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Yuk Wing Group Holdings Limited

煜榮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1536)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of Yuk Wing Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**Year**”) together with the comparative and audited figures for the year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	3	217,074	148,231
Cost of sales		(173,248)	(114,085)
Gross profit		43,826	34,146
Other income		2,488	3,526
Impairment losses under expected credit loss model, net		(5,905)	(4,000)
Other gains and losses		5,323	(5,011)
Selling and distribution expenses		(11,372)	(8,551)
Administrative expenses		(45,287)	(40,249)
Finance costs		(1,022)	(1,189)
Loss before tax	4	(11,949)	(21,328)
Taxation charge	5	(255)	(1,233)
Loss for the year		(12,204)	(22,561)
(Loss) profit for the year attributable to:			
Owners of the Company		(12,524)	(18,674)
Non-controlling interests		320	(3,887)
		(12,204)	(22,561)
		HK cents	<i>HK cents</i>
Loss per share, basic	6	(3.04)	(4.91)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	<u>(12,204)</u>	<u>(22,561)</u>
Other comprehensive expense for the year		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(2,240)</u>	<u>(2,495)</u>
Total comprehensive expense for the year	<u><u>(14,444)</u></u>	<u><u>(25,056)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(13,672)	(20,006)
Non-controlling interests	<u>(772)</u>	<u>(5,050)</u>
	<u><u>(14,444)</u></u>	<u><u>(25,056)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		11,979	4,882
Right-of-use assets		890	8,976
Deferred tax assets		1,864	1,804
		14,733	15,662
Current assets			
Inventories		49,471	44,956
Trade and other receivables	8	66,611	74,205
Financial assets at fair value through profit or loss		27,288	20,297
Tax recoverable		134	–
Bank balances and cash		42,174	46,616
		185,678	186,074
Current liabilities			
Trade and other payables	9	34,879	12,489
Contract liabilities		6,994	2,821
Lease liabilities		733	3,330
Tax payable		–	79
Bank and other borrowings		13,000	23,000
		55,606	41,719
Net current assets		130,072	144,355
Total assets less current liabilities		144,805	160,017
Non-current liabilities			
Deferred tax liabilities		57	83
Lease liabilities		181	7,121
		238	7,204
Net assets		144,567	152,813
Capital and reserves			
Share capital		45,600	38,000
Reserves		69,633	84,707
Equity attributable to owners of the Company		115,233	122,707
Non-controlling interests		29,334	30,106
Total equity		144,567	152,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The registered office address of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit E3, 8/F, Kingston International Centre, 19 Wang Chiu Road, Kowloon Bay, Hong Kong. The Directors consider that the Company’s immediate and ultimate holding company is Colour Shine Investments Limited, a private limited company incorporated in the British Virgin Islands (the “**BVI**”).

The Company is an investment holding company. The Group are principally engaged in the manufacturing and trading of down-the-hole (“**DTH**”) rockdrilling tools and trading of piling and drilling machineries and rockdrilling equipment.

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 annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

Except as described below, 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.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

The Group is principally engaged in (i) manufacturing and trading of DTH rockdrilling tools; and (ii) trading of pilling and drilling machineries and rockdrilling equipment.

Disaggregation of revenue

An analysis of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Recognised at a point in time:		
Manufacturing and trading of DTH rockdrilling tools	212,877	136,542
Trading of pilling and drilling machineries and rockdrilling equipment	4,197	11,689
	<u>217,074</u>	<u>148,231</u>

Disaggregation of revenue by geographical location is disclosed in geographical information below.

Performance obligations for contracts with customers

All of the Group's revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 0 to 90 days upon delivery. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

Transaction price allocated to the remaining performance obligation for contracts with customers

Contracts with customers with unsatisfied performance obligations have original expected durations of one year or less. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied performance obligations are not disclosed.

Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of products sold.

The details of the Group's operating segments are as follows:

- (i) Manufacturing and trading of DTH rockdrilling tools
- (ii) Trading of pilling and drilling machineries and rockdrilling equipment

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 March 2025

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment and external sales	<u>212,877</u>	<u>4,197</u>	<u>217,074</u>
Segment result	<u><u>42,766</u></u>	<u><u>1,060</u></u>	43,826
Unallocated expenses			(56,659)
Other income			2,488
Impairment losses under expected credit loss ("ECL") model, net			(5,905)
Other gains and losses			5,323
Finance costs			<u>(1,022)</u>
Loss before tax			<u><u>(11,949)</u></u>

For the year ended 31 March 2024

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment and external sales	136,542	11,689	148,231
Segment result	33,915	231	34,146
Unallocated expenses			(48,800)
Other income			3,526
Impairment losses under ECL model, net			(4,000)
Other gains and losses			(5,011)
Finance costs			(1,189)
Loss before tax			(21,328)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of unallocated expenses (including selling and distribution expenses and administrative expenses), other income, impairment losses under ECL model, net, other gains and losses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

Other segment information

For the year ended 31 March 2025

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts regularly provided to the CODM but not included in the measurement of segment result:			
Depreciation of property, plant and equipment	913	–	913
Depreciation of right-of-use assets	527	–	527
Write down of inventories	3,025	–	3,025

For the year ended 31 March 2024

	Manufacturing and trading of DTH rockdrilling tools <i>HK\$'000</i>	Trading of pilling and drilling machineries and rockdrilling equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts regularly provided to the CODM but not included in the measurement of segment result:			
Depreciation of property, plant and equipment	382	–	382
Depreciation of right-of-use assets	1,475	–	1,475
Write down of inventories	1,989	–	1,989

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by the location of customers; and (ii) the Group's non-current assets (excluded deferred tax assets) by location of assets.

	Revenue from external customers		Non-current assets	
	For the year ended 31 March		As at 31 March	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	196,253	142,629	2,090	2,986
Scandinavia	1,006	1,527	–	–
Macau	1,693	510	–	–
The People's Republic of China (the "PRC")	15,112	593	10,779	10,872
Germany	1,110	1,476	–	–
Others	1,900	1,496	–	–
	<u>217,074</u>	<u>148,231</u>	<u>12,869</u>	<u>13,858</u>

Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue for each of the year are set out below:

	2025	2024
	HK\$'000	HK\$'000
Customer A (note (b))	43,366	N/A ^(c)
Customer B (note (a))	26,211	N/A ^(c)
Customer C (note (a))	25,798	18,098
Customer D (note (b))	<u>N/A^(c)</u>	<u>34,590</u>

Notes:

- (a) The revenue was derived from manufacturing and trading of DTH rockdrilling tools.
- (b) The revenue was derived from manufacturing and trading of DTH rockdrilling tools and trading of pilling and drilling machineries and rockdrilling equipment.
- (c) Revenue from the customer is less than 10% of the total revenue of the Group for the year.

4. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Directors' remuneration	420	600
Other staff costs	24,106	27,136
Contributions to retirement benefit schemes	<u>1,830</u>	<u>1,937</u>
Total staff costs	26,356	29,673
Depreciation of property, plant and equipment	1,736	1,500
Depreciation of right-of-use assets	2,876	2,642
Auditor's remuneration	630	630
Cost of inventories recognised as an expense*	<u>173,248</u>	<u>114,085</u>

* Cost of inventories recognised as an expense includes HK\$6,820,000 (2024: HK\$6,882,000) relating to staff costs and depreciation, in which these amounts are also included in the respective total amounts disclosed separately in this note for each of these expenses.

5. TAXATION CHARGE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong	(100)	(225)
PRC Enterprise Income Tax	<u>(518)</u>	<u>(38)</u>
	<u>(618)</u>	<u>(263)</u>
(Under)over-provision in prior years:		
Hong Kong	(3)	–
PRC Enterprise Income Tax	<u>280</u>	<u>(377)</u>
	<u>277</u>	<u>(377)</u>
Current tax charge	(341)	(640)
Deferred tax credit (charge)	<u>86</u>	<u>(593)</u>
	<u>(255)</u>	<u>(1,233)</u>

The Hong Kong Profits Tax of the qualifying group entity under the two-tiered profits tax rates regime is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for both years. The Hong Kong Profits Tax of the group entities not qualifying for the regime is calculated at a flat rate of 16.5% of the estimated assessable profits.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax is calculated at 25% of the assessable profits for the subsidiary established in the PRC for both years.

6. LOSS PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the purpose of calculating basic loss per share:		
Loss for the year attributable to owners of the Company	<u>(12,524)</u>	<u>(18,674)</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>411,858</u>	<u>380,000</u>

No diluted loss per share for the years ended 31 March 2025 and 2024 was presented as there were no potential ordinary shares in issue during both years.

7. DIVIDENDS

No dividend was paid or proposed to the ordinary shareholders of the Company during both years, nor has any dividend been proposed since the end of the reporting period.

8. TRADE AND OTHER RECEIVABLES

The Group grants a credit period ranged from 0 day to 90 days upon delivery of goods to its customers. The following is an aged analysis of trade receivables based on dates of delivery of goods, net of impairment losses at the end of each reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	12,816	14,262
31 to 60 days	7,534	9,300
61 to 90 days	6,111	11,019
91 to 180 days	3,906	5,557
181 days to 1 year	4,237	5,719
Over 1 year	6,412	7,427
	<u>41,016</u>	<u>53,284</u>

9. TRADE AND OTHER PAYABLES

The credit period of trade payables granted by suppliers is from 30 to 90 days upon the issue of invoices.

The following is an aged analysis of trade payables based on the invoice dates:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	5,174	3,444
31 to 60 days	4,297	2,090
61 to 90 days	6,161	–
91 to 180 days	10,590	2,407
181 to 1 year	5,087	–
Over 1 year	–	19
	<u>31,309</u>	<u>7,960</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools, trading of piling and drilling machineries and rockdrilling equipment.

During the Year, the market environments have gradually recovered and increase in rockdrilling projects available in the Hong Kong and Macau market. At the international level, the revenue generated from the Scandinavia market has decreased during the Year as a result of the decrease in business activities in the region. Businesses from China has seen increase in activities, leading to increase in revenue contributed from the regions. This had resulted in an increase in contribution to our Group's revenue as our local customers have increased their purchases of our products. There have been increases in fair value gain in financial assets at fair value through profit or loss, where the fair value gain amounted to approximately HK\$7.0 million during the Year (2024: fair value loss of approximately HK\$3.1 million), write down of inventories of approximately HK\$3.0 million (2024: approximately HK\$2.0 million), and impairment loss of trade receivables of approximately HK\$5.9 million (2024: approximately HK\$4.0 million) during the Year. The effects as mentioned above have resulted in an decrease in the loss position during the Year, where the loss for the Year is approximately HK\$12.2 million, as compared with the loss of approximately HK\$22.6 million for the year ended 31 March 2024.

Hong Kong remains the Group's major market, where revenue generated from Hong Kong contributed to approximately HK\$196.3 million for the Year (2024: HK\$142.6 million), representing 90.4% of total revenue (2024: 96.2%). Revenue from Macau was HK\$1.7 million (2024: HK\$0.5 million). At the international level, Scandinavia contributed HK\$1.0 million (2024: HK\$1.5 million), representing 0.5% of total revenue (2024: 1.0%). The PRC market showed significant growth at HK\$15.1 million (2024: HK\$0.6 million), while Germany contributed HK\$1.1 million (2024: HK\$1.5 million).

Manufacturing and Trading of DTH Rockdrilling Tools

The Group is principally engaged in the manufacturing and trading of DTH rockdrilling tools. Our self-designed and manufactured DTH rockdrilling tools can be categorised into the following main categories, namely DTH hammers, casing systems (comprising driver bits and casing bits), and other miscellaneous products including button bits and bit openers, as well as our newly developed products, drill pipes, cluster drills and casing tubes. Revenue from the manufacturing and trading of DTH rockdrilling tools contributed to approximately 98.1% of the total revenue during the Year (2024: approximately 92.1%).

Trading of Piling and Drilling Machineries and Rockdrilling Equipment

The Group is also engaged in the trading of piling and drilling machineries and rockdrilling equipment to our customers as part of our technical rockdrilling solutions. Revenue from trading of piling and drilling machineries and rockdrilling equipment contributed to approximately 1.9% of the total revenue during the Year (2024: approximately 7.9%).

FINANCIAL REVIEW

Revenue

Group revenue increased 46.5% to HK\$217.1 million (2024: HK\$148.2 million), driven primarily by growth in Hong Kong and PRC markets. The increase in revenue is primarily caused by the recovering of business environment in Hong Kong, leading to a higher level of construction works and projects available during the Year when compared with the year ended 31 March 2024, resulting in a higher than expected demand for our products.

Gross Profit and Gross Profit Margin

Gross profit increased 28.4% to HK\$43.8 million, though gross margin decreased to 20.2% (2024: 23.0%) due to product mix changes and pricing pressures. The decrease in gross profit margin is mainly due to the challenging business environment in Hong Kong during the Year, which has exerted pressure on the selling prices of our products in the manufacturing and trading of DTH rockdrilling tools segment.

Other gains and losses

The Group recorded net other gains of HK\$5.3 million (2024: net other losses of HK\$5.0 million), primarily from favorable fair-value changes in financial assets. As of 31 March 2025, listed securities fair value was HK\$27.3 million (2024: HK\$20.3 million). and the write down of inventories of approximately HK\$3.0 million (2024: write down of approximately HK\$2.0 million) during the Year.

Fair value changes of financial assets at fair value through profit or loss and securities investment

As at 31 March 2025, the fair value of the listed securities held by the Company amounted to approximately HK\$27.3 million (31 March 2024: approximately HK\$20.3 million). Dividend income of approximately HK\$1.3 million were received from the investment of listed securities during the Year (2024: approximately HK\$1.1 million). Save as disclosed in this announcement, there was no other additional acquisition or disposal of listed securities during the Year.

The Group regularly monitors its investment performance and make appropriate investment decisions regularly. In addition, the Group would allocate part of its idle resources from time to time to purchase principal-guaranteed wealth management products to increase its overall return.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 32.6% to approximately HK\$11.4 million for the Year (2024: approximately HK\$8.6 million), mainly due to higher freight, transportation, and storage costs associated with increased sales.

Administrative Expenses

The Group's administrative expenses increased by approximately 12.7% to approximately HK\$45.3 million for the Year (2024: approximately HK\$40.2 million), primarily due to increased operational costs.

Net Loss

The Group recorded a net loss of approximately HK\$12.2 million for the Year (2024: net loss of approximately HK\$22.6 million). The reduction in loss was mainly due to increased revenue and gross profit, as well as net other gains recognised during the Year.

STRATEGY AND PROSPECTS

During the Year, the Group continued to develop its various business and geographical segments. In Hong Kong, the business environment had remained stagnant due to the uncertain economic outlook.

Internationally, as the Group continues to develop the international markets, it is expected the revenue generated from international customers will increase as a result.

Overall, the Group is cautious towards the future of the construction market and the business of the Group in Hong Kong. At the international level, the Group will continue its efforts to capture business opportunities in the overseas markets.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group's total cash and cash equivalents amounted to approximately HK\$42.2 million (31 March 2024: approximately HK\$46.6 million). As at 31 March 2025, the Group had bank borrowings of approximately HK\$5.0 million (31 March 2024: approximately HK\$10.0 million) with variable interest rate, which were repayable within one year and were guaranteed by the Company. As at 31 March 2025, the Group's other borrowing of approximately HK\$8.0 million (31 March 2024: approximately HK\$13.0 million) had fixed interest rate of 1.0% (31 March 2024: 1.0%) per annum and was repayable within one year, which was unsecured. As at 31 March 2025, the Group's bank borrowings and other borrowing were denominated in Hong Kong dollar (31 March 2024: denominated in Hong Kong dollar).

The gearing ratio of the Group as at 31 March 2025 (defined as the Group's total interest-bearing liabilities divided by the Group's total equity) was approximately 9.6% (31 March 2024: approximately 21.9%). The decrease in gearing ratio is mainly due to the decrease in bank and other borrowings during the Year.

TREASURY POLICIES

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

CAPITAL STRUCTURE

As at 31 March 2025, the Company's issued share capital was HK\$45,600,000 and the number of its issued ordinary shares was 456,000,000 of HK\$0.1 each.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 9 October 2024, the Company has entered into placing agreements (the “**Placing Agreements**”) with not less than six placees (the “**Placees**”), who are individuals, institutional or other professional investors, and who and whose ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons, for the placing of an aggregate 76,000,000 new ordinary shares of the Company (the “**Placing Shares**”) for an aggregate consideration of approximately HK\$6.14 million at the placing price (the “**Placing Price**”) of HK\$0.085 per Placing Share (the “**Placing**”). The Placing Price represents: (a) a discount of approximately 18.27% to the closing price of HK\$0.1040 per Share as quoted on the Stock Exchange on the date on 9 October 2024 at 4:00 p.m., being the date of the Placing Agreements; and (b) a discount of approximately 15.84% to the average closing price of approximately HK\$0.1010 per Share as quoted on the Stock Exchange for the last five trading days on Shares immediately prior to the date of the Placing Agreements. The net proceeds from the Placing received by the Company upon completion of the Placing amounted to approximately HK\$6.14 million after deducting professional fees and all related expenses. On this basis, the net issue price per Placing Share is approximately HK\$0.0808 per Share. In view of the market conditions, the Directors considered the Placing as a good opportunity to strengthen the financial position and general working capital of the Company. The Placing was completed on 30 October 2024. For details please refer to the announcement of the Company dated 30 October 2024.

FOREIGN EXCHANGE RISK

The Group’s operations are mainly in Hong Kong and the PRC, and most of the operating transactions, revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and Renminbi. As such, the Directors are of the view that the Group’s risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if it arises. The Group has not engaged in any derivative to hedge its exposure to foreign exchange risk.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

During the Year, the revenue attributable to our top five customers was approximately HK\$122.4 million (2024: approximately HK\$81.9 million), accounting for approximately 56.4% (2024: approximately 55.2%) of the total revenue of the Group.

During the Year, our purchases from our top five suppliers were approximately HK\$133.6 million (2024: approximately HK\$65.7 million), accounting for approximately 80.9% (2024: approximately 89.2%) of our total purchases.

The Group's top five customers and suppliers during the reporting period were independent third parties, and none of our Directors, their associates or any shareholder (who, to the knowledge of our Directors, owned more than 5% of our Company's share capital as at the date of this announcement) had any interest in any of our top five customers or suppliers during the Year.

CONTINGENT LIABILITIES

The Group has not had any material contingent liability as at 31 March 2024 and 31 March 2025.

CAPITAL COMMITMENTS

As at 31 March 2024 and 31 March 2025, the Group had no capital commitments.

CHARGE ON GROUP ASSETS

As at 31 March 2025, the Group had approximately HK\$5.0 million bank borrowings which were guaranteed by the Company (31 March 2024: approximately HK\$10.0 million).

OFF-BALANCE SHEET TRANSACTIONS

As at 31 March 2025, the Group did not enter into any material off-balance sheet transactions (2024: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, there has been no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Group during the Year.

SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS AND THE 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 Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its code of conduct for regulating securities transactions by Directors. Following a specific enquiry to all Directors by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Year.

CORPORATE GOVERNANCE CODE

The Company focuses on maintaining a high standard of corporate governance for purposes of enhancing the value for its shareholders and protecting their interests. The Company has established the corporate governance structure in accordance with the Listing Rules and the Corporate Governance Code (the “**Code**”) provided in Appendix C1 to the Listing Rules and has set up a series of corporate governance measures. The Company has adopted and complied with such provisions of the Code (the “**Code Provision(s)**”) as stated in the Code during the Year except for the Code Provision of C.2.1.

In accordance with Code Provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Ms. Woo Lan Ying has been the chief executive officer of the Company since 2 July 2024. The Company currently does not have any officer with the title of chairman. The functions of chairman were performed by the Executive Directors. Notwithstanding the aforementioned, the Board will review the current structure from time to time and as and when appropriate if candidate with suitable leadership, knowledge, skills and experience is identified, the Company may make the necessary modification to the management structure.

The Board will examine and review, from time to time, the Company’s corporate governance practices and operations in order to meet the relevant provisions under the Listing Rules and to protect the shareholders’ interests.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors nor their associates (as defined in the Listing Rules) had any competing interests in such business that is in direct or indirect competition with any of the Group’s business.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no significant events affecting the Group after the reporting period and up to the date of this announcement.

AUDIT AND COMPLIANCE COMMITTEE

The Company has established the audit and compliance committee of the Company (the “**Audit and Compliance Committee**”) in accordance with Rule 3.21 of the Listing Rules and the Code and has expressly stated the scope of job duties of such committee in writing. As at the date of this announcement, the Audit and Compliance Committee consists of three members, namely Mr. Wong Siu Keung Joe, Mr. Cheung Sze Ming and Mr. Yiu To Wa. All members of the Audit and Compliance Committee are independent non-executive Directors. Mr. Wong Siu Keung Joe is the chairman of the Audit and Compliance Committee.

The Audit and Compliance Committee has reviewed and discussed the annual results for the Year.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the Year.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE 2024/25 ANNUAL REPORT

This announcement is published on the respective websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.yukwing.com>. The Company's 2024/25 annual report containing all of the information as required by the Listing Rules will be published on the aforementioned websites in due course. Printed copies of the annual report will be made available to shareholders of the Company upon request.

For and on behalf of the Board
Yuk Wing Group Holdings Limited
Li Kai Lai Miranda
Executive Director

Hong Kong, 30 June 2025

As at the date of this announcement, the executive Directors are Ms. Li Kai Lai Miranda and Ms. Woo Lan Ying; and the independent non-executive Directors are Mr. Cheung Sze Ming, Mr. Wong Siu Keung Joe and Mr. Yiu To Wa.

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