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KINGMAKER

KINGMAKER FOOTWEAR HOLDINGS LIMITED
信星鞋業集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 01170)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

	2025	2024	Change
	HK$'000	*HK$'000*	
Revenue	**625,876**	689,269	-9.2%
Gross profit/(loss)	**(11,384)**	29,106	N/A
Gross profit/(loss) margin	**(1.8)%**	4.2%	-6.0 points
Profit/(loss) for the year attributable to equity holders of the Company	**(33,890)**	20,221	N/A

	HK cents	*HK cents*	
Basic earnings/(loss) per share	**(5.05)**	3.00	N/A

	HK cents	*HK cents*	
Proposed final and special final dividends			
Interim dividend per share	**–**	1.5	
Special interim dividend per share	**2.0**	0.5	
Final dividend per share	**–**	0.2	
Special final dividend per share	**2.0**	6.8	
Total dividends per share for the year	**4.0**	9.0	-55.6%

- Cash and cash equivalents of approximately HK$353 million

* *For identification purposes only*

The board (the "Board") of directors (the "Directors") of Kingmaker Footwear Holdings Limited (the "Company") is pleased to announce the 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 figures for the previous corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
REVENUE	3	**625,876**	689,269
Cost of sales		**(637,260)**	(660,163)
Gross profit/(loss)		**(11,384)**	29,106
Other income and gains, net		**43,964**	49,313
Changes in fair value of investment properties		**(15,567)**	(2,173)
Distribution and selling expenses		**(14,133)**	(14,938)
Administrative expenses		**(70,576)**	(72,491)
Finance costs	4	**(193)**	(95)
Share of profits of associates		**23,465**	23,900
PROFIT/(LOSS) BEFORE TAX	5	**(44,424)**	12,622
Income tax credit	6	**7,758**	7,435
PROFIT/(LOSS) FOR THE YEAR		**(36,666)**	20,057
Attributable to:			
Equity holders of the Company		**(33,890)**	20,221
Non-controlling interests		**(2,776)**	(164)
		(36,666)	20,057
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK(5.05) cents**	HK3.00 cents
Diluted		**HK(5.05) cents**	HK2.99 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	2025	2024
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE YEAR	**(36,666)**	20,057
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(8,239)**	(24,259)
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:		
Asset revaluation reserve:		
Gain on revaluation of land and buildings	**1,389**	983
Deferred tax liabilities on gain on revaluation of land and buildings	**(347)**	(246)
	1,042	737
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	**(7,197)**	(23,522)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(43,863)**	(3,465)
Attributable to:		
Equity holders of the Company	**(41,087)**	(3,301)
Non-controlling interests	**(2,776)**	(164)
	(43,863)	(3,465)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**114,771**	135,190
Right-of-use assets		**63,223**	63,855
Investment properties		**467,104**	473,347
Investments in associates		**131,405**	114,180
Investments in club memberships		**1,710**	1,753
Total non-current assets		**778,213**	788,325
CURRENT ASSETS			
Inventories		**108,046**	81,206
Accounts receivable	*9*	**112,283**	167,476
Prepayments, deposits and other receivables		**13,050**	14,640
Due from an associate		**29,449**	41,929
Tax recoverable		**482**	289
Cash and cash equivalents		**352,694**	415,580
Total current assets		**616,004**	721,120
CURRENT LIABILITIES			
Accounts payable	*10*	**110,861**	101,702
Accrued liabilities, other payables and contract liabilities		**80,178**	82,751
Lease liabilities		**2,180**	1,569
Tax payable		**32,685**	40,175
Total current liabilities		**225,904**	226,197
NET CURRENT ASSETS		**390,100**	494,923

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	2025	2024
	HK$'000	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,168,313**	1,283,248
NON-CURRENT LIABILITIES		
Lease liabilities	**2,198**	530
Deposits received	**6,107**	6,161
Deferred tax liabilities	**88,423**	90,957
Total non-current liabilities	**96,728**	97,648
Net assets	**1,071,585**	1,185,600
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	**67,181**	68,074
Reserves	**994,289**	1,104,635
	1,061,470	1,172,709
Non-controlling interests	**10,115**	12,891
Total equity	**1,071,585**	1,185,600

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. 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 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 "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
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 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 January 2023 and 2024 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 financial position or performance of the Group.

(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 financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their business activities and has two reportable operating segments as follows:

(a) manufacturing and sale of footwear products; and

(b) property investment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, non-lease-related finance costs and other unallocated income and gains/(losses), net and unallocated expenses are excluded from the measurement.

Segment assets exclude cash and cash equivalents and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated liabilities as these liabilities are managed on a group basis.

The segment information for the year ended 31 March 2025 is disclosed as follows:

	Manufacturing and sale of footwear products		Property investment		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to external customers	**625,876**	689,269	**–**	–	**625,876**	689,269
Rental income	**–**	–	**25,599**	27,761	**25,599**	27,761
Segment results	**(55,425)**	(19,346)	**5,912**	21,655	**(49,513)**	2,309
Unallocated income and gains/(loss), net					**(171)**	638
Interest income					**16,553**	20,485
Unallocated expenses					**(11,293)**	(10,810)
Profit/(loss) before tax					**(44,424)**	12,622
Income tax credit					**7,758**	7,435
Profit/(loss) for the year					**(36,666)**	20,057
Assets and liabilities						
Segment assets	**566,413**	612,949	**470,051**	473,516	**1,036,464**	1,086,465
Unallocated assets					**357,753**	422,980
Total assets					**1,394,217**	1,509,445
Segment liabilities	**167,897**	158,945	**94,409**	96,984	**262,306**	255,929
Unallocated liabilities					**60,326**	67,916
Total liabilities					**322,632**	323,845

	Manufacturing and sale of footwear products		Property investment		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information						
Depreciation of property, plant and equipment	**19,193**	24,059	**–**	–	**19,193**	24,059
Depreciation of right-of-use assets	**3,900**	3,066	**–**	–	**3,900**	3,066
Capital expenditure*	**12,560**	11,378	**–**	–	**12,560**	11,378
Share of profit of associates	**(23,465)**	(23,900)	**–**	–	**(23,465)**	(23,900)
Impairment allowance of accounts receivable	**404**	728	**–**	–	**404**	728
Reversal of impairment losses on property, plant and equipment	**(1,794)**	–	**–**	–	**(1,794)**	–
Fair value loss on revaluation of investment properties	**–**	–	**15,567**	2,173	**15,567**	2,173
Provision/(write-back of provision) for inventories	**(2,512)**	1,230	**–**	–	**(2,512)**	1,230
Gain on disposal of items of property, plant and equipment, net	**(154)**	(168)	**–**	–	**(154)**	(168)
Write-off of items of property, plant and equipment	**–**	473	**–**	–	**–**	473

* Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a) Revenue from external customers

	2025	2024
	HK$'000	*HK$'000*
The United States of America	**152,412**	182,333
Europe	**220,527**	182,133
Asia	**124,975**	133,634
Others	**127,962**	191,169
	625,876	689,269

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**38,659**	45,381
Chinese mainland	**430,440**	439,865
Cambodia	**59,501**	61,386
Vietnam	**116,312**	125,551
Others	**186**	209
	645,098	672,392

The non-current assets information above is based on the locations of the assets and excludes investments in associates and club memberships.

Information about major customers

Revenue derived from the manufacturing and sale of footwear products business with over 10% of the total revenue of the Group during the years ended 31 March 2025 and 2024 is as follows:

	2025	2024
	HK$'000	*HK$'000*
Customer A	**447,746**	534,250
Customer B	**N/A***	120,488
	447,746	654,738

* Less than 10% of the total revenue of the Group for the corresponding year.

The above amounts include sales to a group of entities which are known to be under common control with these customers.

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on lease liabilities	**193**	95

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2025	2024
	HK$'000	*HK$'000*
Cost of inventories sold	**362,692**	423,414
Depreciation of property, plant and equipment	**19,193**	24,059
Depreciation of right-of-use assets	**3,900**	3,066
Provision/(write-back of provision) for inventories	**(2,512)**	1,230
Amortisation of club memberships	**43**	47
Impairment allowance for accounts receivable	**404**	728
Gain on disposal of items of property, plant and equipment, net	**(154)**	(168)
Write-off of items of property, plant and equipment	**–**	473
Reversal of impairment losses on property, plant and equipment	**(1,794)**	–
Fair value loss on revaluation of investment properties	**15,567**	2,173
Bank interest income	**(16,068)**	(20,321)
Interest income from accounts receivable	**(485)**	(164)

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025	2024
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**190**	258
Overprovision in prior years	**(25)**	(58)
Current – Elsewhere		
Charge for the year	**3,674**	4,859
Overprovision in prior years	**(9,700)**	(14,700)
Deferred	**(1,897)**	2,206
Total tax credit for the year	**(7,758)**	(7,435)

The applicable tax rate is calculated based on the Hong Kong profits tax rate of 16.5% (2024: 16.5%), the Vietnam Corporate Tax rates of 15% to 20% (2024: 15% to 20%), the Cambodia Corporate Tax rate of 20% (2024: 20%), the Taiwan Corporate Tax rate of 20% (2024: 20%), the Corporate Income Tax rate in the Chinese mainland of 25% (2024: 25%).

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share (2024: the basic earnings per share) amount is based on the loss for the year attributable to equity holders of the Company of HK$33,890,000 (2024: profit of HK$20,221,000), and the weighted average number of ordinary shares of 671,415,879 (2024: 675,144,718) in issue during the year, as adjusted to reflect the number of shares of 10,416,000 (2024: 5,276,000) held under the share award scheme of the Company, shares of 8,924,000 (2024: 194,000) repurchased and cancelled during the year.

For the year ended 31 March 2025, no adjustment has been made to the basic loss per share amount presented in respect of the potential dilutive ordinary shares in issue during the year as the impact had an anti-dilutive effect on the basic loss per share amount presented.

For the year ended 31 March 2024, the calculation of diluted earnings per share amount was based on the profit for the year attributable to equity holders of the Company of HK$20,221,000 and 675,144,718 ordinary shares, being the weighted average number of ordinary shares in issue, adjusted for the effects of the potentially dilutive ordinary shares outstanding during the year.

The calculation of the basic and diluted earnings/(loss) per share is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to equity holders of the Company	**(33,890)**	20,221

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares used in calculating the basic earnings/(loss) per share	**671,415,879**	675,144,718
Effect of dilution-weighted average number of ordinary shares:		
Share options	**N/A**	229,061
Weighted average number of ordinary shares used in calculating the diluted earnings/(loss) per share	**671,415,879**	675,373,779

8. DIVIDENDS

	2025	2024
	HK$'000	*HK$'000*
Dividends paid during the year		
Final in respect of the financial year ended 31 March 2024 – HK0.2 cent (2023: HK2.0 cents) per ordinary share	**1,344**	13,496
Special final in respect of the financial year ended 31 March 2024 – HK6.8 cents (2023: HK0.2 cent) per ordinary share	**45,712**	1,350
Interim – Nil (2024: HK1.5 cents) per ordinary share	**–**	10,142
Special interim – HK2.0 cents (2024: HK0.5 cent) per ordinary share	**13,433**	3,380
	60,489	28,368
Proposed final and special final dividends		
Final – Nil (2024: HK0.2 cent) per ordinary share	**–**	1,355
Special final – HK2.0 cents (2024: HK6.8 cents) per ordinary share	**13,432**	46,071
	13,432	47,426

The proposed final and special final dividends for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the dividends payable.

9. ACCOUNTS RECEIVABLE

	2025	2024
	HK$'000	*HK$'000*
Accounts receivable	**117,614**	172,403
Impairment	**(5,331)**	(4,927)
	112,283	167,476

The Group's accounts receivable mainly relate to a few recognised and creditworthy customers. Payment terms with customers are largely on credit. Invoices are normally payable within 30 to 90 days of issuance. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by the Group's senior management. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the date of goods delivered and net of impairment, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**109,257**	121,214
Between 91 and 180 days	**2,424**	45,960
Between 181 and 365 days	**602**	302
	112,283	167,476

10. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the date of goods received, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**92,227**	66,030
Between 91 and 180 days	**17,065**	33,985
Between 181 and 365 days	**46**	48
Over 365 days	**1,523**	1,639
	110,861	101,702

The accounts payable are non-interest-bearing and are normally settled on 90-day terms.

DIVIDENDS AND SHARE REPURCHASES

A special interim dividend of HK2.0 cents per ordinary share was paid on 27 January 2025. The Directors recommend the payment of a special final dividend of HK2.0 cents per ordinary share in respect of the year to shareholders on the register of members on Friday, 12 September 2025. No final dividend in respect of the year was recommended by the Directors. Subject to the passing of the relevant resolution at the forthcoming Annual General Meeting ("AGM") of the Company, the special final dividend will be payable on or about Monday, 29 September 2025 in cash in Hong Kong dollars.

In addition to dividend payments, the Company repurchased 8,924,000 of its ordinary shares at prices ranging from HK$0.63 to HK$0.88 per share during the course of the financial year and cancelled the repurchased shares during the year. We consider such repurchases to be a constructive element in the prudent management of the overall capital structure and in enhancing returns to shareholders over time.

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the AGM

The Annual General Meeting of the Company is scheduled to be held on 28 August 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 22 August 2025.

(b) Entitlement to the proposed special final dividend

The record date for entitlement to the proposed special final dividend is Friday, 12 September 2025. For determining the entitlement to the proposed special final dividend, the register of members of the Company will be closed from Wednesday, 10 September 2025 to Friday, 12 September 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed special final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Tuesday, 9 September 2025.

CHAIRMAN'S STATEMENT

I am delighted to present the annual results of Kingmaker Footwear Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 March 2025 (the "Year"), a period of formidable challenges for the manufacturing sector.

While these challenges significantly tested our operations, they also reaffirmed the fundamental strengths of our business model. Our financial resilience, multi-location manufacturing base, and specialized technical capabilities in sophisticated footwear collectively reinforce our competitive advantage in times of market turbulence. The enduring partnerships we maintain with global brand leaders have been built through years of in-depth collaboration, enabling us to create products that withstand market shifts and economic fluctuations. As we navigate what may prove to be an even more uncertain period ahead, I remain confident in our Group's proven capacity to adapt and endure. Our strategic investments in operational and product excellence have positioned us not only to weather these headwinds but also to address emerging opportunities within them.

MACROECONOMIC DISCUSSION

Stepping into the financial year ending 31 March 2026 ("FY2026"), the global economic landscape presents even greater uncertainty, transitioning from low visibility to virtually no visibility. The United States (the "US") administration's April 2025 announcement on reciprocal tariffs has triggered complex negotiations and abrupt policy shifts. These developments, combined with intensified geopolitical uncertainties, have created significant unpredictability for the retail and manufacturing sectors. This lack of clear direction has disrupted retailers' stocking strategies, as they grapple with volatile demand forecasts and hesitant consumer spending.

Escalating tensions in Iran and potential closure of critical Middle Eastern shipping lanes would threaten to drive oil price volatility and shipping cost surges, leaving manufacturers facing unpredictable energy and logistics cost fluctuations.

Compounding these issues, generally soft market sentiment is expected to persist, driving increasingly cautious procurement practices. Branded clients are likely to continue placing orders with short turnaround times and smaller quantities, undermining manufacturing efficiency and inflating input costs.

In the short term, the 90-day tariff pause for most countries has spurred a surge in manufacturing orders as retailers capitalize on temporary relief to replenish inventories. This helped boost orders for the Group in the first quarter of FY2026, but we will continue to exercise conservative management of our ongoing manufacturing activities to address potential volatility post-pause.

STRATEGIES AND OUTLOOK

The first quarter of FY2026 saw an increase in the Group's orders as branded clients took advantage of the 90-day window to expedite shipments, with order growth primarily driven by our Cambodia site, which commands a more competitive cost structure. Although this momentum currently lacks clear evidence of sustainability, we will work closely with clients to plan production and shipments with care while staying prepared for procurement shifts.

To navigate demand volatility, we will maintain operational readiness by keeping our facilities and workforce agile, while continuing research and development ("R&D") collaborations with branded clients to develop products tailored to current market trends. To advance our value growth strategy, we will also continue investing in workforce upskilling and facility upgrades to meet the growing complexity and versatility of our enhanced product portfolio. By strengthening our cost competitiveness and manufacturing expertise, fostering R&D, and deepening client collaboration, we aim to secure business stability even amid uncertain demand conditions.

We are committed to prioritizing these six strategic action areas to ensure our readiness to adapt to the rapidly evolving business environment:

Strengthen business momentum and the revenue profile

Despite ongoing market uncertainties and challenges, we remain focused on reinforcing our revenue streams through proactive new business development and collaborative R&D with clients. We have made targeted efforts to solicit new branded clients to further diversify our market distribution. Such efforts have enabled us to progressively build a more balanced geographical portfolio over the past few years. Alongside targeting new clients with development potential, we continue our ongoing R&D efforts with existing branded clients to maintain a healthy product pipeline.

Our niche expertise in higher-value activewear and fashion athleisure footwear remains central to our value growth strategy, enabling us to excel in developing premium footwear products. To support this, we are committed to continuous workforce upskilling and facility upgrades, enhancing our capacity to meet the exacting requirements of these specialized segments.

Capacity and capability planning

Given the current soft order pipeline and unpredictable demand forecasts, we have no near-term plans for facility expansion. Our immediate focus will be on optimizing utilization of existing facilities to improve economies of scale. We will continue our program of machinery upgrades, selectively replacing older equipment and implementing automation where it delivers clear operational benefits.

Our cross-location platform in Vietnam and Cambodia provides the flexibility to meet clients' varying needs for cost efficiency and product sophistication. We can shift manufacturing activities between these sites to accommodate changes in client procurement plans. This dual-site strategy is expected to meet our Group's operational requirements through the mid-term. At the same time, we continue to study the long-term possibilities for expansion into other locations to secure tariff advantages. These explorations remain preliminary with no definitive plans established at this stage.

Pursue operational excellence

To strengthen supply chain management, we continue to implement measures to enhance material and output quality, cost efficiency, and lead time reliability. Our lean manufacturing system effectively minimizes waste and streamlines workflows, supported by targeted automation in high-impact areas such as leather cutting.

To strengthen our fulfillment capabilities, we operate a digital smart manufacturing system that enhances real-time visibility, enabling continuous monitoring of materials, work-in-progress, and output. This system facilitates early defect detection and faster corrective actions, enforcing rigorous quality control throughout the production lifecycle. At the same time, continuous training programs are in place to upskill workers in technical competencies and quality assurance protocols, ensuring consistent output that meets brand specifications and sustainability standards.

Mitigate cost inflation

Under current market conditions, we are implementing a series of defensive initiatives to ensure business resilience. These include optimizing cost structures through lean production, selectively incorporating automated processes, and enforcing disciplined cost control measures. These are all crucial to maintaining our competitive position during market adversities.

While these measures help contain overheads, direct labor costs remain high in the short term due to the need to maintain production readiness for fast-turnaround orders. The frequent line changeovers required by small-batch orders present additional cost challenges. To strengthen cost discipline, we are implementing strict controls in sales and marketing, and administrative functions, through process optimization and strategic vendor negotiations.

Talent development

Our diverse staff team brings together specialized expertise that plays a pivotal role in driving mutual success with our world-leading branded clients. As part of our talent strategy, we provide competitive remuneration packages, including share option and award schemes, designed to recognize and retain high-performing individuals who contribute to organizational goals.

A key component of our sustainable growth strategy involves developing indigenous talent across our production facilities. Beyond technical manufacturing competencies, we also invest in leadership development initiatives to strengthen our local management pipelines to ensure continued operational excellence.

As the foundation of our leadership, the executive team has demonstrated exceptional adaptability and problem-solving capabilities when confronting complex business environments. Their decisive actions and steady guidance have enabled our Group to overcome significant market difficulties while maintaining operational stability.

Resilience and sustainability

Financial strength forms the foundation of our business resilience, particularly during challenging periods. Our prudent financial management approach has been instrumental in helping the Group navigate economic cycles and market disruptions. Moving forward, we will maintain strict controls over cash flow and capital expenditure management to preserve this stability.

Sustainability also remains a core pillar of our operations, transcending short-term market fluctuations. It addresses growing demand from environmentally conscious consumers while embedding a culture of long-term value creation for all stakeholders.

Equally, we maintain our steadfast focus on corporate governance as the bedrock of our sustainable operations. The independent non-executive directors ("INEDs") of our board (the "Board") of directors play a vital oversight role in the disciplined execution of the Group's strategic priorities as they provide independent scrutiny and external perspective on both business and governance matters. As part of our ongoing efforts to enhance corporate governance standards, we regularly review our Board's composition and make new appointments, to ensure director independence and diversity.

To ensure effective execution of environmental, social and governance ("ESG") initiatives, we employ a dual approach:

- Top-down: Policy formulation and oversight led by our sustainability committee, which guides the existing sustainability working group and ensures alignment with global standards.

- Bottom-up: Empowerment of local manufacturing sites to set ESG targets compliant with international benchmarks. These sites conduct quarterly progress reviews to ensure rigorous implementation.

Our sustainability missions are centered around four core areas:

– Planet: Manage and minimize our carbon footprint along the value chain

– Progress: Collaborate with clients to pursue advancement through innovation, application of technologies, and talent empowerment

– People: Care about employee well-being

– Profits: Create long-term shareholder value

Relevant targets under the United Nations (UN) Sustainability Development Goals (SDGs):

Goal 5: Gender Equality

Goal 8: Decent Work and Economic Growth

Goal 12: Responsible Consumption and Production

CONCLUDING REMARKS

While market uncertainty is expected to intensify, the Group remains well-positioned to navigate these challenges, underpinned by our financial resilience and manufacturing expertise. Building on this solid foundation, we will continue to focus on higher-value products as we seek to diversify and enhance our client portfolio.

Our commitment to product innovation continues unstinted. Through close R&D collaboration with clients, we are building a robust pipeline of products that meet evolving market demands. R&D also propels our value growth strategy through targeted advancements in performance materials and client-customized design processes, engineered to ensure premium market positioning across our offerings.

As a premier footwear producer trusted by global brands, we recognize the need to safeguard our manufacturing position despite short-term cost pressures. Through ongoing investments in operational resilience and capabilities, we balance short-term financial demands with long-term readiness to preserve our ability to consistently deliver the best possible solutions for clients.

The road ahead may be unpredictable, but we are equipped with the right strategies, flexible operational agility, and disciplined execution to overcome these difficulties. Confident in our team's capabilities and guided by a clear long-term vision, we are prepared to seek and capitalize on new opportunities that can deliver sustainable growth.

We will continue to uphold our long-term focus, leveraging our proven expertise and commitment to shape the future of footwear manufacturing. With a foundation built on excellence, resilience, and trusted partnerships, we advance with confidence.

APPRECIATION

I would like to express my sincere gratitude to my fellow Board members for their guidance, to our senior management and staff for their dedication and resilience, and to our business partners and clients for their continued trust and collaboration. Finally, to our shareholders, we thank you for your enduring support and confidence in our Group's vision. It is this collective commitment that drives our ability to thrive even in challenging times.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board is pleased to present the Company's annual results for the Year.

The Year presented significant challenges for our Group as we navigated a softening retail environment in key export markets in tandem with rising production costs in Vietnam and Cambodia. Increased labor wages and operational expenses further strained margins, while maintaining manufacturing and quality reliability remained critical to fulfilling orders with shorter lead times and smaller batch sizes. This required retaining our skilled workforce despite lower facility utilization, that diminished economies of scale and added pressure to our cost structure.

As the Year progressed, growing macroeconomic uncertainty led to heightened client caution, with procurement slowing toward the Year's end. Shipments declined notably in late March, reflecting weaker retail confidence ahead of the US administration's announcement on reciprocal tariffs, a development that has since exacerbated global trade concerns. While the Group remained committed to its value growth strategy, these macroeconomic headwinds constrained its ability to fully accelerate product portfolio enhancements.

Against this backdrop of subdued business conditions and broader economic volatility, the Group experienced declines in both business volume and average selling price ("ASP").

Revenue

During the Year, revenue decreased by 9.2% year on year to approximately HK$626 million (2024: approximately HK$689 million), attributable to a 6.5% decline in footwear business volume (pairs). As previously stated, despite efforts to develop higher-value products, market price points trended downward amid weak retail sentiment, resulting in a 5.9% decline in the full-year ASP.

Gross Loss/Profit

This contraction in economies of scale adversely impacted gross margins. For the Year, the Group reported a gross loss of approximately HK$11 million, as compared to a gross profit of approximately HK$29 million the previous year. The reversal to gross loss was primarily attributable to:

(i) further deterioration in economies of scale caused by revenue decline, resulting in higher cost-to-revenue ratios;

(ii) a notable increase in labor costs during the Year compared to the previous year, raising proportionate direct labor wages to 27.1% (2024: 19.3%) of revenue; and

(iii) lower ASP achieved under the weak retail conditions.

Despite the challenging operating environment, the Group has effectively managed its working capital cycle through tighter inventory control while keeping raw materials and related costs, as well as selling and administrative expenses, relatively stable.

Net Loss/Profit

The Group incurred a net loss attributable to equity holders of the Company of approximately HK$34 million, compared to a net profit of approximately HK$20 million recorded in the prior year. The net loss position resulted from:

(i) the shift from gross profit to gross loss; and

(ii) an increase in fair value loss on revaluation of the Group's investment properties in the Chinese mainland and Hong Kong, amounting to approximately HK$16 million (2024: approximately HK$2 million).

Basic loss per share attributable to equity holders of the Company for the Year was HK5.05 cents (2024: earnings of HK3.00 cents).

Key Financial Ratios

The Group maintained healthy financial ratios during the Year:

- Debtors' turnover increased to 82 days (2024: 80 days);
- Creditors' turnover decreased to 100 days (2024: 123 days);
- Stock turnover was 95 days (2024: 109 days);
- A healthy liquidity position with net cash in hand of approximately HK$353 million as at 31 March 2025 (2024: approximately HK$416 million);
- Zero gearing ratio (total bank borrowings to total equity) (2024: 0%); and
- Current and quick ratios were 2.7 and 2.3 respectively (2024: 3.2 and 2.8 respectively).

Final Dividend and Special Final Dividend

The Group continued to manage its working capital prudently, maintaining a stable financial position in support of its business resilience. In view of this, the Board has resolved to declare a special final dividend of HK2.0 cents (2024: HK6.8 cents) per ordinary share, with no final dividend proposed for the Year (2024: HK0.2 cent per ordinary share). Combined with the special interim dividend of HK2.0 cents per ordinary share, total dividends for the Year will amount to HK4.0 cents (2024: HK9.0 cents) per ordinary share.

The Board periodically reviews its dividend policy, taking into account the Group's capital expenditure plans, the operating environment, order book visibility, and overall business prospects.

OPERATIONAL REVIEW

Coping with Macroeconomic Challenges

The Year presented persistent challenges for manufacturers as demand in major export markets remained subdued amid weak consumer sentiment. These demand-side constraints were compounded by a difficult cost environment, notably rising labor costs following Vietnam's minimum wage increase since July 2024, while competitive labor market dynamics necessitated additional wage adjustments to retain skilled workers.

The soft retail landscape prompted branded clients to adopt conservative procurement approaches, creating multiple operational challenges including shorter production cycles, smaller order quantities, and generally lower price points. To meet these client demands while ensuring delivery reliability, the Group prioritized skilled workforce stability despite the current order pipeline contraction, thus incurring labor cost pressures.

The shift toward smaller and faster production mode made it difficult to optimize fixed input costs, resulting in elevated cost-to-revenue ratios during periods of reduced business volume. In light of these cost pressures, the Group maintained a robust financial position to support business resilience, while implementing stringent cost controls and disciplined cash flow management to safeguard operations.

Business development efforts continued in order to explore new revenue streams and to diversify the Group's geographical distribution of markets further. Three European fashion and activewear labels were added to the portfolio during the Year. While initial orders from these labels were modest in scale, they represent promising opportunities for diversification and value growth potential.

Manufacturing Business

Vietnam and Cambodia remained critical hubs for global footwear manufacturing, benefiting from competitive costs and maturing supply chains. To maintain geographic diversity, the Group operates manufacturing sites in both these core locations. In addition to its manufacturing and R&D facilities in southern Vietnam and Cambodia, the Group holds a 40% interest in a joint-venture factory in central Vietnam.

As at the Year-end date, the Group had a combined production scale of 21 processing lines in operation, mostly under the concept-line setup. They contributed an annual capacity of around 7 million pairs of shoes, and were 55.7% utilized (2024: 57.5%).

In southern Vietnam, the Group had 10 concept lines and 3 traditional lines in operation as at the Year-end date. Combined with the 8 concept lines in operation in Cambodia, this stable, multi-location production platform enables the Group to provide capacity with flexibility to meet clients' sourcing plans in terms of product specifications and country of manufacture.

Capacity expansion is not currently on the agenda, but the Group remains committed to long-term capacity upgrading, aiming to strengthen its competitive position by improving product sophistication and achieving cost efficiencies.

The geographical distribution of markets was demand-led, with the Group's continuous diversification efforts over recent years resulting in a reduced proportionate sales contribution from the US market. During the Year, sales to the US accounted for 24.4% (2024: 26.5%) of the Group's revenue. Europe's proportionate contribution was 35.2% (2024: 26.4%), and shipments to other markets, including Asia and other areas, accounted for 40.4% (2024: 47.1%).

The rugged-shoe category was the primary revenue contributor during the Year, producing 75.9% (2024: 78.6%) of total revenue. The proportionate contribution from premium casual footwear remained relatively stable at 16.8% (2024: 15.2%). Revenue generated by babies' and children's footwear increased slightly to 7.3% (2024: 6.2%) of total, while the overall development strategy remained aligned with the Group's focus on higher-value products.

Aligning with its strategy to prioritize value growth, the Group focused on strategic client relationships and selective expansion of its portfolio during the Year. Major customers for the Year, including Cat, Chaco, Dr. Martens, Merrell, and Wolverine, collectively accounted for 74.5% (2024: 95.0%) of total revenue. The Group also developed business partnerships with brands demonstrating financial strength and growth potential. Three European brands, Jack Wolfskin, Palladium, and Revolution Race, were introduced to the Group's portfolio during the Year.

Key developments in the Group's production centers are summarized below:

Southern Vietnam

The southern Vietnam manufacturing center includes the main operating facilities and adjacent premises that house R&D and other manufacturing support activities. An additional site is held for long-term development.

This location contributed 51.1% (2024: 47.3%) of total volume output and was dedicated to producing more sophisticated fashion footwear. To reduce manpower and material wastage, the Group has continued to invest in and expand computerized leather cutting at this center. By introducing automation into the cutting process, resources can be utilized more efficiently, yielding further cost savings and promoting sustainable manufacturing practices.

Cambodia

The Cambodia site has demonstrated advancements in its ability to manage more complex production processes. Leveraging relatively lower labor costs, and with support from branded clients, some labor-intensive tasks, such as stitching, have been relocated to Cambodia.

The center's contribution accounted for 48.9% (2024: 52.7%) of total output in pairs during the Year. The Group views the Cambodia center as having long-term potential and strategic value.

Investments in Associates

The Group holds a 40% interest in an associated company jointly owned with Evervan Group ("Evervan") in central Vietnam. Evervan is a leading athletic footwear manufacturer for international markets.

Investments made over the past few years have given this associated company a solid capacity to meet more sophisticated production requirements. As at the Year-end date, the associated company operated a total of 39 production lines, designated for world-leading footwear brands including Crocs, Columbia and Tracksmith.

Revenue increased to approximately HK$1,339 million (2024: approximately HK$1,024 million) on the back of a strong order pipeline. The associated company has been entrusted with the production of newer, more sophisticated products, which necessitated investments in R&D and trial production and incurred increased consumption of materials and labor time, leading to a decrease in earnings during the first half of the Year.

As such production process progressed, the associated company was able to enhance its efficiency and profit margin. The Group's share of profit of associates thus decreased only slightly to approximately HK$23 million (2024: approximately HK$24 million) for the full year.

Anticipating a robust line-up of potential orders, the associated company is gearing up for a phased expansion of its production capacity over the coming two to three years. The capital expenditure will primarily be financed by internal resources. This joint-venture operation, equipped with niche expertise, has demonstrated considerable resilience in the face of multiple market challenges. The Board maintains full confidence in its long-term prospects.

Investment Properties

Based on the Group's ongoing business requirements and capacity planning, certain wholly owned factories and office properties at times may not be fully utilized. The Board regularly considers the sale or leasing options and potential of these properties to create returns on this portfolio. This will help the Group make good use of the unutilized properties to generate additional stable income to enhance working capital, and where feasible, realize the investment value of its assets.

Following the relocation of the R&D center, the vacated factory space in Zhuhai, the Chinese mainland, has been leased out, with its rental income partially reflected in the Year's books.

The Group's investment portfolio continued to provide a stable source of rental income during the Year. However, the Board acknowledges the challenges of an evolving business landscape and competitive office property leasing markets in Hong Kong and the Chinese mainland. To address these difficulties, the Group is committed to working with tenants to navigate economic uncertainties, including offering more flexible lease terms to support tenants amid volatile market conditions.

During the Year, this portfolio of assets yielded gross rental income of approximately HK$26 million (2024: approximately HK$28 million).

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operation by internally generated cashflow and banking facilities provided by its bankers.

Prudent financial management and selective investment criteria have enabled the Group to maintain a strong financial position. As at 31 March 2025, the Group's cash and cash equivalents were approximately HK$353 million (2024: approximately HK$416 million). As at 31 March 2025, the Group did not have any interest-bearing bank borrowings (2024: Nil). The Group's gearing ratio (total bank borrowings to total equity) was Nil (2024: Nil).

As at 31 March 2025, the Group had available banking facilities amounted to approximately HK$40 million (2024: approximately HK$40 million), of which Nil (2024: Nil) was utilized.

For the year ended 31 March 2025, the current ratio was approximately 2.7 (2024: approximately 3.2) based on current assets of approximately HK$616 million and current liabilities of approximately HK$226 million and the quick ratio was approximately 2.3 (2024: approximately 2.8).

The Group will continue to maintain conservative cash flow management to sustain a strong cash position. Having considered the major expansion plans of the Group, including Vietnam and Cambodia in the next two to three years, the Directors are of the opinion that the Group has adequate liquidity to meet its current and future working capital requirements on its operations and expansion.

Foreign Exchange Risk Management

Most of the Group's assets and liabilities, revenue and expenditure are denominated in Hong Kong dollars, the Renminbi, the Vietnamese Dong and the US dollars. It is the Group's policy to adopt a conservative approach on foreign exchange exposure management.

However, the Group will continue to monitor its foreign exchange exposure and market conditions to determine if any hedging is required. The Group generally finances its operation with internal resources and bank facilities provided by banks in Hong Kong. Interest rates of borrowings are fixed by reference to the Hong Kong Inter-Bank Offered Rate or the Secured Overnight Financing Rate.

The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's global operations and to minimise the Group's financial risks. As a measure of additional prudence, the Group cautiously uses derivatives financial instruments, principally forward currency contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's receivables and payables.

The exposure to foreign currency of the Group mainly arose from the net cash flows and the net working capital translation of its PRC and Vietnam subsidiaries. The management of the Group will actively hedge the foreign currency exposures through natural hedges, forward contracts and options, if consider necessary. The management of currency risk is centralised in the headquarter of the Group in Hong Kong.

Capital Structure

The Group is substantially debt free. Shareholders' equity decreased to approximately HK$1,061 million as at 31 March 2025 (2024: approximately HK$1,173 million).

Purchase, Redemption or Sale of Listed Securities

During the Year, the Company repurchased 8,924,000 of its ordinary shares of HK$0.10 each on the Stock Exchange at an aggregate consideration of approximately HK$7,165,000 excluding transaction cost and cancelled the repurchased shares during the year. The repurchase of the Company's shares during the Year was effected by the Board, pursuant to the repurchase mandate granted by the shareholders, with a view to benefit shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company.

Details of the shares repurchase during the Year are as follows:

Month/Year	Number of shares repurchased	Highest price per share *HK$*	Lowest price per share *HK$*	Aggregate consideration (excluding transaction cost) *HK$'000*
April 2024	3,222,000	0.88	0.75	2,655
January 2025	204,000	0.66	0.63	129
February 2025	4,036,000	0.83	0.68	3,173
March 2025	1,462,000	0.85	0.80	1,208
Total	8,924,000			7,165

The premium paid on the repurchase of the shares of approximately HK$6,273,000 has been debited to the share premium account. An amount equivalent to the par value of the shares cancelled has been transferred from the retained profits of the Company to the capital redemption reserve.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

EMPLOYMENT AND REMUNERATION POLICIES

The Group, including its subsidiaries in Hong Kong, Taiwan, the PRC, Vietnam and Cambodia, employed approximately 6,400 employees as at 31 March 2025. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Share options and awarded shares may also be granted in accordance to the terms of the Group's approved share option scheme and share award scheme, respectively.

During the Year, the trustee of the Company's share award scheme adopted on 26 June 2019 (the "**Share Award Scheme**") and purchased a total number of 8,884,000 shares on the market at a total consideration of approximately HK$5,457,000. 3,744,000 shares have been awarded under the Share Award Scheme during the Year.

During the Year, the Company granted 2,800,000 share options to certain Directors and employees of the Group in accordance with the Company's share option scheme adopted on 26 August 2022 (the "**Share Option Scheme**").

Details of the Share Award Scheme and the Share Option Scheme will be included in the annual report of the Company for the year ended 31 March 2025.

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, for the Year in compliance with the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

AUDIT COMMITTEE

The audit committee of the Company (the "**Committee**") comprises three independent non-executive Directors and one non-executive Director. The primary duties of the Committee are to review and supervise the Group's financial reporting process and internal control systems.

As part of the process of the annual review, the Board has performed evaluation of the Group's accounting and financial reporting function to ensure that there is adequacy of resources, qualifications and experience of staff of the function, and their training programmes and budget.

The Committee reviewed with the management on the accounting principles and practices adopted by the Group, the Group's auditing, internal control and financial reporting matters and the consolidated results for the year ended 31 March 2025, and was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

The Committee has also met with the external auditor of the Company, Messrs. Ernst & Young, to review the accounting principles and practices adopted by the Group and the annual results of the Group for the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the said code of conduct for the year ended 31 March 2025.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results of the Group for the year ended 31 March 2025 is available for viewing on the website of the Stock Exchange at www.hkex.com.hk and at the website of the Company at http://www.irasia.com/listco/hk/kingmaker/annual/index.htm. An annual report for the year ended 31 March 2025 containing all the information required by the Listing Rules will be sent to the shareholders and available on the above websites in due course.

By order of the Board
HUANG Hsiu Duan, Helen
Chairman

Hong Kong, 30 June 2025

As of the date of this announcement, the Board consists of three executive Directors, namely Mdm. HUANG Hsiu Duan, Helen, Mr. WONG Hei Chiu and Mr. CHEN Yi Wu, Ares; three non-executive Directors, namely Mr. CHAN Ho Man, Daniel, Mr. KIMMEL Phillip Brian and Dr. CHOW Wing Kin, Anthony; and three independent non-executive Directors, namely Ms. CHAN Mei Bo, Mabel, Mr. WONG Hin Wing and Mr. LAW Ka Kin.