

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



Wan Kei Group Holdings Limited

宏基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1718)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

GROUP FINANCIAL HIGHLIGHT

For the year ended 31 March 2024

| | 2024 HK\$ | 2023 HK\$ |
|--|--------------|--------------|
| Revenue | 288,653,824 | 315,446,680 |
| Gross profit | 53,073,477 | 53,789,469 |
| Loss before tax | (19,340,608) | (46,057,791) |
| Loss attributable to owners of the Company | (20,621,836) | (46,995,578) |
| Loss per share | | (Restated) |
| – Basic and diluted (HK cents) | (22.21) | (50.62) |
| Cash and cash equivalents | 138,285,822 | 116,478,368 |
| Net assets | 90,828,717 | 117,337,456 |
| Total assets | 323,973,873 | 354,084,748 |

DIVIDEND

The Board did not recommend the payment of a final dividend to the owners of the Company for the year ended 31 March 2024.

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Wan Kei Group Holdings Limited (“**Wan Kei Group**” or the “**Company**”) announces the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2024 (the “**Reporting Period**” or “**YR2024**”) together with the comparative audited figures for the year ended 31 March 2023 (the “**YR2023**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

| | Notes | 2024 HK\$ | 2023 HK\$ |
|---|-------|----------------------------|-------------------------------|
| Revenue | 4 | 288,653,824 | 315,446,680 |
| Cost of sales | 6(c) | <u>(235,580,347)</u> | <u>(261,657,211)</u> |
| Gross profit | | 53,073,477 | 53,789,469 |
| Other income, other gains and losses, net | 5 | 2,065,971 | 16,529,485 |
| Loss on disposal of interest in an associate | | – | (27,522,505) |
| General and administrative expenses | | (61,439,636) | (55,564,225) |
| Impairment losses on financial and contract assets, net | 6(c) | <u>(3,886,525)</u> | <u>(26,786,145)</u> |
| Loss from operations | | (10,186,713) | (39,553,921) |
| Finance costs | 6(a) | (9,153,895) | (10,644,731) |
| Share of results of an associate | | – | 4,140,861 |
| Loss before tax | 6 | (19,340,608) | (46,057,791) |
| Income tax expenses | 7 | <u>(759,814)</u> | <u>(937,787)</u> |
| Loss for the year | | <u>(20,100,422)</u> | <u>(46,995,578)</u> |
| Loss attributable to: | | | |
| Owners of the Company | | (20,621,836) | (46,995,578) |
| Non-controlling interests | | <u>521,414</u> | – |
| | | <u>(20,100,422)</u> | <u>(46,995,578)</u> |
| | | <i>HK cents</i> | <i>HK cents</i> (Restated) |
| Loss per share | | | |
| Basic and diluted | 9 | <u>(22.21)</u> | <u>(50.62)</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

| | <i>Notes</i> | 2024 | 2023 |
|---|--------------|----------------------------|---------------------|
| | | HK\$ | HK\$ |
| Loss for the year | | <u>(20,100,422)</u> | <u>(46,995,578)</u> |
| Other comprehensive income | | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of financial statements of foreign operations | | (583,708) | (1,281,060) |
| Share of other comprehensive income of an associate | | – | (885,086) |
| Reclassification of cumulative exchange reserve upon disposal of an associate | | – | (412,399) |
| Debt investment at fair value through other comprehensive income: | | | |
| – Change in fair value | | – | 2,421,436 |
| – Reclassification adjustment to profit or loss upon derecognition | | – | (7,223,019) |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | | | |
| Equity investment at fair value through other comprehensive income | | | |
| – Change in fair value | <i>10</i> | <u>(5,824,609)</u> | <u>–</u> |
| Other comprehensive income for the year, net of tax | | <u>(6,408,317)</u> | <u>(7,380,128)</u> |
| Total comprehensive income for the year | | <u>(26,508,739)</u> | <u>(54,375,706)</u> |
| Attributable to: | | | |
| Owners of the Company | | (27,015,478) | (54,375,706) |
| Non-controlling interests | | <u>506,739</u> | <u>–</u> |
| | | <u>(26,508,739)</u> | <u>(54,375,706)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

| | Notes | 2024 HK\$ | 2023 HK\$ |
|--|-------|--------------------|--------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 9,235,366 | 9,407,397 |
| Financial assets at fair value through other comprehensive income | 10 | 2,734,980 | 8,559,589 |
| Loan and interest receivables | | 809,100 | – |
| Club membership | | 290,000 | 290,000 |
| Total non-current assets | | 13,069,446 | 18,256,986 |
| Current assets | | | |
| Contract assets | | 117,555,252 | 131,180,482 |
| Trade and other receivables | 11 | 49,151,153 | 81,078,273 |
| Loan and interest receivables | | 3,953,000 | 7,090,639 |
| Financial assets at fair value through profit or loss | 12 | 1,959,200 | – |
| Cash and cash equivalents | | 138,285,822 | 116,478,368 |
| Total current assets | | 310,904,427 | 335,827,762 |
| Current liabilities | | | |
| Trade and other payables and accruals | 13 | 48,755,379 | 43,471,421 |
| Due to a related company | 14 | 55,350,521 | 62,484,271 |
| Due to a director of a subsidiary | 14 | 122,000,000 | 124,578,127 |
| Lease liabilities | | 1,617,757 | 974,169 |
| Tax payable | | 2,448,933 | 2,707,977 |
| Total current liabilities | | 230,172,590 | 234,215,965 |
| Net current assets | | 80,731,837 | 101,611,797 |
| Total assets less current liabilities | | 93,801,283 | 119,868,783 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2024

| | <i>Notes</i> | 2024 HK\$ | 2023 <i>HK\$</i> |
|---|--------------|----------------------------|---------------------|
| Non-current liabilities | | | |
| Long service payment liabilities | | 1,486,225 | 992,691 |
| Lease liabilities | | 972,685 | 872,251 |
| Deferred tax liabilities | | 513,656 | 666,385 |
| | | <hr/> | <hr/> |
| Total non-current liabilities | | 2,972,566 | 2,531,327 |
| | | <hr/> | <hr/> |
| Net assets | | 90,828,717 | 117,337,456 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Capital and reserves attributable to the owners of the Company | | | |
| Share capital | 15 | 9,600,000 | 9,600,000 |
| Reserves | | 80,721,978 | 107,737,456 |
| | | <hr/> | <hr/> |
| | | 90,321,978 | 117,337,456 |
| Non-controlling interests | | 506,739 | – |
| | | <hr/> | <hr/> |
| Total equity | | 90,828,717 | 117,337,456 |
| | | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

Wan Kei Group Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 7 October 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company’s principal place of business in Hong Kong is located at Unit No. 07, 16/F, Emperor Group Centre, No. 288 Hennessy Road, Wanchai, Hong Kong. The Company is an investment holding company. The principal activities of its subsidiaries are the provision of the (i) foundation construction works, (ii) ground investigation services, (iii) financial services and (iv) trading of consumer products. During the Reporting Period, the Group has expanded its business into e-commerce live streaming and promotion business in the social media.

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

2. BASIS OF PREPARATION

Statement of Compliance

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

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

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

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time issued by the HKICPA for the current year's consolidated financial statements.

| | |
|--|--|
| HKFRS 17 | Insurance Contracts |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12 | International Tax Reform – Pillar Two Model Rules |

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments did not have any impact on the Group's consolidated financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, the Group consider that (i) the related deferred tax arising from right-of-use assets and lease liabilities is qualified for offset under HKAS 12, and (ii) the net deferred tax balances are not material to the consolidated financial statements and accordingly, no deferred tax was recognised as at initial application of the amendments and as at 31 March 2024.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of foundation construction works, ground investigation services, financial services and trading of consumer products. During the Reporting Period, the Group has expanded its business into e-commerce live streaming and promotion business in the social media.

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

| | 2024 HK\$ | 2023 HK\$ |
|---|---------------------------|---------------------------|
| Revenue from contract with customers within the scope of HKFRS 15: | | |
| Revenue from foundation construction works | 219,633,347 | 255,328,042 |
| Revenue from ground investigation services | 65,709,218 | 57,611,299 |
| Revenue from e-commerce live streaming and promotion business | <u>2,757,238</u> | <u>–</u> |
| | 288,099,803 | 312,939,341 |
| Revenue from other sources | | |
| Interest income from financial services | <u>554,021</u> | <u>2,507,339</u> |
| | <u>288,653,824</u> | <u>315,446,680</u> |

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

As at 31 March 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately HK\$275,503,000 (2023: approximately HK\$176,615,000). This amount represents revenue expected to be recognised in the future from foundation construction works and ground investigation services. The Group will recognise the expected revenue in future when or as the work is completed or, in the case of the foundation construction works and ground investigation services, when the obligations performed, which is expected to occur over the next 1 to 2 years.

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

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

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

(i) *Segment results, assets and liabilities*

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

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

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

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

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

Disaggregation of revenue from contracts with customers by the time of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2024 and 2023 is set out below:

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

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

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

| | Year ended 31 March 2023 | | | | |
|--|---|---|-------------------------------|--|--------------------|
| | Foundation construction works HK\$ | Ground investigation services HK\$ | Financial services HK\$ | Trading of consumer products HK\$ | Total HK\$ |
| Disaggregated by timing of revenue recognition | | | | | |
| – Over time | 255,328,042 | 57,611,299 | 2,507,339 | – | 315,446,680 |
| – At a point in time | – | – | – | – | – |
| Revenue from external customers | <u>255,328,042</u> | <u>57,611,299</u> | <u>2,507,339</u> | <u>–</u> | <u>315,446,680</u> |
| Reportable segment revenue | <u>255,328,042</u> | <u>57,611,299</u> | <u>2,507,339</u> | <u>–</u> | <u>315,446,680</u> |
| Reportable segment gross profit | <u>34,382,854</u> | <u>16,900,027</u> | <u>2,506,588</u> | <u>–</u> | <u>53,789,469</u> |
| Reportable segment profit/(loss) before tax | <u>13,259,397</u> | <u>5,023,016</u> | <u>(14,932,143)</u> | <u>(9,204,296)</u> | <u>(5,854,026)</u> |
| Interest income from bank deposit | – | – | 822,214 | – | 822,214 |
| Interest expenses | 6,106,792 | – | 87,890 | – | 6,194,682 |
| Depreciation for the year | 625,227 | 1,685,080 | 1,725,168 | – | 4,035,475 |
| Impairment losses/(Reversal of impairment) on financial and contract assets, net | (161,359) | 46,296 | 16,001,055 | 10,179,922 | 26,065,914 |
| Reportable segment assets | 273,709,093 | 57,994,568 | 254,062,307 | 54,915,723 | 640,681,691 |
| Capital expenditure | 944,748 | 954,837 | 1,505,518 | – | 3,405,103 |
| Reportable segment liabilities | <u>192,216,619</u> | <u>10,294,189</u> | <u>349,395,427</u> | <u>59,325,952</u> | <u>611,232,187</u> |

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

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

| | 2024 HK\$ | 2023 HK\$ |
|---|----------------------|----------------------|
| Revenue | | |
| Reportable segment revenue and consolidated revenue (note 4(a)) | <u>288,653,824</u> | <u>315,446,680</u> |
| Loss | | |
| Reportable segment loss | (2,413,239) | (5,854,026) |
| Net change in fair value of financial assets at FVTPL | (520,800) | 73,470 |
| Loss on disposal of interest in an associate | – | (27,522,505) |
| Share of results of an associate | – | 4,140,861 |
| Unallocated head office and corporate expenses | <u>(16,406,569)</u> | <u>(16,895,591)</u> |
| Consolidated loss before tax | <u>(19,340,608)</u> | <u>(46,057,791)</u> |
| Assets | | |
| Reportable segment assets | 589,109,259 | 640,681,691 |
| Elimination of inter-segment and head office's receivables | <u>(278,885,493)</u> | <u>(306,769,263)</u> |
| | 310,223,766 | 333,912,428 |
| Financial assets at FVOCI | 2,734,980 | 8,559,589 |
| Financial assets at FVTPL | 1,959,200 | – |
| Unallocated head office and corporate assets | <u>9,055,927</u> | <u>11,612,731</u> |
| Consolidated total assets | <u>323,973,873</u> | <u>354,084,748</u> |
| Liabilities | | |
| Reportable segment liabilities | 562,974,524 | 611,232,187 |
| Elimination of inter-segment and head office's payables | <u>(390,487,095)</u> | <u>(441,774,234)</u> |
| | 172,487,429 | 169,457,953 |
| Tax payable | 2,448,933 | 2,707,977 |
| Deferred tax liabilities | 513,656 | 666,385 |
| Unallocated head office and corporate liabilities | <u>57,695,138</u> | <u>63,914,977</u> |
| Consolidated total liabilities | <u>233,145,156</u> | <u>236,747,292</u> |

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(iii) Information about major customers

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

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---------------------------------------|---------------------|---------------------|
| Foundation construction works: | | |
| Customer A | 63,406,012 | N/A* |
| Customer B | N/A* | 67,481,601 |
| Customer C | N/A* | 51,590,144 |
| | <u>63,406,012</u> | <u>51,590,144</u> |

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

(iv) Geographical information

No geographical information of revenue and non-current assets was presented as over 90% of the Group's assets and revenue are located and generated in Hong Kong.

5. OTHER INCOME, OTHER GAINS AND LOSSES, NET

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---|---------------------|---------------------|
| Rental income from lease of machinery | 40,000 | 570,379 |
| Bank interest income | 655,521 | 852,837 |
| Other interest income | 1,275,842 | 1,939,937 |
| Government grants | – | 4,385,200 |
| Gain on disposal of property, plant and equipment | 135,235 | 1,015,833 |
| Gain on derecognition of debt investment at FVOCI | – | 7,223,019 |
| Net change in fair value of financial assets at FVTPL | (520,800) | 73,470 |
| Foreign exchange gains, net | 43,457 | 56,064 |
| Sales of raw materials | 406,040 | 366,017 |
| Others | 30,676 | 46,729 |
| | <u>2,065,971</u> | <u>16,529,485</u> |

6. LOSS BEFORE TAX

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

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---|--------------------------|--------------------------|
| (a) Finance costs | | |
| Interest on borrowing from a related company | 2,866,250 | 4,384,271 |
| Interest on borrowing from a director of a subsidiary | 6,100,000 | 6,100,000 |
| Interest on lease liabilities | <u>187,645</u> | <u>160,460</u> |
| | <u>9,153,895</u> | <u>10,644,731</u> |
| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
| (b) Staff costs* (including directors' remuneration) | | |
| Salaries, wages and other benefits | 74,371,251 | 67,249,551 |
| Contribution to defined contribution retirement plans | <u>2,216,132</u> | <u>2,080,242</u> |
| | <u>76,587,383</u> | <u>69,329,793</u> |
| (c) Other items | | |
| Cost of sales*: | | |
| – cost of construction | 235,228,904 | 261,656,460 |
| – cost of services provided | <u>351,443</u> | <u>751</u> |
| | 235,580,347 | 261,657,211 |
| Depreciation: | | |
| – property, plant and equipment* | 2,477,293 | 2,360,006 |
| – right-of-use assets | <u>1,657,720</u> | <u>2,970,337</u> |
| | 4,135,013 | 5,330,343 |
| Impairment losses/(Reversal of impairment) on financial and contract assets, net: | | |
| – loan and interest receivables | (16,725,896) | 15,226,118 |
| – trade receivables and contract assets | (8,400,236) | 10,068,297 |
| – other receivables | <u>29,012,657</u> | <u>1,491,730</u> |
| | 3,886,525 | 26,786,145 |
| Auditors' remuneration: | | |
| – audit services | 1,030,000 | 1,150,000 |
| – non-audit services | – | 150,000 |
| Gain on disposal of property, plant and equipment | (135,235) | (1,015,833) |
| Written-off of property, plant and equipment | – | 220,674 |
| Foreign exchange gain, net | <u>(43,457)</u> | <u>(56,064)</u> |

* The staff costs and depreciation of property, plant and equipment with aggregate amount of approximately HK\$42,061,000 (2023: approximately HK\$41,719,000) are included in “Cost of sales” in the consolidated statement of profit or loss for the year ended 31 March 2024.

7. INCOME TAX EXPENSES

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

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Current tax: | | |
| Charge for the year | 917,814 | 745,508 |
| Over-provision in respect of prior years | <u>(5,271)</u> | <u>(15,719)</u> |
| | 912,543 | 729,789 |
| Deferred tax: | | |
| (Credit)/Charge for the year | <u>(152,729)</u> | 207,998 |
| | <u>759,814</u> | <u>937,787</u> |

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (ii) The provision for Hong Kong Profits Tax for year ended 31 March 2024 is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of the assessable profits is taxed at 8.25% and the remaining assessable profits is taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

- (iii) According to the relevant announcements of income tax relief policy for small low-profit enterprises issued by the State Administration of Taxation, a lower corporate income tax (“**CIT**”) rate is applicable to small scale enterprises with low profitability that meet certain conditions, pursuant to which, the subsidiaries qualified as small-scale enterprises with assessable profits not over RMB3,000,000 are effectively taxable at 5% (i.e. 20% CIT rate on the 25% of the assessable profits) for the year ended 31 March 2024. For the year ended 31 March 2023, (i) the first RMB1,000,000 of the assessable profits (the “**1st Assessable Profits**”) of these subsidiaries was effectively taxable at 2.5% (i.e. 20% CIT rate on 12.5% of the 1st Assessable Profits); and (ii) the remaining assessable profits not over RMB3,000,000 (the “**Remaining Assessable Profits**”) was taxable at 5% (i.e. 20% CIT rate on the 25% of the Remaining Assessable Profits). For the other subsidiaries operating in the People’s Republic of China, the CIT is taxed at the statutory rate of 25%.

8. DIVIDENDS

The directors of the Company (the “**Directors**”) do not recommend the payment of a final dividend for the year ended 31 March 2024. No dividend has been declared or paid by the Company for the years ended 31 March 2024 and 2023.

9. LOSS PER SHARE

(a) Basic loss per share

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

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|--|---------------------|---------------------|
| Loss | | |
| Loss attributable to owners of the Company | <u>(20,621,836)</u> | <u>(46,995,578)</u> |
| Number of shares | | (Restated) |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | <u>92,835,500</u> | <u>92,835,500</u> |

For the years ended 31 March 2024 and 2023, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the loss attributable to owners of the Company and (ii) the weighted average number of ordinary shares in issue which was adjusted by the effect of 3,164,500 shares (adjusted) held for the Group’s share award scheme and share consolidation (note 15). Comparative figure has also been adjusted on the assumption that the share consolidation has been effective in the prior year.

(b) Diluted losses per share

There were no diluted potential shares in existence during the years ended 31 March 2024 and 2023.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---|---------------------|---------------------|
| Investment in equity securities – Unlisted, at fair value | <u>2,734,980</u> | <u>8,559,589</u> |

The above unlisted equity investments represent approximately 19.7% equity interest in Matsu Gami IP Development Limited (the “**Matsu Gami**”), an entity established in the British Virgin Islands, which were irrevocably designated as financial assets at FVOCI as the Group considers these investments to be strategic in nature. The Group engaged an independent professional valuer to determine the fair value of these equity investments as at 31 March 2024 by using discounted cash flow method. The key assumptions used in the valuation included discount rate of 15% (2023: 16%) and growth rate of 2% (2023: 2%).

11. TRADE AND OTHER RECEIVABLES

| | 2024 | 2023 |
|---|----------------------------|---------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Trade receivables (<i>Note</i>) | 31,800,294 | 28,046,881 |
| Deposits, prepayments and other receivables | <u>50,528,742</u> | <u>66,717,945</u> |
| | <u>82,329,036</u> | <u>94,764,826</u> |
| <i>Less: Impairment</i> | | |
| – trade receivables (<i>Note</i>) | (1,177,123) | (10,584,148) |
| – deposits and other receivables | <u>(32,000,760)</u> | <u>(3,102,405)</u> |
| | <u>(33,177,883)</u> | <u>(13,686,553)</u> |
| | <u>49,151,153</u> | <u>81,078,273</u> |

Note:

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating). The calculation reflects the historical trade receivables loss rate, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking factors including forecasts of future economic conditions.

11. TRADE AND OTHER RECEIVABLES (Continued)

Ageing analysis

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

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|----------------|---------------------|---------------------|
| Within 1 month | 10,409,405 | 6,181,162 |
| 1 to 2 months | 6,329,711 | 522,062 |
| 2 to 3 months | 1,754,280 | – |
| Over 3 months | 12,129,775 | 10,759,509 |
| | <u>30,623,171</u> | <u>17,462,733</u> |

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|--|---------------------|---------------------|
| Investment in equity securities – listed in Hong Kong, at fair value | <u>1,959,200</u> | <u>–</u> |

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

13. TRADE AND OTHER PAYABLES AND ACCRUALS

| | 2024 | 2023 |
|--------------------------------|--------------------------|--------------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Trade payables (<i>Note</i>) | 30,929,648 | 23,414,315 |
| Retention payables | 5,918,872 | 6,135,725 |
| Other payables and accruals | <u>11,906,859</u> | <u>13,921,381</u> |
| | <u><u>48,755,379</u></u> | <u><u>43,471,421</u></u> |

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

| | 2024 | 2023 |
|----------------|--------------------------|--------------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Within 1 month | 17,347,931 | 13,663,181 |
| 1 to 2 months | 9,357,136 | 8,273,075 |
| 2 to 3 months | 2,922,128 | 44,575 |
| Over 3 months | <u>1,302,453</u> | <u>1,433,484</u> |
| | <u><u>30,929,648</u></u> | <u><u>23,414,315</u></u> |

14. DUE TO A RELATED COMPANY/A DIRECTOR OF A SUBSIDIARY

The amount due to a related company, Bright Dynasty Trading Limited (“**Bright Dynasty**”), is unsecured, bearing interest at 5% (2023: 5%) per annum and repayable on demand. Bright Dynasty is beneficially owned by Mr. Fong Hon Hung (“**Mr. Fong**”), who is a member of key management personnel of the Group and is a director of a principal subsidiary.

The amount due to a director of a subsidiary, Mr. Lau Woon Si (“**Mr. Lau**”), is unsecured, bearing interest at 5% (2023: 5%) per annum and repayable on demand. Mr. Lau is a member of key management personnel of the Group and is a director of a subsidiary.

15. SHARE CAPITAL

| | Number of ordinary shares | Nominal amount HK\$ |
|--|--|------------------------------------|
| Ordinary shares, authorised: | | |
| At 1 April 2022, 31 March 2023 and 1 April 2023 of HK\$0.01 each | 2,000,000,000 | 20,000,000 |
| Share consolidation (<i>Note</i>) | <u>(1,800,000,000)</u> | <u>–</u> |
| At 31 March 2024 of HK\$0.1 each | <u>200,000,000</u> | <u>20,000,000</u> |
| Ordinary shares, issued and fully paid: | | |
| At 1 April 2022, 31 March 2023 and 1 April 2023 of HK\$0.01 each | 960,000,000 | 9,600,000 |
| Share consolidation (<i>Note</i>) | <u>(864,000,000)</u> | <u>–</u> |
| At 31 March 2024 of HK\$0.1 each | <u>96,000,000</u> | <u>9,600,000</u> |

Note: Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 20 November 2023, every ten issued and unissued then existing shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.1 each. The share consolidation has been effective on 22 November 2023.

16. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 March 2024 and 2023, the related parties that had transactions with the Group were as follows:

| Name of related parties | Relationships with the Group |
|---|-------------------------------------|
| Chung Hang Enterprises Holdings Limited | A related company owned by Mr. Lau |
| Chung Wah Investment Company Limited | A related company owned by Mr. Lau |

16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

| | 2024 | 2023 |
|---|-------------------------|-------------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Leases of properties from: | | |
| Chung Hang Enterprises Holdings Limited | 720,000 | 720,000 |
| Chung Wah Investment Company Limited | <u>1,380,000</u> | <u>1,380,000</u> |
| | <u><u>2,100,000</u></u> | <u><u>2,100,000</u></u> |

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

Key management personnel remuneration

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

| | 2024 | 2023 |
|------------------------------|--------------------------|--------------------------|
| Short-term employee benefits | 14,124,821 | 11,818,757 |
| Post-employment benefits | <u>64,500</u> | <u>73,640</u> |
| | <u><u>14,189,321</u></u> | <u><u>11,892,397</u></u> |

17. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current year's presentation and the effect of the share consolidation set out in note 15 of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of: (i) foundation construction works; (ii) ground investigation services; (iii) financial services and (iv) trading of consumer products; and during the Reporting Period, the Group has expanded its business into e-commerce live streaming and promotion business in the social media.

Foundation construction works

During the Reporting Period, the foundation construction works undertaken by the Group mainly consisted of the construction of socketed H-piles, mini piles, soldier piles, pipe piles and king posts. The Group undertook foundation construction projects in both the public and private sectors in Hong Kong. Revenue from the foundation construction works contributed approximately 76.1% to the total revenue of the Group during the Reporting Period (YR2023: approximately 80.9%).

Ground investigation services

The Group also acted as a contractor to provide ground investigation services in both public and private sectors in Hong Kong during the Reporting Period. Revenue from the ground investigation services contributed approximately 22.7% to the total revenue of the Group during the Reporting Period (YR2023: approximately 18.3%).

Financial services

During the Reporting Period, revenue from financial services contributed approximately 0.2% to the total revenue of the Group (YR2023: approximately 0.8%).

Trading of consumer products

There was no revenue generated from the Group's trading business during the Reporting Period and YR2023 as the Group was yet to receive an outstanding trade receivable arising from its previous trading of beauty and skin care products. As the said outstanding trade receivable has been fully settled during the Reporting Period, the Company is exploring to resume the trading business with a broader focus on general consumer products.

E-commerce live streaming and promotion business

During the Reporting Period, revenue from e-commerce live streaming and promotion business contributed approximately 1.0% to the total revenue of the Group (YR2023: nil).

Outlook

The Board is of the view that despite the recovery of global economy is not as strong as expected followed by the relaxation of COVID 19, there are hopeful signs of a steady recovery in the longterm development of construction and foundation industry in Hong Kong. The Group will be prudent in tendering potential projects while future strategy will depend on the recovery of the economy.

Under the sustained recovery of the Chinese economy and the thriving development of new media, there is an annual growth of 2% to 47% in gross merchandise volume of e-commerce business in the PRC. Currently, the Group has 4 broadcasting rooms and hired around 30 live streamers. The Group will grasp the opportunities and continue to expand in the e-commerce live streaming and promotion business.

Meanwhile, in order to maintain a stable and sustainable development of the Group's existing businesses as well as diversifying and expanding the Group's businesses at the same time, the Company will leverage on its industrial experience and the advantage of its existing resources and talented team to seek cooperation and investment opportunities with high-quality companies in the emerging industries.

FINANCIAL REVIEW

Revenue

The Group's total revenue for the Reporting Period decreased by approximately HK\$26,793,000 or approximately 8.5%, from approximately HK\$315,447,000 for the year ended 31 March 2023 to approximately HK\$288,654,000 for the Reporting Period, which was primarily due to:

Foundation construction works

The revenue from undertaking foundation construction works decreased by approximately HK\$35,695,000 or approximately 14.0%, from approximately HK\$255,328,000 for the year ended 31 March 2023 to approximately HK\$219,633,000 for the Reporting Period. This was primarily due to the decrease in the number of sizable projects tendered by the Group during the Reporting Period.

Ground investigation services

The revenue from ground investigation services increased by approximately HK\$8,098,000 or approximately 14.1%, from approximately HK\$57,611,000 for the year ended 31 March 2023 to approximately HK\$65,709,000 for the Reporting Period. This was primarily due to the increase in the number of sizable projects tendered by the Group during the Reporting Period.

Financial services

During the Reporting Period, revenue from financial services amounted to approximately HK\$554,000 (YR2023: approximately HK\$2,507,000).

Trading of consumer products

During the Reporting Period, no revenue from trading business was generated by the Group (YR2023: nil).

E-commerce live streaming and promotion business

During the Reporting Period, the Group has expanded its business into e-commerce live streaming and promotion business, revenue from e-commerce live streaming and promotion business amounted to approximately HK\$2,757,000 (YR2023: nil).

Gross profit and gross profit margin

The gross profit decreased from approximately HK\$53,789,000 for the year ended 31 March 2023 to approximately HK\$53,073,000 for the Reporting Period. The Group's overall gross profit margin during the Reporting Period was approximately 18.4% (YR2023: approximately 17.1%).

The gross profit of the Group's foundation construction works segment decreased from approximately HK\$34,383,000 for the year ended 31 March 2023 to approximately HK\$30,987,000 for the Reporting Period. During the Reporting Period, gross profit margin of the foundation construction works segment amounted to approximately 14.1% (YR2023: approximately 13.5%). The increase in gross profit margin was mainly due to the slight decrease in staff cost.

Gross profit of the Group's ground investigation services segment was approximately HK\$19,127,000 for the Reporting Period, representing an increase of approximately 13.2% from approximately HK\$16,900,000 as compared to that for the year ended 31 March 2023. Gross profit margin of the ground investigation services segment slightly decreased from approximately 29.3% for the year ended 31 March 2023 to approximately 29.1% for the Reporting Period.

Gross profit of the Group's financial service was approximately HK\$554,000 for the Reporting Period (YR2023: approximately HK\$2,507,000). Gross profit margin of the financial services amounted to approximately 100% (YR2023: approximately 100%).

There was no revenue generated from the Group's trading business during the Reporting Period and YR2023. As the outstanding trade receivable for trading of consumer products has been fully settled during the Reporting Period, the Company is exploring to resume the trading business.

Gross profit of the Group's e-commerce live streaming and promotion segment was approximately HK\$2,406,000 for the Reporting Period (YR2023: nil). Gross profit margin of the e-commerce live streaming and promotion segment amounted to approximately 87.3% (YR2023: nil).

Other income, other gains and losses, net

The other income, other gains and losses, net of the Group decreased by approximately HK\$14,463,000, from approximately HK\$16,529,000 for the year ended 31 March 2023 to approximately HK\$2,066,000 for the Reporting Period. The decrease was mainly due to (i) no government grants have been received during the Reporting Period (YR2023: approximately HK\$4,385,000); and (ii) no gain on derecognition of debt investment at fair value through other comprehensive income was reclassified to profit or loss during the Reporting Period (YR2023: approximately HK\$7,223,000).

General and administrative expenses and impairment losses on financial and contract assets, net

The Group's general and administrative expenses and impairment losses on financial and contract assets, net for the Reporting Period were approximately HK\$65,326,000 (YR2023: approximately HK\$82,350,000), representing a decrease of approximately 20.7% as compared to that for the year ended 31 March 2023. The decrease was mainly attributable to the decrease in impairment losses on the financial and contract assets, net of approximately HK\$3,887,000 (YR2023: approximately HK\$26,786,000). For the detailed information, please refer to the paragraph "Material provision for expected credit losses in relation to trade receivable, loan and interest receivables and other receivable".

Finance costs

The finance costs decreased by approximately HK\$1,491,000 from approximately HK\$10,645,000 for the year ended 31 March 2023 to approximately HK\$9,154,000 for the Reporting Period. The decrease was mainly due to the partial repayment of amount due to a related company of the Group during the Reporting Period.

Income tax

The tax expense for the Reporting Period was approximately HK\$760,000 (YR2023: approximately HK\$938,000). The change was mainly due to the change of deferred tax for the Reporting Period.

Financial assets at fair value through other comprehensive income

The financial assets at fair value through other comprehensive income represent approximately 19.7% equity interest of Matsu Gami IP Development Limited ("Matsu Gami"). During the Reporting Period, the fair value loss amounted to approximately HK\$5,825,000 (YR2023: nil).

Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss represent the (i) listed equity investments; (ii) put option in relation to acquisition of an associate; and (iii) other unlisted investments.

The fair value of listed equity investments is determined with reference to quoted market bid price from the Stock Exchange and within level 1 of the fair value hierarchy. The fair value loss of approximately HK\$520,000 (YR2023: nil) was recognised in the consolidated statement of profit or loss for the year ended 31 March 2024.

In YR2023, put option is measured at fair value using the Monte Carlo simulation model and binomial options pricing model. There was no put option during the Reporting Period (YR2023: the fair value loss of put option amounted to approximately HK\$8,000).

In YR2023, the other unlisted investments represent investments in wealth management product issued by bank. There were no investments in wealth management product during the Reporting Period (YR2023: bank interest income and fair value gain approximately HK\$112,000).

Share of results of an associate

The share of profit of Matsu Gami was approximately HK\$4,141,000 for the period from 1 April 2022 to 27 March 2023. This amount of profit was attributable to (i) the share of the post-acquisition profit amounted to approximately HK\$5,519,000; and (ii) amortisation expense and deferred tax impact on the intangible asset arising from the fair value adjustments made on the acquisition date amounted to approximately HK\$1,378,000.

For details, please refer to the announcements of the Company dated 10 December 2019, 9 June 2020, 4 September 2020, 10 August 2021, 10 September 2021, 29 August 2022, 20 September 2022, 20 October 2022, 18 November 2022, 20 December 2022, 20 January 2023, 8 February 2023 and 27 March 2023.

Loss on disposal of interest in an associate

On 27 March 2023, the Group partially exercised the put option to dispose approximately 15.3% of capital of Matsu Gami at approximately HK\$21,680,000 (being the amount held in the escrow account as maintained by escrow agent) and extended the remaining put option. Loss on disposal of interest in an associate amounted to approximately HK\$27,523,000.

For details, please refer to the announcements of the Company dated 29 August 2022, 20 September 2022, 20 October 2022, 18 November 2022, 20 December 2022, 20 January 2023, 8 February 2023 and 27 March 2023.

Material provision for expected credit losses in relation to trade receivable, loan and interest receivables and other receivable

In relation to the trade receivable for trading of consumer products, loan and interest receivables and other receivable, the Group recognised reversal of provision for expected credit losses of approximately HK\$1,235,000 for the Reporting Period, in the aggregate amount of approximately HK\$35,066,000 (after provision was made) as at 31 March 2024 (the “**Impairment Loss**”).

(a) Trade receivable

Trade receivable for trading of consumer products was past due in YR2023. During the Reporting Period, the Company has been closely negotiating with the customer and closely monitoring the repayment status. In YR2023, despite several subsequent settlements, a supplemental agreement and a new guarantee agreement were signed with the customer and its fellow subsidiary, the Company has adopted a prudent approach to measure the expected credit losses (“**ECL**”) of the trade receivable. According to the signed supplemental agreement and guarantee agreement, the last installment would be repayable on or before 31 January 2024 based on the repayment schedule. All outstanding trade receivable has been fully settled during the Reporting Period.

(b) Loan and interest receivables

Loan and interest receivables for money lending business are represented by loan receivable A (“**Loan receivable A**”) and loan receivable B (“**Loan receivable B**”).

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

Loan receivable A was past due in YR2023. During the Reporting Period, the Company has been closely negotiating with the customer and closely monitoring the repayment status. In YR2023, despite a supplemental agreement and a new guarantee agreement signed with the customer and its fellow subsidiary, the Company has adopted a prudent approach to measure the ECL of the relevant receivable. According to the signed supplemental agreement and guarantee agreement (which was additional to the existing personal guarantees executed by the ultimate beneficial owners of the borrower in favour of the lender), the last installment would be repayable on or before 31 October 2023 based on the repayment schedule. All outstanding loan and interest receivable was fully settled during the Reporting Period.

Loan receivable B was past due since June 2020. As at 31 March 2023, the outstanding principal was HK\$16,900,000. The Company has commenced the winding up process against the customer company responsible for the non-payment of Loan receivable B in April 2023. The hearing of winding-up petition originally fixed on 28 June 2023 was adjourned to 7 August 2023, and the Group has been liaising with the borrower in the interim with the view of settling the outstanding repayment amount. The Company subsequently entered into the settlement agreement and deed of guarantee with the Loan receivable B and related guarantors on 31 July 2023, the last instalment will be repayable on or before 30 September 2025 based on the repayment scheme. Following the settlement agreement, the winding-up petition has been withdrawn on 7 August 2023. As at 31 March 2024, the outstanding principal was HK\$12,900,000.

(c) **Other receivable**

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

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

After the expiry date of the debt instrument (i.e. 18 March 2023), and taking into account the repayments received by Sino Topper for the partial redemption made prior to the expiry date, Sino Topper has received an aggregate of approximately HK\$40,181,000 (inclusive of accrued interests) as repayments for redemption of its subscription amount with the last batch of repayments received in December 2023, after which no further repayments have been received. Despite repeated efforts made by the Directors throughout the Reporting Period to communicate with the Fund, the Manager and the Investment Manager to demand for settlement of the outstanding redemption amount, the Company has not received any explanation for the delay in repayment, and no further reply has been received since June 2023. In April 2024, the Company has issued a demand letter against the Fund, the Manager and the Investment Manager, and is considering commencing legal actions to recover the outstanding redemption amount. As at the date of this announcement, a total redemption amount of approximately HK\$26,926,000 remain outstanding and payable to Sino Topper by the Fund, the Manager and the Investment Manager.

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

The Group has engaged an independent valuer (the “**Valuer**”) to conduct a valuation in relation to impairment assessment over its loan and interest receivables and other receivable as at 31 March 2024 (the “**Valuation**”).

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

As at 31 March 2023, the provision for expected credit loss for trade receivable of consumer products was approximately HK\$10,386,000 with gross carrying amount of approximately HK\$19,634,000 and approximately HK\$7,964,000 for Loan receivable A with gross carrying amount of approximately HK\$15,054,000. All outstanding balances have been settled during the Reporting Period, thus, there is a reversal of impairment previously recognized.

The expected credit loss rate (the “**ECL rate**”) for Loan receivable B has declined in the Reporting Period due to the settlement of the repayment accordingly based on the repayment schedule. The ECL rate decreased to 63.1%, resulting in the provision for expected credit loss for Loan receivable B of approximately HK\$8,138,000 for Loan receivable B with gross carrying amount of approximately HK\$12,900,000 as at 31 March 2024. After the end of the Reporting Period and as at the date of this announcement, approximately HK\$2,000,000 has been received for the settlement based on the repayment schedule.

The ECL rate for other receivable in respect of the outstanding redemption amount was relatively high in the Reporting Period due to significant increase in credit risks since initial recognition due to (i) the continuous adverse impact the COVID-19 pandemic has on the recovery of local and global economy, (ii) the debt instrument has matured for more than a year since March 2023, (iii) it is uncertain whether the Company is able to enter into any settlement arrangements with the Fund, the Manager and the Investment Manager to secure the repayment of the outstanding redemption amount as the Fund, the Manager and the Investment Manager have not been responsive, and (iv) the Company has issued a demand letter to the Fund, the Manager and the Investment Manager for the non-payment and is considering taking further legal actions against the Fund, the Manager, and the Investment Manager to recover the outstanding redemption amount. Accordingly, the Group has provided a full provision of approximately HK\$26,926,000 for other receivable in respect of the outstanding redemption amount with gross carrying amount of approximately HK\$26,926,000 as at 31 March 2024.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Reporting Period, the Group recorded a net loss of approximately HK\$20,622,000 as compared with approximately HK\$46,996,000, for the year ended 31 March 2023.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend to the owners of the Company for the Reporting Period (YR2023: nil).

USE OF NET PROCEEDS FROM THE PLACING IN 2016

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

Part of the Net Proceeds from the Placing were utilised up to 31 March 2024 and are intended to be applied in accordance with the revised proposed application set out in the announcement dated 3 January 2023. The below table sets out the details of the application of the Net Proceeds:

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

Notes:

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

3. On 3 January 2023, the Company resolved to change the use of the outstanding Net Proceeds, being approximately HK\$70,700,000 as at 31 March 2022 (the “Unutilised Net Proceeds”) as follows: (i) as to approximately HK\$25,700,000, to fund further possible acquisition(s) and (ii) as to the remaining balance of approximately HK\$45,000,000, for general working capital. As at 31 March 2023, the Board has not exercised the call option to acquire 16% of the issued share capital of Matsu Gami. For details, please refer to the 2023 Announcement and the announcement of the Company dated 3 January 2023.
4. On 17 November 2023, the Company published the announcement and wishes to supplement that the Unutilised Net Proceeds for further acquisitions are intended to be fully utilised by 31 March 2025 in the acquisition of equity interests in target company(ies) engaged in the food and beverage and/or the construction sectors, provided that, if any such opportunity(ies) arise in the meantime, the Group may also utilise the Unutilised Net Proceeds for Further Acquisitions (or part thereof) in the acquisition of target company(ies) engaged in other sector(s) if such acquisition is considered by the Board to be conducive in broadening the source of the revenue for the Group or otherwise in the best interest of the Company and its shareholders as a whole.

The remaining Unutilised Net Proceeds as at 31 March 2024 were placed as bank balances with licensed bank in Hong Kong and will be applied in the manner consistent with the proposed allocations.

DEBTS AND CHARGE ON ASSETS

The total interest-bearing borrowings of the Group mainly consisted of leases liabilities, borrowing from a director of a subsidiary and borrowing from a related company of the Group. The above borrowings as at 31 March 2024 was approximately HK\$179,941,000 (YR2023: approximately HK\$188,909,000). All borrowings were mainly denominated in Hong Kong dollar. Interest on borrowings are charged at fixed rates. The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. As at 31 March 2024, the Group did not have any charges on the Group’s assets.

NET CURRENT ASSETS

As at 31 March 2024, the Group’s net current assets amounted to approximately HK\$80,732,000 which was approximately HK\$20,880,000 lower than net current assets of approximately HK\$101,612,000, as at 31 March 2023, the decrease was mainly due to decrease in other receivables. As at 31 March 2024, the Group’s current liabilities amounted to approximately HK\$230,173,000 representing a decrease of approximately HK\$4,043,000 from approximately HK\$234,216,000 as at 31 March 2023, the decrease was mainly due to the repayment of amount due to a related company and a director at a subsidiary.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group had cash and bank balances of approximately HK\$138,286,000, representing an increase of approximately HK\$21,808,000 (as at 31 March 2023: approximately HK\$116,478,000), which were mainly denominated in Hong Kong dollar.

CASH FLOW

The net cash generated from the Group in its operating activities amounted to approximately HK\$42,295,000 during the Reporting Period, which was mainly generated from the foundation construction works and ground investigation services. Net cash generated from investing activities was approximately HK\$332,000 in which approximately HK\$1,931,000 arose from interest received, partly set off by the payment for the purchase of property, plant and equipment of approximately HK\$1,738,000. The net cash used in financing activities was approximately HK\$20,358,000 mainly arose from the repayment of amount due to a related company of HK\$10,000,000 and repayment of amount due to a director of a subsidiary of approximately HK\$8,678,000.

The gearing ratio of the Group as at 31 March 2024 (defined as total interest-bearing liabilities divided by the Group's total equity) was approximately 199.2% (as at 31 March 2023: approximately 161.0%).

TREASURY POLICY

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

FOREIGN EXCHANGE EXPOSURE

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

CAPITAL STRUCTURE

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

As at 31 March 2024, the Company's issued share capital was HK\$9,600,000 (as at 31 March 2023: HK\$9,600,000) and the number of its issued ordinary shares was 96,000,000 of HK\$0.1 each (as at 31 March 2023: 96,000,000 of HK\$0.01 each).

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 20 November 2023, the Company underwent a share consolidation for every ten (10) issued and unissued existing shares of par value of HK\$0.01 each be consolidated into one (1) consolidated share of par value of HK\$0.1 each (the “**Share Consolidation**”). The Share Consolidation became effective on 22 November 2023. Details of the Share Consolidation are set out in the circular of the Company dated 27 October 2023.

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

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

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2024 and 2023.

EVENTS AFTER THE REPORTING PERIOD

Save as discussed below, there are no other significance event after the Reporting Period up to the date of this announcement.

(a) Placing of new shares under general mandate in April 2024

On 3 April 2024, the Company and Beta International Securities Limited (the “**Placing Agent**”) entered into a placing agreement (the “**Placing Agreement**”) in relation to the placing of up to 19,200,000 Shares (the “**Placing Share(s)**”) to not less than six placees, who shall be independent third parties, at the placing price (the “**Placing Price**”) of HK\$1.00 per Placing Share (the “**2024 Placing**”). The net issue price per Placing Share (after deduction of the placing commission and other expenses of the 2024 Placing) is approximately HK\$0.97 per Placing Share.

The 2024 Placing was completed on 16 April 2024, where a total of 19,200,000 Placing Shares, representing approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares after the completion of the 2024 Placing, have been successfully placed to not less than six placees at the Placing Price per Placing Share. The Placing Shares were allotted and issued under the general mandate granted by the Shareholders at the annual general meeting of the Company held on 30 August 2023. For details, please refer to the announcements of the Company dated 3 April 2024 and 16 April 2024 (the “**Placing Announcements**”).

The gross proceeds from the 2024 Placing was approximately HK\$19.2 million, and the net proceeds, after deduction of commission and other expenses of the 2024 Placing, were approximately HK\$18.7 million (the “**2024 Placing Net Proceeds**”). The Company intends to apply the 2024 Placing Net Proceeds in the manner as set out in the Placing Announcements.

(b) Change in ownership interest in a subsidiary without changes in control

On 30 April 2024, the Group entered into an acquisition agreement with a non-controlling interests, pursuant to which the Group acquired the remaining 49% equity interests of Pure Luck International Limited held by the non-controlling interests for a cash consideration of HK\$5,000,000.

LITIGATIONS

As at 31 March 2024, the Group had no material pending litigation.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had 158 full-time employees (as at 31 March 2023: 123 full-time employees).

The remuneration policy and packages of the Group’s employees are periodically reviewed. Apart from mandatory provident fund and in-house training programmes, salary increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The total remuneration cost incurred by the Group for the Reporting Period was approximately HK\$76,587,000 as compared to approximately HK\$69,330,000 for the year ended 31 March 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group’s key risk exposures are summarised as follows:

- (i) The Group has a concentrated clientele base. Any loss for major customers or decrease in the number of projects with the top 5 customers of the Group may adversely affect the Group’s operations and financial results.
- (ii) The Group’s past revenue and profit margin may not be an indication of the Group’s future revenue and profit margin. In particular, the Group’s revenue is on project basis, which is non-recurrent in nature, and the Group may achieve lower-than expected revenue if it fails to maintain continuity of the Group’s order book for its new projects.

- (iii) The Group is dependent on its Board members and senior management staff, the departure of its staff may adversely affect the Group's business operations.
- (iv) Failure to accurately estimate and control the costs of the Group's projects may adversely affect the Group's financial performance.
- (v) Any delay or default of progress payments or retention monies by the customers may affect the Group's cash flow and may have adverse impact on the Group's financial results.
- (vi) Failure to renew the Group's current registrations and licenses may adversely affect the Group's business operations. For other risks and uncertainties facing the Group, please refer to the section headed "Risks Factors" in the prospectus of the Company dated 28 July 2015 (the "**Prospectus**").

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

The Group's success also depends on the support from key stakeholders which comprise employees, customers and suppliers.

Customers

For foundation construction, the principal customers are generally from the main contractors of construction projects in Hong Kong. For ground investigation services, the principal customers are generally from the employers of construction projects in Hong Kong. During the Reporting Period, the Directors considered that the Group did not rely on any single customer. The Group also maintains a long-term relationship with its customers, some of which have established more than 10 years of working relationship with the Group.

Suppliers and Subcontractors

During the Reporting Period, the suppliers of goods and services which were specific to the business of the Group and were acquired on a regular basis to enable the Group to continue to carry its business included (i) subcontractors engaged by the Group to perform the site works; (ii) materials and equipment suppliers to supply materials and equipments used in the site works; and (iii) suppliers of miscellaneous goods and services required for the Group's business operations. The Group maintains multiple suppliers and subcontractors to avoid the over-reliance on a few suppliers and subcontractors; and did not experience any material difficulties in sourcing materials from suppliers and engaging subcontractors during the Reporting Period. The Group did not have any significant disputes with any of its suppliers and subcontractors during the Reporting Period.

Employees

The Group recognised employees as valuable assets of the Group. During the Reporting Period, the Group has complied with the applicable labour laws and regulations and regularly reviewed the benefits of existing staff for improvement. The Group intends to use its best effort to attract and retain appropriate and suitable personnel to serve the Group. The objective of the Group's human resource management is to reward and recognise performing staff by providing an attractive remuneration package.

The Group determines the salary of its employees mainly based on each employee's qualification, relevant experience, position and seniority. The Group conducts annual review on salary increment, bonuses and promotions based on the performance of each employee.

The Group considers that the Group has maintained a good relationship with its employees. The Group has not experienced any strikes, work stoppages or labour disputes which affected its operations during the Reporting Period. The Directors also acknowledge that the management team and the employees have maintained a good relationship and co-operated well during the Reporting Period.

ENVIRONMENTAL POLICIES

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

CORPORATE GOVERNANCE

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

CODE OF CONDUCT REGARDING DIRECTORS’ SECURITIES TRANSACTIONS

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

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (“AGM”) will be held on 19 August 2024. For the purpose of determining the entitlement of the Shareholders of the Company to attend and vote at the AGM, the transfer of books and register of members of the Company will be closed from 14 August 2024 to 19 August 2024, both days inclusive. During such period, no share transfer will be effected. In order to be qualified for attending the forthcoming AGM, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road for registration no later than 4:30 p.m. on 13 August 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

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

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has discussed with the Company’s management and reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2024.

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

PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

The audited annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hkex1718.hk. The annual report of the Company for the year ended 31 March 2024 containing all information required by the Listing Rules will be despatched to shareholders of the Company and published on the above websites in due course.

By order of the Board of
Wan Kei Group Holdings Limited
YAN Shuai
Chairman

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Directors are Mr. Yan Shuai, Mr. Bai Huawei and Mr. Wang Yu; the non-executive Directors are Mr. Zhang Zhenyi, Mr. Chui Kwong Kau and Mr. Lui Kwok Wai; and the independent non-executive Directors are Mr. Eric Todd, Mr. Jiang Senlin and Mr. Zhang Yi.