted any currency hedging policy or other hedging instruments during the Reporting Period.

## **CAPITAL STRUCTURE**

The share capital of the Group only comprises of ordinary shares.

As at 31 March 2025, the Company's issued share capital was HK\$11,520,000 (as at 31 March 2024: HK\$9,600,000) and the number of its issued ordinary shares was 115,200,000 of HK\$0.1 each (as at 31 March 2024: 96,000,000 of HK\$0.1 each).

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

Save as disclosed in this announcement, during the Reporting Period, there were no significant investments held, nor were there any material acquisitions or disposal of subsidiaries and associated companies made by the Group during the Reporting Period and up to the date of this announcement.

### **Change in ownership interest in a subsidiary without a change of control and guaranteed revenue**

During the Reporting Period, the Group further entered into an agreement and supplemental agreement with the non-controlling interest, pursuant to which, the Group acquired (the "**Pure Luck Acquisition**") (i) the remaining 49% equity interests of Pure Luck, from the non-controlling interest; and (ii) assumed the outstanding indebtedness due from the noncontrolling interest for a cash consideration of HK\$5,000,000. Upon completion of the Pure Luck Acquisition on 3 May 2024, Pure Luck became a wholly owned subsidiary of the Group.

Under the terms of the sale and purchase agreement, the vendor conditionally agreed that if the actual revenue of the e-commerce live streaming business (“**Actual Revenue**”) is less than the guaranteed revenue of HK\$13,000,000 (“**Guaranteed Revenue**”) for the Reporting Period (“**Guaranteed Period**”), the vendor shall compensate the Company in the amount calculated based on the following:

$$\text{Compensation Amount} = (\text{HK\$13,000,000} - \text{Actual Revenue}) \times 49\%$$

In respect of the Guaranteed Period, based on the information made available to the Board, the Actual Revenue had exceeded HK\$13,000,000. In this regard, the Guaranteed Revenue would have been fulfilled upon confirmation with the audited figures of the Pure Luck Group for the year ended 31 March 2025.

## **CAPITAL COMMITMENT**

The Group had no material capital commitment as at 31 March 2025 and 2024.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 March 2025 and 2024.

## **LITIGATIONS**

As at 31 March 2025, the Group had no material pending litigation.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2025, the Group had 174 full-time employees (as at 31 March 2024: 158 full-time employees).

The remuneration policy and packages of the Group’s employees are periodically reviewed. Apart from mandatory provident fund and in-house training programmes, salary increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The total remuneration cost incurred by the Group for the Reporting Period was approximately HK\$93,663,000 as compared to approximately HK\$76,587,000 for YR2024.

## **ENVIRONMENTAL POLICIES**

The Group places an emphasis on environmental protection when undertaking its projects. The Group was awarded the ISO 14001:2015 (environmental management system). During the Reporting Period, the ISO 14001:2015 certificate was valid from 24 March 2021 to 29 April 2027. When preparing the tender documents, the Group will take into consideration the environmental protection requirements of potential customers as well as the relevant laws and regulations in relation to environmental protection. The Group’s safety officers are responsible for ensuring that the Group satisfies the applicable laws and regulations requirements and identifying and reporting on environmental issues to our project management team.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong while the Company itself is a holding company. Our operations accordingly shall comply with the relevant laws and regulations in Hong Kong. During the Reporting Period and up to the date of this announcement, there is no material non-compliance with the relevant prevailing laws and regulations by the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have other plans for material investments and capital assets up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company had complied with all applicable code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix C1 to the Listing Rules during the Reporting Period.

## **CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

## **CLOSURE OF REGISTER OF MEMBERS**

The forthcoming annual general meeting of the Company (“AGM”) will be held on 1 September 2025. For the purpose of determining the entitlement of the Shareholders of the Company to attend and vote at the AGM, the transfer of books and register of members of the Company will be closed from 27 August 2025 to 1 September 2025, both days inclusive. During such period, no share transfer will be effected. In order to be qualified for attending the forthcoming AGM, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road for registration no later than 4:30 p.m. on 26 August 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the Reporting Period.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Company has discussed with the Company's management and reviewed the audited consolidated financial statements of the Group for the Reporting Period.

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 Reporting Period as set out in this announcement have been agreed by the Group's auditor, Ascenda Cachet CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the Reporting Period. The work performed by Ascenda Cachet CPA Limited in this respect was limited and did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ascenda Cachet CPA Limited on this announcement.

## **PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025**

The audited annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hkex1718.hk](http://www.hkex1718.hk). The annual report of the Company for the year ended 31 March 2025 containing all information required by the Listing Rules will be despatched to shareholders of the Company and published on the above websites in due course.

By order of the Board of  
**Wan Kei Group Holdings Limited**  
**Xu Lin**  
*Chairman*

Hong Kong, 27 June 2025

*As at the date of this announcement, the executive Directors are Mr. Bai Huawei and Mr. Wang Yu; the non-executive Directors are Mr. Xu Lin and Mr. Lui Kwok Wai; and the independent non-executive Directors are Mr. Jiang Senlin, Mr. Zhang Yi and Ms. Dan Xi.*