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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 2024

FINANCIAL HIGHLIGHTS

	2024	2023	**Change**
	HK$'000	*HK$'000*	
Revenue	**689,269**	1,061,974	–35.1%
Gross profit	**29,106**	89,623	–67.5%
Gross profit margin	**4.2%**	8.4%	–4.2 points
Profit for the year attributable to equity holders of the Company	**20,221**	53,410	–62.1%
	HK cents	*HK cents*	
Basic earnings per share	**3.00**	7.92	–62.1%
	HK cents	*HK cents*	
Proposed final and special final dividends			
Interim dividend per share	**1.5**	1.8	
Special interim dividend per share	**0.5**	0.5	
Final dividend per share	**0.2**	2.0	
Special final dividend per share	**6.8**	0.2	
Total dividends per share for the year	**9.0**	4.5	+100%

- Cash and cash equivalents of approximately HK$416 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 2024 (the "Year"), together with the comparative figures for the previous corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
REVENUE	3	**689,269**	1,061,974
Cost of sales		**(660,163)**	(972,351)
Gross profit		**29,106**	89,623
Other income and gains, net		**49,313**	38,531
Changes in fair value of investment properties		**(2,173)**	(13,028)
Distribution and selling expenses		**(14,938)**	(22,364)
Administrative expenses		**(72,491)**	(74,852)
Finance costs	4	**(95)**	(137)
Share of profit of associates		**23,900**	32,547
PROFIT BEFORE TAX	5	**12,622**	50,320
Income tax credit	6	**7,435**	3,616
PROFIT FOR THE YEAR		**20,057**	53,936
Attributable to:			
Equity holders of the Company		**20,221**	53,410
Non-controlling interests		**(164)**	526
		20,057	53,936
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK3.00 cents**	HK7.92 cents
Diluted		**HK2.99 cents**	HK7.91 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	2024	2023
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**20,057**	53,936
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(24,259)**	(33,106)
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	**983**	–
Deferred tax liabilities on gain on revaluation of land and buildings	**(246)**	–
	737	–
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	**(23,522)**	(33,106)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**(3,465)**	20,830
Attributable to:		
Equity holders of the Company	**(3,301)**	20,304
Non-controlling interests	**(164)**	526
	(3,465)	20,830

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**135,190**	153,676
Right-of-use assets		**63,855**	67,870
Investment properties		**473,347**	497,360
Investments in associates		**114,180**	96,520
Investments in club memberships		**1,753**	1,800
Total non-current assets		**788,325**	817,226
CURRENT ASSETS			
Inventories		**81,206**	171,572
Accounts receivable	*9*	**167,476**	136,261
Prepayments, deposits and other receivables		**14,640**	15,604
Due from an associate		**41,929**	54,409
Tax recoverable		**289**	239
Cash and cash equivalents		**415,580**	392,648
Total current assets		**721,120**	770,733
CURRENT LIABILITIES			
Accounts payable	*10*	**101,702**	123,229
Accrued liabilities, other payables and contract liabilities		**82,751**	90,033
Lease liabilities		**1,569**	1,011
Tax payable		**40,175**	57,610
Total current liabilities		**226,197**	271,883
NET CURRENT ASSETS		**494,923**	498,850

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	2024	2023
	HK$'000	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,283,248**	1,316,076
NON-CURRENT LIABILITIES		
Lease liabilities	**530**	1,593
Deposits received	**6,161**	6,466
Deferred tax liabilities	**90,957**	93,361
Total non-current liabilities	**97,648**	101,420
Net assets	**1,185,600**	1,214,656
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	**68,074**	68,078
Reserves	**1,104,635**	1,137,139
	1,172,709	1,205,217
Non-controlling interests	**12,891**	9,439
Total equity	**1,185,600**	1,214,656

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with 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 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 2024. 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 new and revised HKFRSs for the first time for the current year's 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 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 had no impact on the Group's 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. The amendments did not have a significant impact on the Group's financial statements.

(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 to the Group.

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 before tax is measured consistently with the Group's profit 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 2024 is disclosed as follows and the comparative amounts in respect of this information are re-presented to conform with current year's presentation.

	Manufacturing and sale of footwear products		Property investment		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to external customers	**689,269**	1,061,974	**–**	–	**689,269**	1,061,974
Rental income	**–**	–	**27,761**	28,207	**27,761**	28,207
Segment results	**(19,346)**	40,712	**21,655**	11,809	**2,309**	52,521
Unallocated income and gains, net					**638**	230
Interest income					**20,485**	9,064
Unallocated expenses					**(10,810)**	(11,493)
Finance costs (other than interest on lease liabilities)					**–**	(2)
Profit before tax					**12,622**	50,320
Income tax credit					**7,435**	3,616
Profit for the year					**20,057**	53,936
Assets and liabilities						
Segment assets	**612,949**	688,006	**473,516**	500,414	**1,086,465**	1,188,420
Unallocated assets					**422,980**	399,539
Total assets					**1,509,445**	1,587,959
Segment liabilities	**158,945**	187,483	**96,984**	99,700	**255,929**	287,183
Unallocated liabilities					**67,916**	86,120
Total liabilities					**323,845**	373,303

	Manufacturing and sale of footwear products		Property investment		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information						
Depreciation:						
Segment	**24,059**	27,569	**–**	–	**24,059**	27,569
Unallocated					**–**	–
					24,059	27,569
Depreciation of right-of-use assets	**3,066**	3,081	**–**	–	**3,066**	3,081
Capital expenditure*	**11,378**	12,116	**–**	–	**11,378**	12,116
Share of profit of associates	**(23,900)**	(32,547)	**–**	–	**(23,900)**	(32,547)
Impairment allowance of accounts receivable	**728**	913	**–**	–	**728**	913
Fair value loss on revaluation of investment properties	**–**	–	**2,173**	13,028	**2,173**	13,028
Provision/(write-back of provision) for inventories	**1,230**	(2,020)	**–**	–	**1,230**	(2,020)
Loss/(gain) on disposal of items of property, plant and equipment, net	**(168)**	210	**–**	–	**(168)**	210
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

	2024	2023
	HK$'000	*HK$'000*
The United States of America	**182,333**	396,361
Europe	**182,133**	239,080
Asia	**133,634**	161,987
Others	**191,169**	264,546
	689,269	1,061,974

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

(b) Non-current assets

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**45,381**	51,277
Chinese mainland	**439,865**	461,527
Cambodia	**61,386**	66,364
Vietnam	**125,551**	139,486
Others	**209**	252
	672,392	718,906

The non-current asset 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 2024 and 2023 is as follows:

	2024	2023
	HK$'000	*HK$'000*
Customer A	**534,250**	669,530
Customer B	**120,488**	342,085
	654,738	1,011,615

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:

	2024	2023
	HK$'000	*HK$'000*
Interest on bank loans	**–**	2
Interest on lease liabilities	**95**	135
	95	137

5. PROFIT BEFORE TAX

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

	2024	2023
	HK$'000	*HK$'000*
Cost of inventories sold	**423,414**	636,119
Depreciation of property, plant and equipment	**24,059**	27,569
Depreciation of right-of-use assets	**3,066**	3,081
Provision/(write-back of provision) for inventories	**1,230**	(2,020)
Amortisation of club memberships	**47**	45
Impairment allowance of accounts receivable	**728**	913
Loss/(gain) on disposal of items of property, plant and equipment, net	**(168)**	210
Write-off of items of property, plant and equipment	**473**	–
Fair value loss on revaluation of investment properties	**2,173**	13,028
Bank interest income	**(20,321)**	(9,064)
Interest income from accounts receivable	**(164)**	–

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 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 countries/jurisdictions in which the Group operates.

	2024	2023
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**258**	10
Overprovision in prior years	**(58)**	(11)
Current – Elsewhere		
Charge for the year	**4,859**	5,000
Overprovision in prior years	**(14,700)**	(6,300)
Deferred	**2,206**	(2,315)
Total tax credit for the year	**(7,435)**	(3,616)

The applicable tax rate is calculated based on the Hong Kong profits tax rate of 16.5% (2023: 16.5%), the Vietnam Corporate Tax rates of 15% to 20% (2023: 15% to 20%), the Cambodia Corporate Tax rate of 20% (2023: 20%), the Taiwan Corporate Tax rate of 20% (2023: 20%), the Corporate Income Tax rate in the Chinese mainland of 25% (2023: 25%).

7. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to equity holders of the Company of HK$20,221,000 (2023: HK$53,410,000), and the weighted average number of ordinary shares of 675,144,718 (2023: 674,173,100) in issue during the year, as adjusted to reflect the number of shares of 5,276,000 (2023: 4,808,000) held under the share award scheme of the Company, shares of 194,000 (2023: 1,446,000) repurchased and cancelled and share options exercised during the year.

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

	2024	2023
	HK$'000	*HK$'000*
Earnings		
Profit attributable to equity holders of the Company	**20,221**	53,410

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares used in calculating the basic earnings per share	**675,144,718**	674,173,100
Effect of dilution-weighted average number of ordinary shares:		
Share options	**229,061**	695,502
Share awards	**–**	222,112
Weighted average number of ordinary shares used in calculating the diluted earnings per share	**675,373,779**	675,090,714

8. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
Dividends paid during the year		
Final in respect of the financial year ended 31 March 2023 – HK2.0 cents (2022: Nil) per ordinary share	**13,496**	–
Special final in respect of the financial year ended 31 March 2023 – HK0.2 cent (2022: HK2.0 cents) per ordinary share	**1,350**	13,486
Interim – HK1.5 cents (2023: HK1.8 cents) per ordinary share	**10,142**	12,167
Special interim – HK0.5 cent (2023: HK0.5 cent) per ordinary share	**3,380**	3,380
	28,368	29,033
Proposed final and special final dividends		
Final – HK0.2 cent (2023: HK2.0 cents) per ordinary share	**1,355**	13,616
Special final – HK6.8 cents (2023: HK0.2 cent) per ordinary share	**46,071**	1,361
	47,426	14,977

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

	2024	2023
	HK$'000	*HK$'000*
Accounts receivable	**172,403**	141,216
Impairment	**(4,927)**	(4,955)
	167,476	136,261

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:

	2024	2023
	HK$'000	*HK$'000*
Within 90 days	**121,214**	120,987
Between 91 and 180 days	**45,960**	13,574
Between 181 and 365 days	**302**	1,700
	167,476	136,261

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:

	2024	2023
	HK$'000	*HK$'000*
Within 90 days	**66,030**	82,921
Between 91 and 180 days	**33,985**	28,635
Between 181 and 365 days	**48**	24
Over 365 days	**1,639**	11,649
	101,702	123,229

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

DIVIDENDS AND SHARE REPURCHASES

An interim dividend of HK1.5 cents per ordinary share and a special interim dividend of HK0.5 cent per ordinary share was paid on 5 February 2024. The Directors recommend the payment of a final dividend of HK0.2 cent per ordinary share and a special final dividend of HK6.8 cents per ordinary share in respect of the year to shareholders on the register of members on Friday, 13 September 2024. Subject to the passing of the relevant resolution at the forthcoming Annual General Meeting ("AGM") of the Company, the final dividend and the special final dividend will be payable on or about Monday, 30 September 2024 in cash in Hong Kong dollars.

In addition to dividend payments, the Company repurchased 194,000 of its ordinary shares at prices ranging from HK$0.79 to HK$0.80 per share during the course of the financial year and cancelled the repurchased shares subsequent to the year end date. 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 register of members of the Company will be closed from Friday, 23 August 2024 to Wednesday, 28 August 2024, 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 Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 22 August 2024.

(b) Entitlement to the proposed final dividend and special final dividend

The record date for entitlement to the proposed final and special final dividends is Friday, 13 September 2024. For determining the entitlement to the proposed final and special final dividends, the register of members of the Company will be closed from Wednesday, 11 September 2024 to Friday, 13 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and 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 Tengis Limited, for registration not later than 4:30 p.m. on Tuesday, 10 September 2024.

CHAIRMAN'S STATEMENT

I am pleased to report that Kingmaker Footwear Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") have demonstrated considerable resilience amidst the challenges brought by the year ended 31 March 2024 (the "**Year**"). It is also a significant year for us as it marked the 30th anniversary of our Company's listing on the Main Board of The Stock Exchange of Hong Kong Limited, a milestone that generates great pride and pleasant reminders of our memorable journey. Among all that's happening, I am particularly pleased to see that our corporate and manufacturing teams have dedicated themselves to sharpening our competences, delivering on our quality promise to clients, guarding the Group's financial stability, and practicing sustainable manufacturing. This dedication has helped us maintain a strong foothold in premier footwear manufacturing, and I am confident that, with a continued focus on these core values, we are well positioned for long-term success.

MACROECONOMIC DISCUSSION

The Year witnessed some easing of supply chain disruptions for manufacturers, but the operating environment continued to face challenges amidst weakness in consumer sentiment and overall uncertainty in the macroeconomic and geopolitical landscape. Consumer spending in major retail markets, including the United States and Europe, has weakened due to a generally inflationary environment, high interest rates, and a declining labor market. Heightened geopolitical tensions have also increased underlying economic vulnerabilities, posing further risks to industrial production.

Against this backdrop, manufacturers must build operational resiliency by optimizing their supply chains and maintaining healthy fundamentals. The manufacturing sector should also continue to invest in capabilities that enable the sector to effectively cope with shortened turnaround time and conservative order trajectories, while preparing for business recovery.

STRATEGIES AND OUTLOOK

Ongoing retail weakness has persisted into the first half of the financial year 2025. However, as inventory levels in the retail sector show signs of improvement, a gradual pickup in client procurement is anticipated for the second half. The Group will continue to gear up for business recovery through targeted efforts on research and development ("**R&D**"), as well as facility upgrades.

Staffing levels and production capacities in southern Vietnam and Cambodia will also be carefully planned to align with projected orders and changes in market sentiment. Furthermore, we will continue to invest in workforce upskilling and facility upgrades to meet the increasingly complex and versatile manufacturing demands of our enhanced product portfolio.

We remain committed to prioritizing these six strategic action areas to ensure our readiness to adapt to the fast-changing operating landscape:

Strengthen business momentum and revenue profile

In order to maintain business momentum in a challenging environment, we have continued to strengthen our partnerships with footwear brands by enhancing our value proposition. Emphasizing flexibility and reliability, we work constantly to provide value-added services and consistent quality with efficient turnaround times. Our differentiated manufacturing capabilities also enable us to offer customized production solutions that support the market development plans of both existing and new clients.

Aligning with our strategy of enhancing our product portfolio, our R&D facilities in Zhuhai, the Chinese mainland, have been relocated to existing premises on the southern Vietnam production site. These new R&D facilities have been ramped up and are ready to offer our clients a more efficient one-stop product development service. As part of our initiative to optimize our supply chain, we have also established outsole operations on the same production site.

On the business front, we are delighted with the progress we have made in our product development work, which has successfully introduced new brands to our portfolio. We are confident that our strong production capabilities will enable us to continue securing orders from both existing and new clients.

Capacity and capability planning

While prudently adjusting our capacity usage according to order projections, we remain committed to upgrading our capabilities that align with our strategy of pursuing value growth. In addition to replacing old machinery, we are also increasing automation at our facilities to further improve efficiency and quality consistency.

The current cross-location platform in southern Vietnam and Cambodia has proven effective in directing client orders to the appropriate site based on their specific requirements. We will continue to adjust manufacturing activities between the two sites and increase utilization of existing facilities to support the procurement plans of our branded clients.

Pursue operational excellence

We continuously review and optimize our supply chain management to meet customer demand in a timely and cost-effective manner, particularly amidst the prevailing trend of fast and small orders. To this end, we have conducted a comprehensive revamp of our manufacturing process to enhance the performance of our facilities and output quality. And in adapting to smaller order sizes, we have organized most of our production under concept lines to enable quick adjustments to work schedules.

To increase our order fulfillment ability, we are also constantly upgrading our Manufacturing Execution System (MES) to increase real-time visibility and control over the entire production lifecycle.

Mitigate cost inflation

We have proactively restructured our labor input and production cost components to better navigate the unfavorable business environment. In addition, we have implemented cost control initiatives across our operations, covering sales and marketing, administrative and other corporate functions, while upholding financial prudence by carefully managing capital expenditure.

Our lean manufacturing system also contributes to cost savings by minimizing wastage of time and resources. As we scale back moderately on our workforce, we have primarily reduced unskilled labor and focused our resources on further training skilled workers. This will enable us to achieve savings while better serving our enhanced product portfolio.

Talent development

We highly value our diverse staff team, which possesses a wide array of specialist skills across various business units. The team is dedicated to supporting clients as the Group seeks to consolidate its position as a world-class business aligned with the success of its clients. To attract and retain top talent, the Group offers competitive compensation packages, including share option and award schemes, as incentives and rewards for eligible participants contributing to the Group's achievements.

Our professional management team consistently exhibits commitment and resilience in addressing unprecedented challenges. Through their strong leadership and crisis management abilities, the Group has successfully navigated challenging operating conditions in recent years.

Furthermore, we place significant emphasis on localization for the long-term development of our manufacturing locations. Efforts have been focused on cultivating local leadership to enhance the performance of each business unit.

Resilience and sustainability

During challenging times, it is crucial to build up capital reserves to create a financial cushion to weather market adversity. We have therefore taken a prudent approach to cash flow management by delaying capital expenditures over the past two years. This strategy will not only help us maintain resilience but also position us to invest in new opportunities as they emerge.

On the other hand, sustainability remains a cornerstone of the Group's operations regardless of short-term market cycles. It not only meets the increasing demands from eco-conscious consumers, but also represents a fundamental culture that ensures long-term value creation for the Group and its stakeholders.

Sustainable manufacturing has become the keyword for the future of our industry and the well-being of generations to come. At Kingmaker, sustainable manufacturing is ingrained in both our daily standard procedures and new initiatives to reduce the carbon footprint of our production processes, while adhering to strict guidelines to safeguard employee, product, and community safety. These initiatives are overseen by a sustainability working group consisting of our executive directors, senior management, and heads of our production centers. Importantly, we foster a culture throughout our organization that prioritizes sustainability considerations in our business decisions.

Our sustainability missions are centered around four core areas: Planet, Progress, People, and Profits, aligning with three relevant targets under the United Nations (UN) Sustainability Development Goals (SDGs):

– 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

We acknowledge the urgent need for action on global climate change and other human well-being issues. Therefore, we are committed to collaborating closely with our stakeholders to attain our sustainability targets and contribute to these SDGs:

Goal 5: Gender Equality

Goal 8: Decent Work and Economic Growth

Goal 12: Responsible Consumption and Production

CONCLUDING REMARKS

Current macroeconomic challenges have tested our operating fundamentals and adaptability as we navigate multiple difficulties, all the while staying true to our commitment to delivering high-quality manufacturing services to our clients. Leveraging our robust manufacturing capabilities, our portfolio of world-leading branded footwear clients, and a dedicated staff team, we are resolute in our determination to overcome the short-term challenges that have emerged.

In terms of business development strategy, we are steadfast in our commitment to value-based growth, which has proven effective in enhancing our product portfolio. We are confident that our ongoing R&D efforts in this direction will yield positive results as the business environment improves. At the same time, with our cross-location production platform capable of fulfilling projected client needs, we have no immediate plans to expand production capacity or consider new locations.

Our manufacturing competences and healthy financial fundamentals stand as two pillars of strength that will support our journey to a more secure operating ground. As we work to reinforce these core strengths, we recognize that our people are at the heart of our competences. We are therefore committed to investing in their skillsets and overall development.

Subject to a comprehensive review of the investment property portfolio, which comprises unutilized factory premises and office assets, as well as industrial land the Group currently holds, we will consider various options including the disposal of some of the properties.

We also place great emphasis on corporate governance, and in this regard the independent non-executive directors ("**INEDs**") of our board (the "**Board**") of directors play an important role. They provide an external and independent view on our 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. As recommended by the nomination committee pursuant to the Group's nomination policy, the Board proposes to appoint a new INED with effect from the conclusion of the upcoming annual general meeting subject to the approval by the shareholders.

As we look forward to a more positive outlook in the second half of financial year 2025, we will continue to invest in our capabilities and infrastructure to prepare for business recovery opportunities on the horizon. We stand ready and remain confident in our ability to overcome future challenges and to drive long-term, sustainable growth.

APPRECIATION

I am honored to extend my heartfelt appreciation to my fellow directors, senior management, and staff members for their unwavering dedication. It is a privilege to lead such a talented and passionate team, and I am grateful for their valuable contributions. We deeply cherish our relationships with our business partners, clients, and shareholders. Thank you for your enduring support and trust in the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

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

Throughout the Year, the Group encountered adverse effects from weak retail sentiment in its export markets, mostly attributable to high interest rates and geopolitical instability. These negative external factors had a significant impact on the Group's performance, resulting in decreased revenue and diminished economies of scale.

The Group's efforts to enhance its product portfolio in pursuit of value growth were also hampered by lackluster demand from its branded clients. Meanwhile, the Group has to maintain a skilled workforce and invest in the necessary facility upgrades and automation to support the manufacturing of higher-value footwear products.

Given the subdued order pipeline, the Group has adjusted its workforce scale and enforced strict cost controls. However, the fixed manufacturing input costs have not fallen in line with the drop in turnover, putting pressure on the gross profit.

Despite these present challenges, the Group remains committed to prioritizing value over volume growth as a means to best utilize its advanced manufacturing capabilities and core competence.

Revenue

During the Year, revenue decreased by 35.1% year on year to approximately HK$689 million (2023: approximately HK$1,062 million) on a 33.4% decline in footwear business volume (pairs). Efforts to develop higher-value products yielded an enhanced mix of footwear models, but the overall price points in the market decreased amidst generally softening retail sales. The full-year average selling price ("ASP") rose by only 0.1% amidst lackluster demand.

Gross Profit

Gross profit decreased by 67.5% to approximately HK$29 million (2023: approximately HK$90 million) for the Year, with the gross profit margin moderating to approximately 4.2% (2023: approximately 8.4%). The decline was primarily attributed to:

(i) diminished economies of scale as a result of lower revenue; and

(ii) escalated cost-to-revenue ratios, as the fixed manufacturing cost items did not decrease proportionately with the revenue decline, including:

  (a) proportionate direct labor wages, which increased to 19.3% of revenue (2023: 17.5%) though direct wages decreased 28.1% to approximately HK$133 million (2023: approximately HK$185 million) on a slightly scaled back workforce; and

  (b) raw materials and related costs as a proportion of revenue due to the increased use of leather materials for higher-value items and R&D work.

Despite the challenging operating environment, the Group has diligently worked to manage its working capital cycle by controlling inventory levels and administrative costs.

Net Profit

Net profit attributable to equity holders of the Company fell by 62.1% to approximately HK$20 million (2023: approximately HK$53 million), after taking into account:

(i) a decrease in gross profit; and

(ii) reduced share of profit of associates of approximately HK$23.9 million (2023: approximately HK$32.5 million) contributed by the associate company operating in central Vietnam.

The profit decline was partially offset by:

(i) an increase in interest income; and

(ii) a reduced fair value loss of approximately HK$2.2 million (2023: loss of approximately HK$13.0 million) on revaluation of the Group's investment properties in Hong Kong and the Chinese mainland.

Basic earnings per share attributable to equity holders of the Company for the Year were approximately HK3.00 cents (2023: approximately HK7.92 cents).

Key Financial Ratios

The Group maintained healthy financial ratios during the Year:

- Debtors' turnover increased to 80 days (2023: 60 days);
- Creditors' turnover increased to 123 days (2023: 86 days);
- Stock turnover was 109 days (2023: 109 days);
- A healthy liquidity position with net cash in hand of approximately HK$416 million as at 31 March 2024 (2023: approximately HK$393 million);
- Zero gearing ratio (total bank borrowings to total equity) (2023: 0%); and
- Current and quick ratios were 3.2 and 2.8 respectively (2023: 2.8 and 2.2 respectively).

Final Dividend and Special Final Dividend

The Company continued to manage its working capital prudently, maintaining a stable financial position. In view of this and aiming to share the Company's results with its shareholders in celebration of the Group's 30th listing anniversary, the Board has resolved to declare a special final dividend of HK6.8 cents (2023: HK0.2 cent) per ordinary share in addition to a final dividend of HK0.2 cent (2023: HK2.0 cents) per ordinary share. Together with the interim dividend of HK1.5 cents per ordinary share and special interim dividend of HK0.5 cent per ordinary share, this brings total dividends for the Year to HK9.0 cents (2023: HK4.5 cents).

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

Macro Environment

Retail sales have remained weak throughout the Year, with declining demand undercutting production at factories. This subdued retail landscape has led branded clients to take a more conservative approach to procurement, bringing multiple challenges for manufacturers, including shorter production cycles, smaller order quantities, and generally lower price points.

Manufacturers have also faced increased pressure to rearrange their supply chains to meet the requirement for more frequent production line changes and tighter delivery schedules. In light of these ongoing operating difficulties, the Group has continued to maintain a strong financial position to ensure its delivery reliability and business resilience.

The Group has already taken steps to streamline its labor forces in Vietnam and Cambodia and adjust working hours according to forecasted orders. It also regularly reviews manufacturing processes to identify areas for further cost reduction or efficiency improvement. However, in order to maintain flexibility to accommodate incoming and potential orders, the Group needs to retain an experienced workforce in place and invest in upskilling and automating its facilities to meet more sophisticated requirements. This has inevitably led to higher cost-to-revenue ratios over the short term.

Despite the present challenges, the Group has continued to pursue new branded clients, including two fashion and activewear labels that were added to its customer portfolio during the Year. While the initial orders from these new labels may be small in scale, the Group is optimistic about their growth potential.

Manufacturing Business

Maintaining geographic diversity, the Group operates two core manufacturing sites in southern Vietnam and Cambodia, both equipped with R&D facilities. In addition, the Group holds a 40% interest in a joint-venture factory in central Vietnam. The R&D center in Zhuhai, the Chinese mainland, was relocated to southern Vietnam during the Year.

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 57.5% utilized (2023: 73.5%).

In southern Vietnam, the Group had 10 concept lines and 3 traditional lines in operation as at the Year-end date. Coupled with the 8 concept lines in operation in Cambodia, this robust and 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.

The geographical distribution of markets continued to be demand-led, while at the same time, the Group supports client initiatives to develop markets with promising prospects. During the Year, contribution from the United States generated 26.5% (2023: 37.3%) of the Group's revenue. Europe's proportionate contribution stood at 26.4% (2023: 22.5%), and shipments to other markets, including Asia and other areas, accounted for 47.1% (2023: 40.2%).

The rugged-shoe category remained the major revenue contributor during the Year, producing 78.6% (2023: 73.7%) of total revenue. The proportionate contribution by premium casual footwear remained relatively stable at 15.2% (2023: 15.4%). Revenue generated by babies' and children's footwear decreased proportionately to 6.2% (2023: 10.9%) in line with the business direction towards higher-value products.

Aligning with its strategy to prioritize value growth, the Group continues to focus on strategic client relationships and expansion of its portfolio. Major customers for the Year included Cat, Chaco, Dr. Martens, Merrell, and Wolverine, which in aggregate contributed 95.0% (2023: 95.3%) of total revenue. The Group also proactively develops business partnerships with brands that have a strong financial background and growth prospects. Two brands, Axion and Palladium, 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 encompasses facilities in operation and adjacent premises ready for equipment installation, as well as an additional site that is undergoing further planning.

This location contributed 47.3% (2023: 58.8%) of total volume output and was still the core center for 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, resulting in further cost savings and the promotion of sustainable manufacturing practices.

Cambodia

The Cambodia site has shown further progress in its proficiency in handling more complex production processes. With the support of branded clients, its proportionate contribution increased to 52.7% (2023: 41.2%) of total output in pairs during the Year.

The Group remains confident in the long-term potential of this center. To mitigate the effects of short-term order fluctuations, the center has implemented measures such as reorganizing work shifts and managing staff working hours.

Chinese Mainland

To better meet client requirements, the R&D center in Zhuhai, the Chinese mainland, was relocated to the southern Vietnam production site during the Year. This move aims to bring product development activities closer to the main production hub, offering a one-stop service to clients.

After the relocation, the vacated premises at the Zhuhai plant have been redesignated as investment properties. The Board will undertake a comprehensive review of the current leasing situation and tenant portfolio of the entire plant, carefully considering the sales and leasing potential of the premises.

Investments in Associates

The Group holds a 40% interest in an associate 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 site a solid capacity to meet more sophisticated production requirements. As at the Year-end date, the associate company operated a total of 39 production lines, designated for world-leading footwear brands Crocs and Columbia.

Despite the weak retail demand, the associate company achieved a revenue of approximately HK$1,024 million (2023: approximately HK$957 million), up by 7.0% year on year. It contributed a share of the profit of associates of approximately HK$23.9 million (2023: approximately HK$32.5 million) to the Group.

The joint-venture operation has demonstrated resilience in the face of multiple market challenges. However, due to continued uncertainty in the macroeconomic environment, it plans to adopt a more cautious approach towards capacity management and business development in the upcoming financial year. Nonetheless, the Board maintains confidence in the long-term prospects of this joint-venture operation in view of Evervan's strong background and expertise.

Investment Properties

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

The Board considers that the portfolio is presently producing a consistent stream of recurrent income, but stays alert to possible complications regarding tenants' rental payments should the business environment remain subdued. Over the past couple of years, Group has responded to initiatives from local governments in the Chinese mainland to support tenants during challenging business conditions by implementing more flexible rental payment arrangements with some of them.

The investment portfolio, except for the newly vacated factory space in Zhuhai, the Chinese mainland, has been fully leased out. During the Year, this portfolio of assets yielded gross rental income of approximately HK$27.8 million (2023: approximately HK$28.2 million).

The Board will continue to monitor the performance of the portfolio, and regularly examine the sales and leasing options available with a view to creating greater long-term value for shareholders.

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 2024, the Group's cash and cash equivalents were approximately HK$416 million (2023: approximately HK$393 million). As at 31 March 2024, the Group did not have any interest-bearing bank borrowings (2023: Nil). The Group's gearing ratio (total bank borrowings to total equity) was Nil (2023: Nil).

As at 31 March 2024, the Group had available banking facilities amounted to approximately HK$40 million (2023: approximately HK$40 million), of which Nil (2023: Nil) was utilized.

For the year ended 31 March 2024, the current ratio was approximately 3.2 (2023: approximately 2.8) based on current assets of approximately HK$721 million and current liabilities of approximately HK$226 million and the quick ratio was approximately 2.8 (2023: approximately 2.2).

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$1,173 million as at 31 March 2024 (2023: approximately HK$1,205 million).

Purchase, Redemption or Sale of Listed Securities

During the Year, the Company repurchased 194,000 of its ordinary shares of HK$0.10 each on the Stock Exchange at an aggregate consideration of approximately HK$153,000 excluding transaction cost and cancelled the repurchased shares subsequent to the year end date. 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	Lowest price per share	Aggregate consideration (excluding transaction cost)
		HK$	*HK$*	*HK$'000*
March 2024	194,000	0.80	0.79	153
Total	194,000			153

The premium paid on the repurchase of the shares of approximately HK$134,000 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 6,300 employees as at 31 March 2024. 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 4,066,000 shares on the market at a total consideration of approximately HK$3,583,000. 3,598,000 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 2024.

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 2024, 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 2024.

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 2024 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 2024 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 2024 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, 28 June 2024

As at the date of this announcement, the three executive directors of the Company are Mdm. HUANG Hsiu Duan, Helen, Mr. WONG Hei Chiu and Mr. Chen Yi Wu, Ares; three non-executive directors are Mr. CHAN Ho Man, Daniel, Mr. KIMMEL Phillip Brian and Dr. CHOW Wing Kin, Anthony; and three independent non-executive directors are Mr. TAM King Ching, Kenny, Ms. CHAN Mei Bo, Mabel and Mr. WONG Hin Wing.