



**WAH SUN HANDBAGS INTERNATIONAL HOLDINGS LIMITED**

**華新手袋國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code: 2683**



**2024/25**

**ANNUAL REPORT**



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ma Hing Man (*Chairman*)  
Mr. Ma Hing Ming (*Chief Executive Officer*)  
Ms. Ma Lan Chu  
Mr. Ma Yum Chee  
Ms. Ma Lan Heung

### Independent Non-executive Directors

Mr. Lam Kwok Cheong  
Mr. Wong Wai Keung Frederick  
Mr. Ho Lai Chuen

## BOARD COMMITTEES

### Audit Committee

Mr. Wong Wai Keung Frederick (*Chairman*)  
Mr. Lam Kwok Cheong  
Mr. Ho Lai Chuen

### Remuneration Committee

Mr. Lam Kwok Cheong (*Chairman*)  
Mr. Ma Hing Man  
Mr. Ma Hing Ming  
Mr. Wong Wai Keung Frederick  
Mr. Ho Lai Chuen

### Nomination Committee

Mr. Ho Lai Chuen (*Chairman*)  
Mr. Ma Hing Man  
Mr. Ma Hing Ming  
Mr. Lam Kwok Cheong  
Mr. Wong Wai Keung Frederick

### Risk Management Committee

Mr. Wong Wai Keung Frederick (*Chairman*)  
Mr. Lam Kwok Cheong  
Mr. Ho Lai Chuen

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 9, 6/F., Wah Yiu Industrial Centre  
30-32 Au Pui Wan Street  
Fo Tan, Shatin  
New Territories, Hong Kong

## COMPANY SECRETARY

Mr. Wong Man Hong

## AUTHORISED REPRESENTATIVES

Mr. Ma Hing Ming  
Mr. Wong Man Hong

## LEGAL ADVISER AS TO HONG KONG LAWS

Howse Williams  
27/F., Alexandra House  
18 Chater Road  
Central, Hong Kong



# Corporate Information

## INDEPENDENT AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and  
Registered Public Interest Entity Auditor  
22/F., Prince's Building  
Central, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F., 148 Electric Road  
North Point  
Hong Kong

## COMPANY'S WEBSITE

[www.wahsun.com.hk](http://www.wahsun.com.hk)

## PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited  
11<sup>th</sup> Floor  
The Center  
99 Queen's Road Central  
Hong Kong

Bank of China (Hong Kong) Limited  
14<sup>th</sup> Floor  
Bank of China Tower  
1 Garden Road  
Hong Kong

Dah Sing Bank Limited  
36<sup>th</sup> Floor  
Everbright Centre  
108 Gloucester Road  
Hong Kong

## LISTING INFORMATION

### Place of Listing

Main Board of The Stock Exchange of Hong Kong  
Limited

### Stock Code

2683

### Board Lot

2,000 shares







# *Chairman's Statement*

## Chairman's Statement



**Ma Hing Man**

*Chairman and Executive Director*





## Chairman's Statement

On behalf of the board of directors of Wah Sun Handbags International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, the “**Directors**” and the “**Board**”, respectively), I am pleased to present the audited consolidated financial statements of the Group for the year ended 31 March 2025 (“**the Year**” and the “**Consolidated Financial Statements**”, respectively).

The Group is a non-leather handbag original equipment manufacturer (“**OEM**”). The Group principally manufactures and trades handbag products. The shares of the Company (the “**Shares**”) in issue have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 22 January 2018 (the “**Listing**” and the “**Listing Date**”, respectively).



## BUSINESS REVIEW

During the Year, uncertainty regarding the economic outlook has persisted, fueled by slow global economic activity, tight financial conditions, and rising geopolitical tensions, which are expected to contribute to continued volatility this year. While inflation expectations have decreased across all regions, this is likely to lead to increased volatility in the global economy, a rise in localization, and a growing divergence between the Global North and South during this period. Additionally, the Russo-Ukrainian war has triggered a global energy crisis, causing a surge in raw material prices that has squeezed profits due to higher costs.



## Chairman's Statement

Major economies in the world have shown recovery and should further improve the overall sentiment. However, the downside risk has increased as the consumer market in the United States (the “US”), which accounted for more than 70% of the Group's total revenue, may be influenced by the increasing trend of interest rate and inflation rate in the US which may affect their purchasing power and consumer confidence in return.

Besides, the trade dispute between the People's Republic of China (the “PRC”, for the purpose of this report, excluding Hong Kong, Macao and Taiwan) and the US which has persisted with occasional confrontation flaring up.

In a volatile operating environment, the Group places great emphasis on sustainability and internal control of business operations, and spares no effort to disperse production risks. Against the backdrop of the increasing complexity of global competition and co-operation, the Kingdom of Cambodia (“Cambodia”) has continuously become one of the most highly sought-after production bases by global manufacturing enterprises due to its advantages in terms of population, labour costs and cultural standards, as well as the local government's commitment to ensuring stable operations for supply chain companies. The Group initiated its Cambodian production capacity plan as early as 2013.



Currently, the Cambodian production base accounts for approximately 90% of the Group's total production capacity, combining scale, power, agility and high quality output to effectively cater for the rapid recovery and the large number of orders from our customers in overseas markets. At the same time, the Cambodian base has also become a precious resource in the supply chain which brand partners are vying to secure, due to its improving core indicators of cost, efficiency and profitability.





## Chairman's Statement

The management of the Company (the “**Management**”) believes that Cambodia is still expected to remain as one of the preferred manufacturing locations for its customers due to its relatively low labour costs and relatively stable general political situation when compared with some of the other Southeast Asian countries. Besides, the Management considers that competition in the handbag OEM industry is based on various factors, including quality of products, product development and price. With the Group's experienced management team, long-standing history and good reputation in the industry, well-established quality control system and stable business relationships with its customers, the Management believes that the Group has a competitive advantage over its competitors.



Despite the drastic changes in the markets, the Management prudently and calmly confronted those challenges by swiftly modifying the operation strategies of the Group. During the Year, the revenue of the Group increased by approximately Hong Kong Dollars (“**HK\$**”) 129.7 million or 21.8% to HK\$724.1 million when compared with that for the year ended 31 March 2024 (the “**Year 2024**”). Profit attributable to owners of the Company increased by approximately HK\$35.8 million to approximately HK\$64.3 million from approximately HK\$28.5 million for Year 2024, which was mainly attributable to the continuing market recovery in North America. Cost optimization is one of the Group's key strategies to maintain considerable returns. Despite keener competition, the Group continuously upgrades itself to meet the higher requirements of both existing and new customers, which include sourcing high quality raw materials at competitive prices, upgrading production facilities, continuing to optimize and streamline production procedures to boost competitiveness and satisfying brand customers' demands. The Group has used its best endeavours to tap into new opportunities under a challenging business environment.





## Chairman's Statement

In April 2024, the Group has completed a connected transaction in relation to the acquisition of the office in Hong Kong (the “**Property**”) at a consideration of HK\$4,700,000 (the “**Acquisition**”). The Property was leased to the Group before the Acquisition with a term of one year which expired on 31 March 2024. The tenancy agreement was renewed on 18 March 2024 for a term from 1 April 2024 to 31 March 2025. Details of the Acquisition are set out in the announcements of the Company dated 25 March 2024 and 16 May 2024, respectively. The Management believed that the Acquisition would secure the continual use of the Property by the Group, while at the same time improve the operating cash flow of the Group in the long run by eliminating rental expenses for the continued leasing of the Property and enjoy potential capital appreciation in the future.

### INDUSTRY OVERVIEW

The global non-leather products market has witnessed strong growth owing to the rising awareness about animal cruelty and strict regulatory policies issued by the government and regulatory authorities.

Non-leather products refer to products that are not made of animal leather materials, such as synthetic leather, leatherette, vegan leather and PU leather. Non-leather products are basically cruelty-free products prepared with various chemicals using different industrial processes and may incorporate synthetic leather and vegan leather, which are made from backcloth, cork, recycled ultra-suede, glazed cotton, paper, PET, and polyurethane. These non-leather materials including artificial leather are essentially promoted to improve animal safety and eliminate animal cruelty, and are more affordable than their leather counterparts.

In respect of industry development, modern consumers seek handbags that not only offer aesthetic appeal and brand prestige but also practicality and functionality. Many brands strive to integrate fashion-forward designs with practical features, such as multiple compartments, adjustable straps, and internal organisation. In addition, the increasing preference for sustainable and eco-friendly handbags among customers is offering strong growth opportunities in the market. Handbag manufacturers/brands may offer products made with vegan leather, plant-based and upcycled materials, and sustainable materials. Furthermore, with the increased spending on goods through online platforms triggered by a shift in consumer habits in recent years, the market has been experiencing significant growth. Startup e-retailers and e-commerce websites have gained more traction owing to festive/seasonal sales and discounted prices, convenience, and the availability of an extensive range of products on websites. Nevertheless, physical stores still play a significant role, offering customers the opportunity to touch and try on products. The handbag industry is a constantly evolving market, and trends may vary over time, seasons, and other factors.

In department stores, consumers can enjoy one-stop shopping for a wide range of clothing and accessories, including watches, jewelry, and handbags. This significantly accelerates the growth of the department store segment. Additionally, the regular discounts and coupons offered by these stores may encourage people to buy consumer goods, thereby supporting the demand for handbag products. Numerous large retailers are associated with clothing and accessories, generating substantial revenue from these items.

## Chairman's Statement

The handbag market is currently experiencing significant growth, particularly in the middle-range price bracket. This increase highlights the rising popularity of accessible fashion, with established brands leading the charge. The post-pandemic landscape has seen a resurgence in demand, prompting both established and new brands to re-enter this lucrative category, recognizing its potential for expansion.

Additionally, the segment of middle-range priced handbags is witnessing remarkable growth, driven by innovative brands that are redefining luxury with stylish yet affordable designs. This shift reflects a broader trend toward the democratization of luxury fashion, influenced by a rising middle class and the entry of younger consumers into the market. As shoppers become increasingly quality-conscious, they are drawn to products that offer both style and value.

Totes have solidified their position as the top-selling handbag style, remaining popular due to their practicality and versatility. The rise of remote work has fueled demand for larger, multifunctional bags that can accommodate work essentials while remaining stylish for social outings. Although there has been slight market saturation in tote styles, they continue to dominate consumer preferences, with other styles like shoulder bags and backpacks also gaining traction.

In North America, the accessible luxury segment is particularly strong, reflecting a response to inflation and the cost of living. Conversely, the Asia-Pacific region shows a higher interest in lower-priced handbags, indicating that consumers are actively seeking quality options at more affordable price points, while premium brands are introducing entry-level products to attract this demographic. This evolving landscape presents exciting opportunities for brands to innovate and cater to diverse consumer needs.

Handbags can be described as a fashion accessory that is used, primarily by women, to hold essential personal utility products. Available in a wide variety of sizes, patterns and colors, handbags are usually manufactured by stitching multiple pieces of cloth or leather together. Shoulder, satchel, handheld and sling bags are the most common types of handbags available in the market. Nowadays, gender-neutral bags are also being widely preferred by consumers of all age groups.

### PROSPECTS

Looking ahead to the upcoming financial years, the increase in complicated and unpredictable geopolitics and related uncertainty may continue to shadow the outlook of the global economy, the downside risk is increased because of the trade dispute between the PRC and the US which has persisted with occasional confrontation flaring up, which will further undermine investment and consumer confidence. Although the global economy has improved steadily and consumption is expected to gradually recover, the external economic situation has not seen a rebound.

The US, where approximately 75% of the Group's overall revenue for the Year was generated from, has recently implemented tariffs as high as 49% on Cambodian imports under the Trump administration's new "reciprocal tariff" policy targeting nations with alleged significant trade violations. This measure has profoundly affected Cambodia's labor-intensive sectors, particularly apparel and footwear manufacturing where numerous American brands maintain production facilities. While experiencing some order disruptions, we remain cautiously optimistic that this may prompt constructive reassessment of bilateral trade relations.



## Chairman's Statement

Subsequently, the Trump administration declared a 90-day suspension of these elevated tariffs for select countries including Cambodia. During this interim period, a reduced 10% tariff rate will be in effect, creating negotiation space for both parties. This grace period affords Cambodia a strategic window to pursue diplomatic consultations for more advantageous trade terms.

In an effort to further improve bilateral relations, the Prime Minister of Cambodia has proactively reduced import tariffs on 19 categories of American goods from a maximum of 35% to 5%. This move demonstrates a commitment to enhancing cooperation and dialogue. Although the US has not yet made significant concessions, the ongoing negotiations hold potential for mutually beneficial outcomes.

Despite the uncertainties as to the ultimate outcome of the proposed tariffs on Cambodian exports to the US which, if fully implemented, may impact on the business of the Group and while some factory operators are considering adjustments to their operations, we believe that the resilience of Cambodian manufacturing, coupled with ongoing efforts to strengthen trade relationships, will provide opportunities for recovery and growth. We remain committed to monitoring these developments closely and adapting our strategies to navigate the evolving landscape effectively. While the Group expects to continue to face pricing competition from other operators with factories in Southeast Asia, the Group will continue to leverage on our economies of scales and further enhance its manufacturing efficiency and production flexibility, new revenue streams and balanced growth to bring sustainable returns to the Shareholders.

As of the date of this report, our Group has not experienced any significant impact from the tariff disputes, as our sales performance remains robust and outpaced those for the Year. We will continue to leverage on our longstanding relationships with our local suppliers and maintain a flexible operational model to mitigate risks and seize new opportunities that may arise from the changing trade landscape.

The Board would also like to express our profound gratitude to our colleagues for their dedication under these extraordinary circumstances, and to our customers, Shareholders, suppliers, and partners for their loyalty, support, and commitment to us.

**Ma Hing Man**

*Chairman and Executive Director*

Hong Kong, 23 June 2025

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue is generated principally from the manufacturing and sales of handbags, net of returns and discounts and derived from a single segment with different production bases. The Group's revenue increased to approximately HK\$724.1 million for the Year from approximately HK\$594.4 million for Year 2024, representing an increase of approximately 21.8%. The Group recorded an increase in revenue from customers in the US by approximately HK\$57.1 million from approximately HK\$485.6 million for Year 2024 to approximately HK\$542.6 million for the Year. Such increase was mainly due to the continuing orders placed by our existing and new customers as reported in the six months ended 30 September 2024 which continued into the second half of the Year. Moreover, orders from existing customers from Europe, particularly from the Netherlands, which rose from approximately HK\$10.7 million in Year 2024 to approximately HK\$36.6 million for the Year.

Revenue generated by sales of products manufactured in Cambodia and Dongguan, the PRC (including products manufactured by the Group's sub-contractors at their own manufacturing facilities in the PRC) are set out below:

	Year ended 31 March			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Cambodia	655,754	90.6	557,516	93.8
Dongguan, the PRC	68,344	9.4	36,891	6.2
	724,098	100	594,407	100

The Group's strategy is to strengthen its customer base by continuing to grow its business with existing customers and capturing greater market share in different markets through sourcing new customers. The Group's sales to its top five customers accounted for approximately 88.6% of its total revenue for the Year, with sales to the single largest customer accounting for approximately 25.6% of its total revenue for the Year.

The Group has continued to solidify its reputation for high quality products and demonstrated its strong abilities to solicit new customers such as well-known multinational fashion brands over the years.

The following table sets forth the total revenue, the respective quantities sold and the respective average selling price for the years indicated:

	Year ended 31 March	
	2025	2024
Revenue (HK\$'000)	724,098	594,407
Quantities sold (Unit'000)	9,488	8,123
Average selling price (HK\$/Unit)	76.3	73.2

The increase in average selling price was due to different complexity of products sold which affected the selling price of the Group's products.



# Management Discussion and Analysis

## Cost of sales

The Group's cost of sales primarily consisted of (i) costs of raw materials consumed; (ii) labour costs; (iii) sub-contracting charges; and (iv) others, which increased to approximately HK\$564.5 million for the Year from approximately HK\$489.4 million for Year 2024, representing an increase of approximately 15.3%. The increase in terms of percentage of the Group's cost of sales was less than that of the sales increase compared to Year 2024, mainly due to continuing implementation of certain stringent cost control measures which successfully reduced the base production operating costs of the Group.

## Gross profit and gross profit margin

With the contributing factors as mentioned above, the Group's gross profit increased to approximately HK\$159.6 million for the Year from approximately HK\$105.0 million for Year 2024, representing an increase of approximately 52.0%, and the Group's gross profit margin increased to approximately 22.0% for the Year from approximately 17.7% for Year 2024, representing an increase of approximately 4.3%.

## Other gains, net

The Group's other gains for the Year primarily consisted of (i) net exchange gains of approximately HK\$2.8 million (Year 2024: approximately HK\$3.2 million) mainly arising from the depreciation of Renminbi ("RMB") against Hong Kong dollars ("HK\$"); and (ii) gain on sales of scrap materials of approximately HK\$0.3 million (Year 2024: approximately HK\$0.2 million).

## Selling and distribution expenses

The Group's selling and distribution expenses primarily consisted of transportation, customs charges, product testing and inspection fees, which increased to approximately HK\$30.9 million for the Year from approximately HK\$24.9 million for Year 2024, representing an increase of approximately 24.1%. The increase was primarily due to the increase in transportation and customs charges, which was mainly because of the increase in the level of sales activity.

## Administrative expenses

The Group's administrative expenses primarily consisted of employee benefit expenses, operating lease rentals mainly for office, entertainment and travelling expenses, legal and professional fees and other miscellaneous general and administrative expenses, which increased to approximately HK\$54.5 million for the Year from approximately HK\$50.9 million for Year 2024, representing an increase of approximately 6.9%, mainly due to the increase in the employee benefit expenses.

## Reversal of provision for/provision for impairment of trade receivables

As at 31 March 2025, the Group assessed the recoverability of trade receivables under the impairment model of Hong Kong Financial Reporting Standard ("HKFRS") 9 and considered whether there was any increase in credit risk of each individual receivable balance. The assessment took into consideration of ageing of trade receivables, repayment history, payment profile and credit profile of the respective customers. The Group also assessed a forward-looking element which its customers would likely be exposed to under the macro-economic environment.

Based on the latest information made available to the Board as at the date of this report, the reversal of trade receivables, determined by way of the expected credit loss model, of approximately HK\$38,000 has been reversed and credited to the consolidated income statement of the Group as an income for the Year (Year 2024: provision for HK\$2.7 million).

# Management Discussion and Analysis

## Finance income, net

The Group's net finance income increased by approximately HK\$1.9 million to approximately HK\$0.9 million for the Year (2024: net finance costs of approximately HK\$1.1 million).

The increase was mainly due to the increase in the interest income on bank deposits and decrease in interest expenses on bills payable for the Year.

## Income tax expenses

The Group's income tax expenses increased by approximately HK\$10.0 million or approximately 174.9% from HK\$5.7 million for Year 2024 to approximately HK\$15.7 million for the Year. The increase was mainly due to the increase in assessable profit for the Year.

## Profit for the year

As a result of the foregoing, the Group's net profit for the Year increased by approximately HK\$39.6 million or approximately 145.5% to approximately HK\$66.8 million for the Year from approximately HK\$27.2 million for Year 2024.

The Group's net profit margin increased from approximately 4.6% for Year 2024 to approximately 9.2% for the Year, which was mainly due to the net effect of the increase in gross profit margin, the increase in selling and distribution expenses and the increase in income tax expense for the Year.

## FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

### Borrowings and pledge of assets

As at 31 March 2025, the Group had no bank borrowings (31 March 2024: Nil).

Banking facilities were secured by bank deposits of approximately HK\$25.9 million as at 31 March 2025 (31 March 2024: approximately HK\$25.1 million).

### Treasury policies

The Group maintained a strong liquidity position during the Year by implementing cautious financial management practices for its treasury policies. In order to control liquidity risk, the Board keeps a careful eye on the Group's liquidity situation to make sure that the Group's assets, liabilities, and other commitments have enough liquidity to cover its periodic funding needs.

In order to continue financing its business for the foreseeable future, the Group seeks to preserve funding flexibility by maintaining adequate bank balances, committed credit lines, and interest-bearing borrowings.

### Foreign currency exposure

The Group mainly operates in Hong Kong, Cambodia and the PRC with most of its transactions settled in HK\$, US\$ and RMB. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective entity's functional currency.

As HK\$ is pegged to US\$, Management considers that the foreign exchange risk on US\$ to the Group is minimal. The Group's exposure to foreign exchange risk is primarily with respect to RMB.



# Management Discussion and Analysis

During the Year, foreign exchange risks on financial assets and liabilities denominated in other currencies were insignificant to the Group, and therefore, the Group did not have any hedging activities.

The Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when and if applicable.

## Working capital management

The Group is committed to maintaining a sound financial policy and continues to improve its operational efficiency in order to improve the healthiness of its working capital. The Group generally funded its working capital requirements for the Year primarily through net cash generated from the operating activities and bank borrowings. The Group also ensures that it has sufficient funds to meet its existing and future cash requirements while providing a sustainable and stable dividend return to the Shareholders.

## Liquidity ratios

As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$188.8 million (31 March 2024: approximately HK\$141.1 million). The cash and cash equivalents are denominated in HK\$, US\$ and RMB. The Group's current ratio, gearing ratio and net debt to equity ratios are as follows:

	As at 31 March 2025	2024
Current ratio	3.2	3.1
Gearing ratio	N/A	N/A
Net debt to equity ratio	Net cash	Net cash

Current ratios are calculated based on the total current assets divided by the total current liabilities as at the respective dates.

Gearing ratios are calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%.

Net debt to equity ratios are calculated based on the net debts (being the total borrowing net of cash and cash equivalents) divided by the total equity as at the respective dates.

The Group maintained a net cash position and healthy current and gearing ratios for the Year, reflecting its healthy financial position.

## Environmental policy

The Group understands that its business has an impact on the environment and recognises the importance of sound environmental management practices and sustainable business operations. Committed to meeting all environmental standards and policies, there was no material incidence of non-compliance with the relevant environmental laws and regulations throughout the Year that had a significant impact on the Group. The Group's environmental, social and governance ("ESG") strategies are built on the core principle and practical objective of "Safety, Quality and Environmental Sustainability", providing ESG management guidelines for daily operations. ESG policies and strategies will be reviewed on a regular basis to ensure that their contents are appropriate and applicable to the business of the Group.

# Management Discussion and Analysis

To understand more about our progress on ESG initiatives, please refer to our ESG report, which is published on the websites of both the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.wahsun.com.hk](http://www.wahsun.com.hk) together with this report.

## Employees and remuneration policy

As at 31 March 2025, the Group employed a total of 4,586 employees (31 March 2024: 4,273 employees). It is the policy of the Group to provide a regular review on its employees' salary levels, performance bonus system and other benefits and welfare (including social insurance coverage and sponsored training) to ensure that their remuneration package is competitive within the relevant industry. During the Year, staff costs (including Directors' emoluments) amounted to approximately HK\$177.9 million (Year 2024: approximately HK\$149.4 million).

In order to provide incentive or reward to eligible persons for their contributions to the Group and enable the Group to recruit and retain human resources valuable to the Group, the Company adopted a share option scheme (the "**Share Option Scheme**") on 2 January 2018 (the "**Adoption Date**"), under which it may grant options to eligible persons. The Group also provides and arranges on-the-job training for the employees.

## Significant investments/material acquisitions and disposals

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year.

## Future plans for material investments or capital assets

The Group did not have plans for material investments and capital assets as at 31 March 2025.

## Capital commitments

As at 31 March 2025, the Group had no material capital expenditure contracted for but not yet incurred (31 March 2024: Nil) in respect of acquisition of property, plant and equipment.

Details of the capital commitments as at 31 March 2025 and as at 31 March 2024 are set out in Note 27 to the consolidated financial statements.

## Contingent liabilities

As at 31 March 2025, the Group did not have any significant contingent liabilities (31 March 2024: Nil).

## Important event after the reporting period

There has been no important event which affects the Company and its subsidiaries occurring after the reporting period and up to the date of this report.

## Dividends

The Board has resolved to recommend the payment of a final dividend of HK4.0 cents per Share (Year 2024: HK2.0 cents per Share) and a special dividend of HK2.0 cents per Share (Year 2024: HK1.0 cent per Share) for the Year.



# General Overview of the Country of Cambodia

## 1. OVERVIEW OF CAMBODIA'S POLITICAL ENVIRONMENT

### Government

Cambodia's 1993 constitution set the framework for its national politics. The government operates as a representative parliamentary democracy under a constitutional monarchy. The King of Cambodia (currently Norodom Sihamoni) is the head of the state while the Prime Minister is the head of the government. The Prime Minister is appointed by the King, on the advice and with the approval of the National Assembly. The Prime Minister and the ministerial appointees exercise executive power granted by the king and the National Assembly. Prior Prime Minister Hun Sen had been the Prime Minister of Cambodia from 1985 to 2023. His son, Hun Manet, has taken up the Prime Minister of Cambodia since 2023.

Legislative power is shared between the Executive and the Bicameral Parliament of Cambodia (saphea damnang reastr), which consists of a Lower House, the National Assembly (rotsaphea) and an Upper House, the Senate (protsaphea). The 123 members of the Assembly are elected through a proportional representation system and serve for a maximum term of five years. The Senate consists of 61 seats, two of which are appointed by the King and two others by the National Assembly. Commune councilors elected the remaining positions from 24 provinces of Cambodia. Senators serve a six-year term.

The King Norodom Sihamoni was elected by a special nine-member Royal Throne Council. The process was part of a hasty selection put together after the abdication of King Norodom Sihanouk the week before. The selection of Sihamoni was endorsed by Prime Minister Hun Sen and National Assembly spokesperson Prince Norodom Ranariddh (the king's half-brother and current chief advisor), both are members of the Royal Throne Council.

The country remains a one-party state dominated by the Cambodian People's Party ("CPP") and Prime Minister Hun Sen, a recast Khmer Rouge official in power since 1985. The open doors to new investment during his reign was yielded the most access to a coterie of cronies of his and his wife, Bun Rany. The Cambodia government has been a vaguely communist free-market state with a relatively authoritarian coalition ruling over a superficial democracy.

According to Human Rights Watch, the Cambodian People's Party is the sole dominant-party in Cambodia. In the 2023 election, the CPP takes all 120 seats in the National Assembly and on 26 July 2023, prior Prime Minister Hun Sen announced that he would be stepping down following the formation of a new government, with his son Hun Manet taking over.

### Political Culture

According to Transparency International, the Corruption Perception Index of Cambodia stayed at 21 in 2024, which is a low score to reflect the corruption issue in the country. Therefore, investors are expected to face corruption issues while doing business in Cambodia despite the Anti-Corruption Law enacted in 2010 that indicates that the government is trying to deal with the issue.

# General Overview of the Country of Cambodia

## Foreign Relations

### *The European Union (“EU”)'s threatened trade sanctions*

The EU is Cambodia's fourth biggest trade partner (after China 25.8%, USA 19.3%, and Vietnam 13.9%), accounting for 8.2% of its total exports in 2023. Total trade reached EUR5.8 billion in 2023 between Cambodia and the EU. The majority of Cambodian exports to the EU consist of textiles and textile articles (67.6%), which are followed by footwear, hats and other headgear (13.4%), transport equipment (6.6%) and raw hides and skins, and saddlery (4.5%) in 2023.

On 12 February 2020, the European Commission (“EC”) decided to withdraw part of the tariff preferences granted to Cambodia under the EU's Everything But Arms’ (“EBA”) trade scheme. According to the EC, in order to mitigate the negative impact on Cambodia's overall industrial development, bicycles and garment products with higher added value will still enjoy the preferential tariff treatment.

On 12 August 2020, the EU announced that the EU decision to partially withdraw Cambodia's duty-free quota-free access to the EU market took effect. The withdrawal of preferential access to the EU market concerns approximately 20% of Cambodia's exports to the EU. Cambodia may still export those products to the EU but they will be subject to general tariffs applicable to any other member of the World Trade Organization. The remaining 80% of Cambodia's exports continue to enjoy preferential (duty-free, quota-free) access to the EU market.

### *US GSP*

According to the United States Census Bureau, exports to Cambodia in 2024 amounted to approximately US\$321.6 million. For the import, the goods from Cambodia totalled US\$12.7 billion in 2024. The goods trade deficit with Cambodia was US\$12.3 billion in 2024.

### *US Reciprocal Tariff*

As at 2 April 2025, the US has announced the new tariff policy to numerous of countries known as the Reciprocal Tariff and Cambodia got hit with the second high tariff rate at 49%. Only the following goods will not be subject to the Reciprocal Tariff: (1) articles subject to 50 USC 1702(b); (2) steel/aluminum articles and autos/auto parts already subject to Section 232 tariffs; (3) copper, pharmaceuticals, semiconductors, and lumber articles; (4) all articles that may become subject to future Section 232 tariffs; (5) bullion; and (6) energy and other certain minerals that are not available in the United States. As at 9 April 2025, the US has announced to suspend Reciprocal Tariff policy for a period of 90 days, except with respect to China. Starting from 12 May, all Cambodian goods exported to the US must have a Certificate of Origin, which will be issued by the General Department of Trade Services under the Ministry of Commerce.

### *Developing Countries Trading Scheme (the “DCTS”) of The United Kingdom of Great Britain and Northern Ireland (the “UK”)*

According to the UK government, the UK's DCTS entered into force on 19 June 2023 and replaced the UK's current Generalised Scheme of Preferences (GSP). Cambodia is listed as one of the beneficiary countries. Cambodia benefits from the UK's DCTS which grants exports tariff-free and quota-free access to the UK market.



# General Overview of the Country of Cambodia

## ***Belt and Road Initiative (“BRI”)***

According to Nikkei Asian Review, Cambodia is an essential ally of China in Southeast Asia and also a primary beneficiary of Beijing’s BRI. The country has received from China billions of US dollars in financial aid and low interest loans for her infrastructure projects such as railways, dams, and roads.

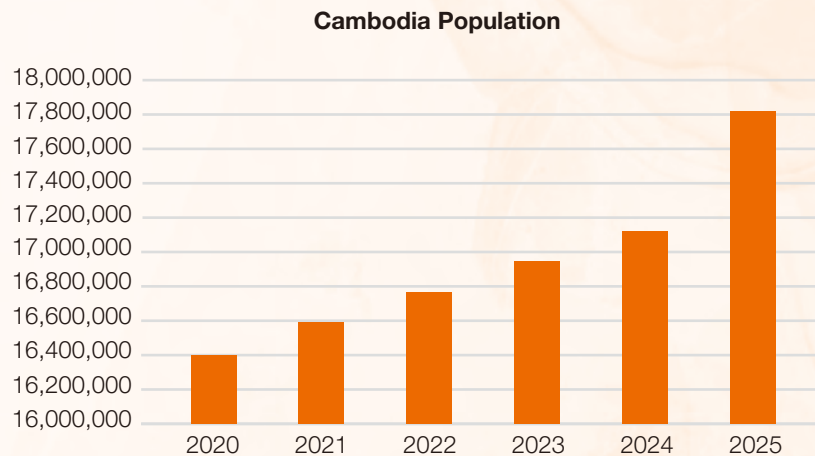
The Special Economic Zone (“SEZ”) will provide companies with ready access to land, infrastructure, and other services to help them set up and operate businesses. The SEZ has been playing an important role to strengthen Cambodia-China collaboration under the framework of the BRI. In the future, the Cambodian government hopes this SEZ will further develop and generate more jobs for Cambodian workers so that the living conditions of workers in this region will be improved.

Cambodia does not only depend on China, but also formulated initiatives with the US to develop an open and free Indo-Pacific region, which was widely seen as a counterweight to the BRI. The Cambodian government believes that these endeavors should be aligned so as to create a win-win package for the region. However, China and the US have been engaged in a trade war since 2018, which posted a big challenge to Cambodia.

# General Overview of the Country of Cambodia

## 2. OVERVIEW OF SOCIAL ENVIRONMENT

### Demography

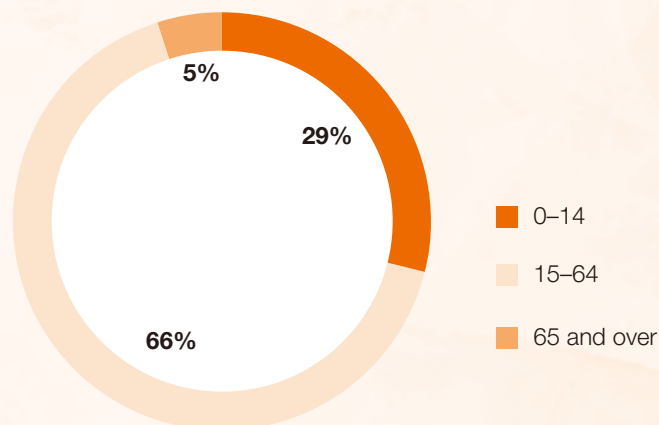


Source: Worldometers

The population of Cambodia reached over 17.82 million in May 2025, which has been rising gradually since 2020 with a Compound Annual Growth Rate (“CAGR”) of about 1.39%.

### The Age Distribution

**The Age Distribution of Cambodia in 2025 (Estimated)**



Source: CIA World Factbook

In 2024, Cambodia has a relatively large labour force with those aged under 15–64 making up to 66% of the population.



# General Overview of the Country of Cambodia

## The Ratio of Gender Population

Year	2018	2019	2020	2021	2023
Gender Population Ratio (Female)	48.87%	51.10%	51.06%	51.03%	51.10%
Gender Population Ratio (Male)	51.13%	48.90%	48.94%	48.97%	48.90%

Note: Figures of 2022 and 2024 are currently not available as at the report date

Source: Statistical Year Book 2021 and National Institute of Statistic of Cambodia

The gender composition of the population of Cambodia remains pretty much unchanged from 2018 to 2023. The number of females has slightly exceeded that of males since 2019.

## Net Enrolment Rate in Education Segment

Year	2018	2019	2020	2021	2022	CAGR (2018–2020/ 2022)
Net Enrolment Rate in Pre-Primary School	22.8%	24.0%	26.4%	–	–	7.61%
Net Enrolment Rate in Primary School	90.3%	90.2%	88.8%	–	–	-0.83%
Gross Enrolment Rate in Tertiary Education	12.2%	11.9%	12.9%	13.0%	15.1%	5.48%

Note: Figures of 2021 and 2024 are currently not available as at the report date

Source: United Nations Educational, Scientific and Cultural Organization

The net enrolment rate in pre-primary school increased from 22.8% in 2018 to 26.4% in 2020. As a whole, it showed an upward trend with a CAGR of 7.61%. However, the net enrolment rate in primary school decreased from 90.3% in 2018 to 88.8% in 2020. Overall, it fell slightly with a CAGR of -0.83%. On the other hand, the gross enrolment rate in tertiary education slightly increased from 12.2% in 2018 to 15.1% in 2022 with a CAGR 5.48%.

## Literacy Rate

Year	2015	2016	2017	2019/2020	2021	CAGR (2015–2021)
Literacy Rate (15 or above) %	80.5%	84.4%	82.5%	81.9%	84.7%	1.28%

Note: Figures of 2018 are not available and figures of 2019 and 2020 are combined together according to the Report of Cambodia Socio-Economic Survey 2021 and figure of 2022 to 2024 are currently not available as at the report date

Source: National Institute of Statistic of Cambodia

Throughout 2015 to 2021, the literacy rate of Cambodia between the ages of 15 or above keep at a steady rate at about 80%.

# General Overview of the Country of Cambodia

## 3. OVERVIEW OF THE INVESTMENT ENVIRONMENT

### Foreign Direct Investment

According to the Bank of Santander, sound macroeconomic policies, political stability, regional economic growth, and an open investment market have been contributing to the dramatic growth of Cambodia's Foreign Direct Investment ("FDI") in the past few years. The investment amount slightly increased from US\$3.5 billion in 2021 to US\$3.6 billion in 2022. As reported by United Nations Conference on Trade and Development, the total FDI stock amount reached US\$44.5 billion in 2022. China, South Korea, Vietnam, Japan and Singapore are the leading FDI investors.

The construction industry draws the largest portion from foreign investors, followed by infrastructure, industry (primarily textiles), agriculture and tourism. China invested in the new railway project from Phnom Penh to Siem Reap and the Vietnamese border. Moreover, China pledged to develop economic and technical cooperation and to expand the area of Preah Ket Mealea Military Hospital in Phnom Penh with a grant of US\$65 million. Besides, a US\$1.9 billion project, 190 km Phnom Penh-Sihanoukville highway is completed in 2023 under a build-operate-transfer contract by China Road and Bridge Corporation.

The 246-megawatt Stung Tatay Hydropower dam located in the Thma Bang District of Koh Kong province has been funded by a US\$540 million loan from China Export-import Bank and the dam was inaugurated in December 2015. Since operationalization, the dam's three generators have an annual production capacity of 849 gigawatt hours ("GWh"). This represented almost 24 percent of Cambodia's total hydropower generation (3,493 GWh) and ten percent of Cambodia's total domestic electricity production (8,513 GWh) in 2020. The Cambodian government applauded the project for the local jobs and economic advancement it provided, in addition to flood protection, energy security, affordability, and reliability. Cambodia has opened a liberal foreign investment regime to attract more foreign investments. The enticements to investors include corporate tax holidays, 100% foreign ownership of companies, a 20% corporate tax rate after the incentive period ends, no restrictions on capital repatriation and duty-free import of capital goods.

The Phnom Penh-Bavet Expressway Project, largely funded and constructed by China Road and Bridge Corporation, represents one of Cambodia's largest infrastructure investments between 2023 and 2027, with an estimated cost of approximately USD1.6 billion. This expressway aims to significantly improve economic connectivity by linking Cambodia's capital, Phnom Penh, directly to Bavet City on the border with Vietnam. The project is strategically important as it is expected to stimulate trade, logistics, tourism, and regional economic integration, easing transport congestion on existing roads, reducing travel times, and enhancing safety. Upon completion, it will become part of a broader vision for improved regional infrastructure, aligning closely with Cambodia's efforts to modernize its transportation network.

Ford Motor Company from the United States, in collaboration with the RMA Group, announced an investment of approximately USD21 million to establish a motor vehicle assembly plant in Pursat Province, Cambodia. Operational since 2022–2023, this automotive plant is assembling Ford vehicles tailored for both local and regional markets. This investment is notable as it signals growing international confidence in Cambodia's manufacturing industry, enhancing the country's automotive capabilities, creating local employment opportunities, and fostering technical skill development. The presence of a globally recognized automotive brand like Ford also positions Cambodia to attract further manufacturing investments, strengthening its broader industrial base and economic diversification objectives.



# General Overview of the Country of Cambodia

## Committed Investment



Note: Figure of 2024 is currently not available as at the report date

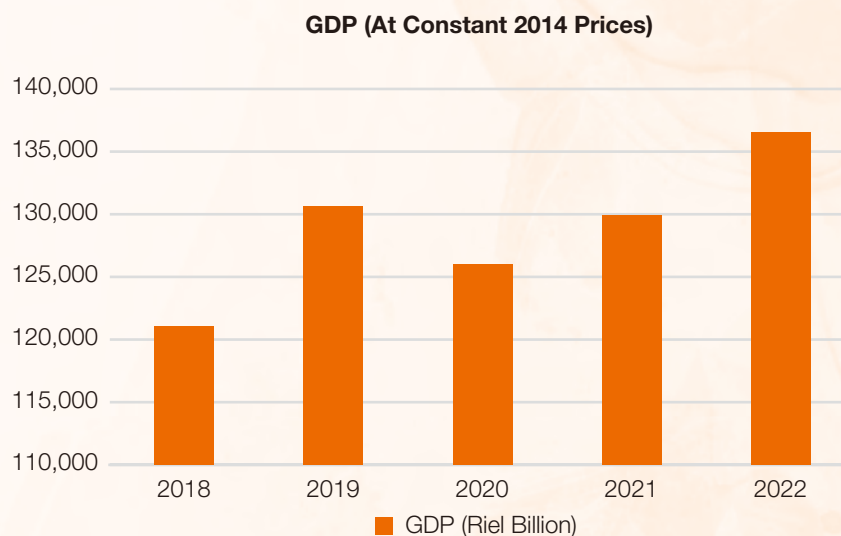
Source: The Council for the Development of Cambodia

According to the Council for the Development of Cambodia, China remains the top foreign investor in Cambodia, particularly in infrastructure, real estate, manufacturing, and energy sectors. Investments from Korea and Japan have steadily increased, particularly in manufacturing, electronics, automotive components, and agro-processing sectors. Thailand, Singapore, and Vietnam continue significant investments in logistics, real estate, retail, and agriculture. The EU and US show consistent interest primarily in manufacturing, automotive assembly, electronics, and renewable energy projects.

# General Overview of the Country of Cambodia

## 4. OVERVIEW OF CAMBODIA'S ECONOMY

### Gross Domestic Product ("GDP")



*Note:* Figures of 2023 and 2024 are currently not available as at the report date

*Source:* National Bank of Cambodia

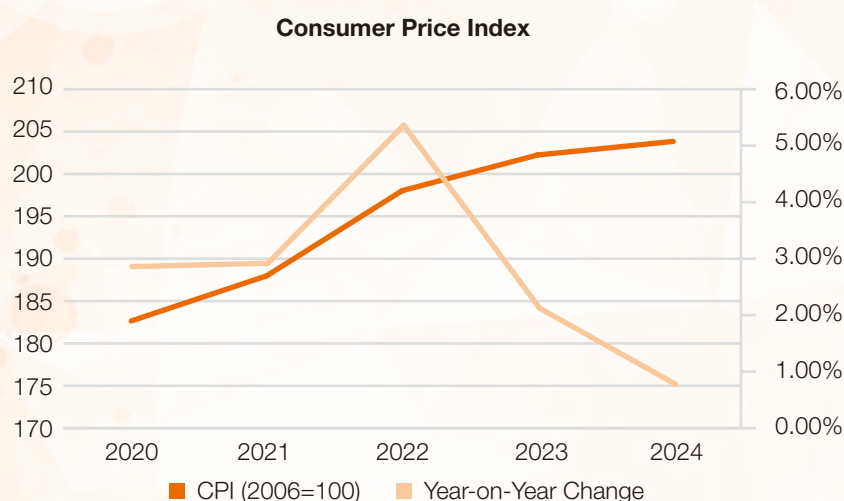
During the period from 2018 to 2022, Cambodia's GDP grew between -3.6% to 7.9%.

The GDP of Cambodia dropped by 3.6% in 2020 and the CAGR of 2018 to 2022 is 3.06%. The negative growth in 2020 is possibly attributed to the COVID-19 induced global crisis. It is expected that the global economy activities will reactivate and a strong GDP growth in Cambodia will resume in 2022 as the Cambodia government removes most of the unnecessary COVID-19 quarantine policy to reopen the country to the world.



# General Overview of the Country of Cambodia

## Consumer Price Index ("CPI")



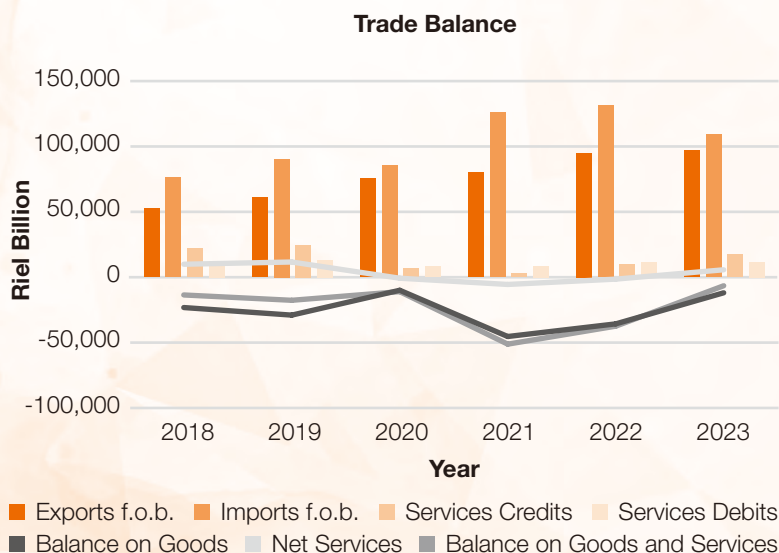
Source: National Institute of Statistics of Cambodia

The CPI of Cambodia increased from 182.65 in 2020 to 203.84 in 2024 at a CAGR of 2.78%. The CAGR of the CPI stayed between 0.79% and 5.35% from 2020 to 2024 as illustrated by the graph above.

## Exchange Rate

Since 2011, US\$ against KHR, the legal currency of Cambodia ("KHR"), has been floating between a narrow range of US\$1:KHR3,900 to US\$1:KHR4,100. Unlike other countries in ASEAN such as Vietnam, Malaysia and Indonesia, its exchange rate has remained stable in recent years.

## Trade Balance



Note: Figures of 2024 are currently not available as at the report date

Source: National Bank of Cambodia

## General Overview of the Country of Cambodia

Cambodia has been facing a long-term trade deficit on goods but trade surplus on services. Export of goods boosted significantly from KHR52,478 billion in 2018 to KHR96,865 billion in 2023 and import of goods rose from KHR76,101 billion in 2018 to KHR109,140 billion in 2023. The deficit on balance on goods decreased from KHR23,623 billion in 2018 to KHR12,275 billion in 2023. On the other hand, net service credit balance decreased from KHR9,676 billion in 2018 to KHR5,419 billion in 2023.

### Unemployment Rate



*Note:* Figures of 2018 are not available and figures of 2019 and 2020 are combined together according to the Report of Cambodia Socio-Economic Survey 2021 and figure of 2022 to 2024 is currently not available as at the report date

*Source:* National Institute of Statistics of Cambodia

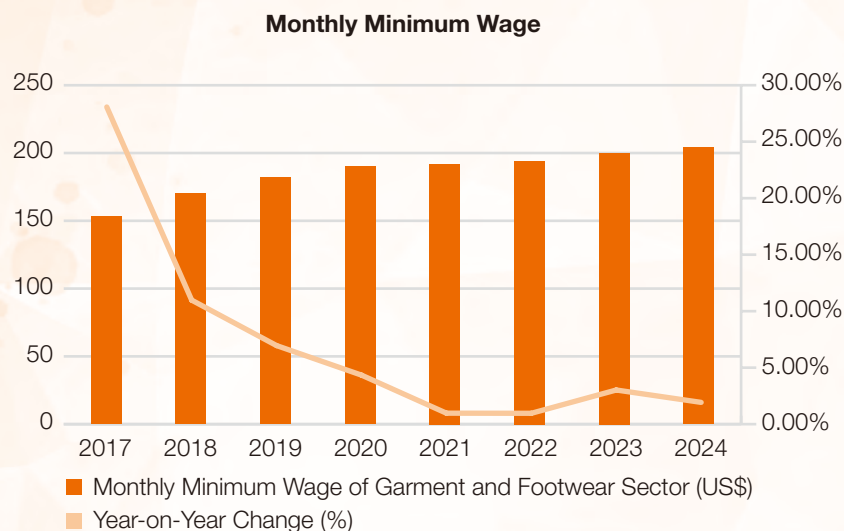
Cambodia has been enjoying an exceptionally low unemployment rate in the last decade. The unemployment rate of Cambodia throughout 2014 to 2017 at about 0.1% to 0.3%. However, it raised to 2.4% in 2019/2020 due to the outbreak of COVID-19, similar to the global employment market. After the outbreak of COVID-19 in 2020, it dropped to 1% in 2021.



# General Overview of the Country of Cambodia

## Minimum Wage

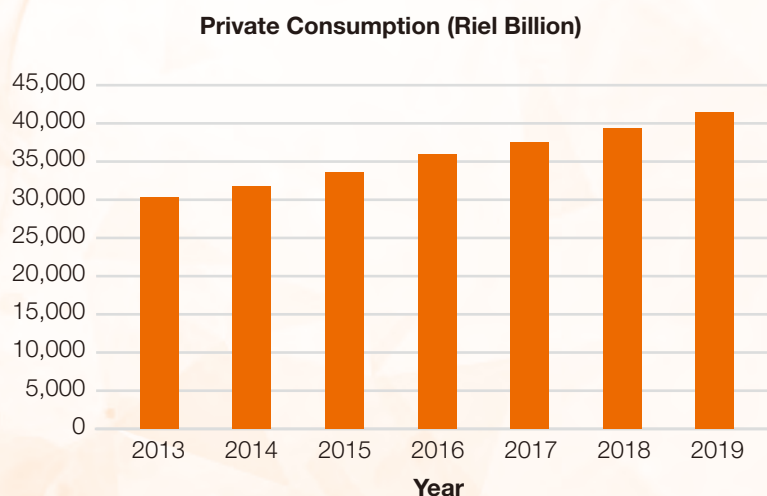
The diagram below illustrates monthly minimum wage from 2017 to 2024:



Source: International Labour Organization and Ministry of Labour and Vocational Training of Cambodia

Cambodia's monthly minimum wage increased significantly from US\$153 in 2017 to US\$204 per month in 2024. The annual increment rate throughout 2017 to 2024 at about 1.04% to 11%.

## Private Consumption



Note: Figures of 2020 to 2024 are currently not available as at the report date

Source: National Institute of Statistics of Cambodia

# General Overview of the Country of Cambodia

Private consumption in Cambodia rose from KHR30,371 billion in 2013 to KHR41,489 billion in 2019, and a steady CAGR of 5.34% is recorded over the six-year period. The rise in labour income leads to increase in consumer spending and boosts the economy. The number of Cambodian middle-class has been rising and has greater spending power.

## Disposal Income



*Note:* Figures of 2018 are not available and figures of 2019 and 2020 are combined together according to the Report of Cambodia Socio-Economic Survey 2021 and figures of 2021 to 2024 are currently not available as at the report date

*Source:* National Institute of Statistic of Cambodia

With an increase in wages, the disposable personal income of Cambodia also increased, from KHR1,608,000 in 2015 to KHR2,329,000 in 2021 at a CAGR of 10%.

## 5. OUTLOOK

Corruption issues are commonly faced in business activities in Cambodia as well as other developing Southeast Asian countries. Although the EU encourages Cambodia to improve its human rights and democracy through trade restrictions, it is expected that the CPP will continue to rule Cambodia in its own way in the near future. However, the domination of the CPP creates a relative stable political environment for businessmen in Cambodia.

Cambodia will continue to benefit from the Belt and Road Initiative. The increasing FDI and steady growth of real GDP at around 5% indicated that large amount of Chinese investment would accelerate growth of the economy, and the improved developments are likely to attract more foreign investments. Moreover, such infrastructure investments benefited the logistics arrangement of businesses. Other than exports, the growth in private consumption and disposable income demonstrates the potential of the local market. The local consumption and affordability of good and services are expected to grow in the future.



## General Overview of the Country of Cambodia

The significantly low unemployment rate creates pressure on employing local labour, which is reflected in the minimum wage growth rate. Nevertheless, over 90% of Cambodians are under the age 65 in 2024 and the rising literacy rate will increase supply of skilled labour in the future, which will probably improve labour efficiency.

The trade deficit has been increasing in recent years and increased significantly after the initial COVID-19 outbreak in 2020, which creates pressure on depreciation of local currency. However, the National Bank of Cambodia has managed its exchange rate very well in recent years. Unwavering exchange rate reduced the foreign exchange rate risk to foreign investment.

On 12 August 2020, the EC withdrew part of the tariff preferences granted to Cambodia under the EBA trade scheme. A normal tariff will be imposed on common products except bicycles and garment products with higher added value. Even though the EU is aware of the significant impact of the coronavirus pandemic on Cambodia's economy and employment, it stands ready to support the country in its fight against the coronavirus crisis and towards economic recovery. This, however, does not waive the EU's urgent need to ensure respect for human rights and labour rights in Cambodia. It is expected that the policy will continue and those export products that lose the EU preferential tariff status will continue to face major challenges in the near future.

However, the online scam and kidnapping in Cambodia and other Southeast Asian countries adversely affected the image of Cambodia. Overseas expertise and labour may be hesitate to stay in Cambodia, which may cause a challenge on the overseas labour force as well as foreign investors.

In conclusion, there are risks and opportunities for businesses operating in Cambodia. In spite of general issues that are also found in other Southeast Asian countries such as corruption and increasing wages, the economy of Cambodia is expected to grow steadily which creates opportunities in the local market. In addition, improved infrastructures and stable the foreign exchange rate will continue to attract foreign companies to set up their business in Cambodia. However, the EU's withdrawal of part of the tariff preferences granted, the expiry of the US GSP will still post a challenge.

# Biographies of Directors and Senior Management

## EXECUTIVE DIRECTORS

**Mr. Ma Hing Man (馬慶文先生)**, aged 67, who joined the Group on 10 April 1989, was appointed as our Director on 29 May 2017 and re-designated as our chairman (the “**Chairman**”) and executive Director on 19 June 2017. Mr. Ma Hing Man is a member of each of the Nomination Committee and the Remuneration Committee. He is also a director of Wah Sun Hand-Bag Factory Co., Limited (“**Wah Sun HK**”), a business manager of Dongguan Quickmind Handbag Factory Co., Ltd. (“**Dongguan Quickmind**”), and a general manager of each of Union Gold Holdings Limited (“**Union Gold**”) and Wah Sun HK Factory (Cambodia) Co., Ltd., (“**Wah Sun Cambodia**”). Mr. Ma Hing Man is primarily responsible for overseeing the Group’s overall operations, production and quality control management. Mr. Ma Hing Man is a director of Wah Sun International Holdings Limited (“**Wah Sun Holdings**”), a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**SFO**”).

Mr. Ma Hing Man has over 36 years of experience in the manufacturing and trading industry. He served as a director of Pok Oi Hospital from 2004 to 2010, where he was mainly responsible for strengthening and promoting the diversified charitable services. He was also the principal of Pok Oi Hospital 80th Anniversary Tang Ying Hei College from 2009 to 2010. He is currently the president of the Liaobu branch of the Dongguan City Association of Enterprises with Foreign Investment.

Mr. Ma Hing Man is one of our controlling Shareholders. He is the elder brother of Mr. Ma Hing Ming and the younger brother of each of Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung, all of whom are our executive Directors and controlling Shareholders.

**Mr. Ma Hing Ming (馬慶明先生)**, aged 61, who joined the Group on 10 April 1989, was appointed as our Director on 29 May 2017 and re-designated as our executive Director and chief executive officer on 19 June 2017. Mr. Ma Hing Ming is a member of each of the Nomination Committee and the Remuneration Committee. He is also a director of each of Wah Sun HK and Wah Sun Cambodia, and a marketing manager of each of Union Gold, Dongguan Quickmind and Wah Sun Cambodia. Mr. Ma Hing Ming is primarily responsible for overseeing the Group’s market development, sales and customer relationships management. He has over 36 years of experience in the manufacturing and trading industry. Mr. Ma Hing Ming is a director of Wah Sun Holdings, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Ma Hing Ming is one of our controlling Shareholders. He is the younger brother of each of Mr. Ma Hing Man, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung, all of whom are our executive Directors and controlling Shareholders.

**Ms. Ma Lan Chu (馬蘭珠女士)**, aged 70, who joined the Group on 10 April 1989, was appointed as our Director on 29 May 2017 and was re-designated as our executive Director on 19 June 2017. She is also a director of each of Union Gold, Wah Sun HK and Wah Sun Cambodia, and a financial manager of each of Dongguan Quickmind and Wah Sun Cambodia. Ms. Ma Lan Chu is primarily responsible for supervising the Group’s financial management, fund-raising and capital management. She has over 36 years of experience in the manufacturing and trading industry. Ms. Ma Lan Chu is a director of Wah Sun Holdings, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Ms. Ma Lan Chu is one of our controlling Shareholders. She is the elder sister of each of Mr. Ma Hing Man and Mr. Ma Hing Ming and the younger sister of each of Mr. Ma Yum Chee and Ms. Ma Lan Heung, all of whom are our executive Directors and controlling Shareholders.



## Biographies of Directors and Senior Management

**Mr. Ma Yum Chee (馬任子先生)**, aged 73, who joined the Group on 10 April 1989, was appointed as our Director on 29 May 2017 and re-designated as our executive Director on 19 June 2017. He is also a director of Dongguan Quickmind, and a production manager of each of Union Gold, Wah Sun HK and Wah Sun Cambodia. Mr. Ma Yum Chee is primarily responsible for overseeing the Group's production and quality control management. He has over 36 years of experience in the manufacturing and trading industry. Mr. Ma Yum Chee is a director of Wah Sun Holdings, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Ma Yum Chee is one of our controlling Shareholders. He is the elder brother of each of Mr. Ma Hing Man, Mr. Ma Hing Ming and Ms. Ma Lan Chu and the younger brother of Ms. Ma Lan Heung, all of whom are our executive Directors and controlling Shareholders.

**Ms. Ma Lan Heung (馬蘭香女士)**, aged 77, who joined the Group on 10 April 1989, was appointed as our Director on 29 May 2017 and re-designated as our executive Director on 19 June 2017. She is also a production manager of each of Union Gold, Wah Sun HK, Dongguan Quickmind and Wah Sun Cambodia. Ms. Ma Lan Heung is primarily responsible for overseeing the Group's production and quality control management. She has over 36 years of experience in the manufacturing and trading industry. Ms. Ma Lan Heung is a director of Wah Sun Holdings, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Ms. Ma Lan Heung is one of our controlling Shareholders. She is the elder sister of each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu and Mr. Ma Yum Chee, all of whom are our executive Directors and controlling Shareholders.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lam Kwok Cheong (林國昌先生)**, aged 71, was appointed as our independent non-executive Director ("INED") on 2 January 2018. He is mainly responsible for supervising and providing independent advice to our Board. Mr. Lam is also a member of each of the Audit Committee, the Nomination Committee and the Risk Management Committee, and the chairman of the Remuneration Committee.

Mr. Lam has over 45 years of experience as a practicing solicitor. He obtained a bachelor's degree in law from the University of Hong Kong in November 1976. He has been an independent non-executive director of Wing Lee Property Investments Limited, a company listed on the Main Board of the Stock Exchange (stock code: 864), since 1 December 2022. He was an independent non-executive director of each of (i) China Brilliant Global Limited (formerly known as Prosten Health Holdings Ltd.), a company listed on GEM of the Stock Exchange (stock code: 8026), from June 2015 to February 2018; (ii) GCL New Energy Holdings Limited (formerly known as Same Time Holdings Limited) (stock code: 451) from November 1997 to May 2014; (iii) Southwest Securities International Securities Limited (stock code: 812) from November 2013 to September 2016; (iv) Kasia Health Group Holdings Limited (formerly known as Wing Lee Holdings Limited, Wing Tai Investment Holdings Limited and Mega Medical Technology Limited) (stock code: 876) from September 2004 to June 2014, and re-designated as a non-executive director from June 2014 to June 2016; (v) Convoy Global Holdings Limited, a company delisted on 4 May 2021, from November 2020 to January 2024; and (vi) New Sparkle Roll International Group Limited (formerly known as Sparkle Roll Group Limited) (stock code: 970) from October 2007 to April 2024, all being companies listed on the Main Board of the Stock Exchange. He was a non-executive director of China Ocean Group Development (formerly known as China Ocean Fishing Holdings Limited), a company listed on GEM of the Stock Exchange (stock code: 8047), from June to July 2015.

## Biographies of Directors and Senior Management

Mr. Lam is a Justice of the Peace, a holder of Bronze Bauhinia Star (BBS) and a solicitor of the High Court of Hong Kong. Mr. Lam is currently a member of the Buildings Ordinance Appeal Tribunal Panel, a member of the Panel of Adjudicators of Obscene Articles Tribunal, an Ex-Officio member of Heung Yee Kuk New Territories, a Civil Celebrant of Marriages and a China appointed Attesting Officer.

**Mr. Wong Wai Keung Frederick (黃煒強先生)**, aged 69, was appointed as our INED on 2 January 2018. He is mainly responsible for supervising and providing independent advice to our Board. Mr. Wong is also a member of each of the Remuneration Committee and the Nomination Committee, and the chairman of each of the Audit Committee and the Risk Management Committee.

Mr. Wong has been an executive director of CF Energy Corp. (formerly known as Chengfeng Energy Inc.), a company listed on the Toronto Venture Exchange (stock code: CFY), since 22 February 2019. He has been an independent non-executive director of each of (i) Perfect Group International Holdings Limited (stock code: 3326) since December 2015; and (ii) China Aoyuan Group Limited (stock code: 3883) since 24 February 2023, both being companies listed on the Main Board of the Stock Exchange.

Mr. Wong was an independent non-executive director of Da Sen Holdings Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1580), from 27 May 2020 to 25 November 2020 and was re-designated as an executive director from 26 November 2020 until he resigned from such position on 24 January 2022 and served as a consultant to the board of the company. He had acted as the chief financial officer, since 18 September 2017, and the company secretary and authorised representative, since 25 September 2017, of International Genius Company (formerly known as Asia Investment Finance Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 0033) until he resigned from all such positions on 3 November 2017. He was an executive director of China Solar Energy Holdings Limited (formerly known as Hwa Kay Thai Holdings Limited), a company previously listed on the Main Board of the Stock Exchange (stock code: 155), from April 1996 to March 1999. From January 2001 to January 2011, Mr. Wong was the chief financial officer and company secretary of China Infrastructure & Logistics Group Ltd. (formerly known as CIG Yangtze Ports PLC), a company initially listed on GEM of the Stock Exchange before it was transferred to the Main Board on 29 January 2018 (stock code: 1719), and had been an independent non-executive director of the company since 1 April 2014 until he resigned from such position on 25 May 2022. Mr. Wong had been the chief financial officer of APAC Resources Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1104), since January 2011 and also acted as the company secretary of the company between April and December 2011 and from February 2013 until he resigned from both positions in July 2016. He subsequently served as a consultant to the company between August and October 2016.

Mr. Wong obtained a master's degree in electronic commerce from Edith Cowan University in Western Australia in February 2002. He has been a fellow member of the Institute of Chartered Accountants in England and Wales since December 1993 and a fellow member of the Hong Kong Institute of Certified Public Accountants since June 1991. Mr. Wong has over 40 years of accounting, finance, audit, tax and corporate finance experience and has worked at an international certified public accountant firm and listed companies in the United Kingdom, New Zealand, Hong Kong and Thailand.



## Biographies of Directors and Senior Management

**Mr. Ho Lai Chuen (何麗全先生)**, aged 69, was appointed as our INED and a member of each of the Audit Committee, the Remuneration Committee and the Risk Management Committee, and the chairman of the Nomination Committee on 23 January 2024. He is mainly responsible for supervising and providing independent advice to our Board.

Mr. Ho has over 31 years of experience in the production and broadcasting industry. During the period from March 1977 to March 2011, Mr. Ho held various roles at Television Broadcasts Limited (“**TVB**”) including scriptwriter, creative director and the production controller (non-drama production) of its production division. TVB is a publicly listed company on the Main Board of the Stock Exchange (stock code: 511) which is principally engaged in free-to-air television broadcasting, programme production, programme licensing and distribution, digital media business and publications. Subsequently, from April 2011 to March 2015, Mr. Ho had been working as the executive vice president and general manager (production) of PCCW Media Limited which primarily provides pay-TV service in Hong Kong. From October 2015 to July 2018, Mr. Ho was the chief executive officer of CL Showbiz Limited which is primarily engaged in the provision of services including planning/coordinating stage design and setting, sound and lighting and audio-visual production. In addition, from April 2015 to March 2016, Mr. Ho served as a corporate mentor for the Master of Business Administration programme at Shanghai University. Since February 2021, Mr. Ho has been the president of TVB Music Group Limited (formerly known as the Voice Entertainment Group Limited) and transitioned to a part-time consultant effective from April 2025.

Mr. Ho obtained a Master of Business Administration (Executive) degree from City University of Hong Kong in October 2014.

Mr. Ho was, for the period from 21 February 2019 to 15 November 2023, an independent non-executive director of the Tasty Concepts Holding Limited whose shares are listed on GEM of the Stock Exchange (stock code: 8096) which is a restaurant chain operator selling Japanese ramen in Hong Kong, Macau and the PRC.

For details of the relationship between Directors and/or senior management, please refer to the section headed “Composition” under Corporate Governance Report of this report; for details of the Directors’ interest in the Shares under the SFO, please refer to the section headed “DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS” in the Directors’ Report of this report.

### SENIOR MANAGEMENT

Our senior management team (the “**Senior Management**”) consists of three members, who, together with our executive Directors, are responsible for the day-to-day management and operations of the Group.

**Mr. Wong Man Hong (黃敏康先生)**, aged 39, was appointed as the chief financial officer of the Group and the company secretary of the Company (the “**Company Secretary**”) on 27 June 2023. He is primarily responsible for the financial and accounting management, corporate governance and compliance affairs of the Group.

Mr. Wong has over 17 years of extensive experience in the fields of accounting, auditing and financial management. Before joining the Group, Mr. Wong worked at PricewaterhouseCoopers and held senior positions in various companies listed on the Main Board of the Stock Exchange prior to joining the Company. He was appointed as an independent non-executive director of Cornerstone Financial Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 8112), on 16 July 2021.

## Biographies of Directors and Senior Management

Mr. Wong obtained his bachelor's degree in business administration in accounting from the City University of Hong Kong. He has been a fellow member of the Hong Kong Institute of Certified Public Accountants since 2011.

**Mr. Lee Chi Wing (李志榮先生)**, aged 57, was appointed as the procurement general manager of the Company on 3 April 2017. He joined the Group as a procurement manager of Wah Sun HK in February 2001. Mr. Lee is primarily responsible for overseeing material procurement, quality control and inventory management.

Mr. Lee has over 30 years of experience in procurement. Prior to joining the Group, he worked in Good Loyal Industries Ltd. in Hong Kong, a manufacturing and trading company, as a purchasing clerk, from October 1994 to September 1995. From October 1995 to September 1997, he worked in House of Mercury Ltd. in Hong Kong, a manufacturing and trading company, as a purchasing clerk, where he was mainly responsible for handling and sourcing of material and accessories for the purchase department. From December 1997 to August 1999, he worked in Junsen Company Limited in Hong Kong, a manufacturing and trading company, as a shipping clerk, where he was mainly responsible for following up with the import of materials from Hong Kong to its factory located in PRC, and was promoted to a purchase manager in August 1999, where he was mainly responsible for following up the shipping, purchase orders, dealing and price negotiation with suppliers, and assisting the merchandiser to develop new raw material for the sales department. Mr. Lee left the said company in December 2000 and joined the Group in February 2001.

Mr. Lee completed his form three education at St. Lucas' College in 1984.

**Ms. Ng Yuk Chun (吳玉珍女士)**, aged 54, was appointed as the logistics general manager of the Company on 3 April 2017. She joined the Group as a logistics manager of Wah Sun HK in June 2008. Ms. Ng is primarily responsible for overseeing shipping and logistic arrangements and customs clearance.

Ms. Ng has over 20 years of experience in business management. Prior to joining the Group, Ms. Ng worked in China Products & Fashion Bag Manufacturing Limited (formerly known as Fashion Concept Manufacturing Limited) in Hong Kong, a manufacturing company from January 1998 to June 2004 and from July 2004 to March 2008, she worked in 德恩富科技股份有限公司 (Delphi Technology Inc.) in Hong Kong, a manufacturing company, as a deputy manager responsible for administration management.

Ms. Ng completed the Hong Kong Certificate of Education Examination presented by Maria College of Hong Kong in 1990.

### COMPANY SECRETARY

Mr. Wong Man Hong was appointed as the Company Secretary on 27 June 2023. For details of his background, please refer to the paragraph headed "Senior Management" in this section.



# Directors' Report

The Directors are pleased to present their report together with the Consolidated Financial Statements.

## PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in Note 17 to the Consolidated Financial Statements.

An analysis of the Group's geographical segment information for the Year is set out in Note 5 to the Consolidated Financial Statements.

## BUSINESS REVIEW

A review of the Group's business during this Year, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's financial key performance, particulars of important events affecting the Group during the Year, and an indication of likely future developments in the Group's business, a discussion of the Group's environmental policies and performance, the Company's compliance with the relevant laws and regulations that has a significant impact on the Company, an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends, can be found in the sections headed "Chairman's Statement" set out on pages 4 to 12 of this report and "Management Discussion and Analysis" set out on pages 13 to 17 of this annual report.

## RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated income statement on page 77 of this annual report.

The Board has resolved to recommend the payment of a final dividend of HK4.0 cents per Share (Year 2024: HK2.0 cents per Share) and a special dividend of HK2.0 cents per Share (Year 2024: HK1.0 cent per Share), amounting to an aggregate of approximately HK\$24,518,000 for the Year (Year 2024: HK\$12,259,000) (the "**Proposed Final and Special Dividends**") to the Shareholders whose names will appear on the register of members of the Company (the "**Register of Members**") on Wednesday, 15 October 2025.

The Proposed Final and Special Dividends are subject to the approval by the Shareholders at the forthcoming annual general meeting of the Company (the "**2025 AGM**"). It is expected that the Proposed Final and Special Dividends would be paid to the Shareholders on Friday, 31 October 2025.

## ANNUAL GENERAL MEETING

The 2025 AGM is scheduled to be held on Monday, 1 September 2025. A notice convening the 2025 AGM will be published on the respective websites of the Stock Exchange and the Company in July 2025.

# Directors' Report

## CLOSURE OF REGISTER OF MEMBERS

### 2025 AGM

For determining the Shareholder's entitlement to attend and vote at the 2025 AGM, the Register of Members will be closed from Wednesday, 27 August 2025 to Monday, 1 September 2025, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the 2025 AGM to be held on Monday, 1 September 2025, non-registered Shareholders must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 26 August 2025. Shareholders whose names appear on the Register of Members at the close of business on Monday, 1 September 2025 are entitled to attend and vote at the 2025 AGM.

### Proposed Final and Special Dividends

Conditional on the passing of the resolution approving the Proposed Final and Special Dividends by the Shareholders at the 2025 AGM, the Register of Members will be closed for determining the Shareholders' entitlement to the Proposed Final and Special Dividends from Thursday, 9 October 2025 to Wednesday, 15 October 2025, both days inclusive, during which period no transfer of the Shares will be registered. In order to qualify for the Proposed Final and Special Dividends, non-registered Shareholders must lodge all transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 8 October 2025. Shareholders whose names appear on the Register of Members at the close of business on Wednesday, 15 October 2025 are entitled to receive the Proposed Final and Special Dividends.

## DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK\$978,000 (Year 2024: HK\$248,000).

## SHARE CAPITAL

Details of the Shares issued are set out in Note 22 to the Consolidated Financial Statements.

## DISTRIBUTABLE RESERVES

Details of the movements during the Year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 81 of this annual report.

As at 31 March 2025, the Company's reserves available for distribution to the Shareholders amounted to approximately HK\$238.4 million (Year 2024: approximately HK\$217.8 million).

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on pages 141 and 142 of this annual report.

## BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 March 2025 are set out in Note 25 to the Consolidated Financial Statements.



# Directors' Report

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

During the Year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of its listed securities (including sale of treasury shares). As at 31 March 2025, there were no treasury shares held by the Company.

## SHARE OPTION SCHEME

A share option scheme (the **"Share Option Scheme"**) was adopted by the Company on 2 January 2018 (the **"Adoption Date"**), the following is a summary of the principal terms of the Share Option Scheme. As the Share Option Scheme was adopted before the effective date of the amended Chapter 17 of the Listing Rules (effective on 1 January 2023), the Company has complied and will continue to comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing Share Option Scheme.

- (i) The participants include any Director (including executive Directors and INEDs) and full-time and/or part-time employees of any member of the Group (the **"Participants"**).
- (ii) The purpose of the Share Option Scheme is to provide the Participants with the opportunity to acquire proprietary interests in the Company and to encourage the Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.
- (iii) Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the total number of Shares in issue on the date the Shares commenced trading on the Stock Exchange, which is in aggregate up to 40,000,000 Shares (the **"Scheme Mandate Limit"**), representing approximately 9.79% of the total issued Shares (excluding treasury shares, if any) as at the date of this report.
- (iv) The total number of Shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

Each grant of options to any Director, chief executive or substantial shareholder of our Company (or any of their respective associates) shall be subject to the prior approval of the INEDs (excluding any INED who is a proposed grantee of the grant of options). Where any grant of options to a substantial shareholder or an INED, or any of their respective associates would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12 month period (or such other period as may from time to time be specified by the Stock Exchange) up to and including the date of grant:

- (a) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the shares in issue on the date of the grant of option; and
- (b) having an aggregate value, based on the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million (or such other amount as may from time to time be specified by the Stock Exchange),

such grant of options shall be subject to prior approval by the Shareholders (voting by way of poll).

## Directors' Report

- (v) The period within which the Shares must be taken up under an option shall be the period of time to be notified by the Board to each grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed ten years from the date of grant of the relevant option.

The minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be reached, before the option can be exercised in whole or in part, may include at the discretion of the Board other terms imposed (or not imposed) either on a case by case basis or generally.

- (vi) An offer shall remain open for acceptance by the Participant concerned for a period of 14 days from the date on which the letter containing the offer of the grant of option is delivered to that Participant. An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of the Shares in respect of which the offer is accepted clearly stated therein, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company. Such remittance payment shall not be refundable in any circumstances.
- (vii) No offer shall be made and no option shall be granted to any Participant after inside information has come to the Company's knowledge until it has announced the information. In particular, no option shall be granted on any day on which the Company's financial results are published and (a) during the period of 60 days immediately preceding the publication date of its annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of its quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.
- (viii) The subscription price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of options; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of options (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the offer price of the Shares for the global offering shall be deemed to be the closing price for any business day falling within the period before the Listing); and (iii) the nominal value of a Share on the date of grant of options.
- (ix) The life of the Share Option Scheme is effective for 10 years from 2 January 2018. The remaining life of the Share Option Scheme is approximately 3.5 years.

No share options have been granted since the Adoption Date. Therefore, no options were exercised or cancelled or lapsed during the Year. As at the date of this report, there were a total of 40,000,000 Shares available for issue under the Share Option Scheme, which represented approximately 9.79% of the issued Shares (excluding treasury shares, if any).

As at 1 April 2024 and 31 March 2025, options in respect of 40,000,000 Shares were available for grant under the Share Option Scheme, respectively.



# Directors' Report

The total number of Shares that may be issued in respect of options granted under all schemes of the Company during the Year divided by the weighted average number of Shares in issue (excluding treasury shares, if any) for the Year was Nil.

## EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as set out under the subheading "Share Option Scheme" of this report, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company or subsisting at the end of the Year or at anytime during the Year.

## DIRECTORS

The Directors during the Year and up to the date of this report were:

### Executive Directors

Mr. Ma Hing Man (*Chairman*)  
Mr. Ma Hing Ming (*Chief Executive Officer*)  
Ms. Ma Lan Chu  
Mr. Ma Yum Chee  
Ms. Ma Lan Heung

### INEDs

Mr. Lam Kwok Cheong ("**Mr. Lam**")  
Mr. Wong Wai Keung Frederick ("**Mr. Wong**")  
Mr. Ho Lai Chuen ("**Mr. Ho**")

Article 84 of the second amended and restated articles of association of the Company (the "**Articles of Association**") provides that (1) one-third of the Directors for the time being (or, if their number is a not multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("**AGM**"), provided that every Director shall be subject to retirement by rotation at least once every three years; and (2) a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself/herself for re-election.

Accordingly, each of Mr. Ma Hing Man, Ms. Ma Lan Heung and Mr. Wong Wai Keung Frederick will retire at conclusion of the 2025 AGM. All of them, being eligible, have offered themselves for re-election thereat.

# Directors' Report

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and Senior Management as at the date of this report are set out on pages 31 to 35 of this annual report.

## INDEPENDENCE OF THE INEDs

The Company has received, from each of the INEDs, an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs remain independent.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company on 2 January 2018 for an initial term and renewable automatically for successive terms of three years each commencing from the next day after the then current terms of the Director's appointment which initially commenced on the Listing Date (subject to the approval from the Shareholders for re-election of the Director as a director of the Company in accordance with the requirement of the Listing Rules and the Articles of Association), which may be terminated in accordance with the provisions thereof or by not less than three months' notice in writing served by either party on the other.

Each of the INEDs are appointed for a specified term of two years, subject to renewal after the expiry of the then current term, unless terminated in accordance with the terms and conditions stipulated therein.

All the Directors, including the INEDs, are subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

None of the Directors has a service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

## DIRECTORS' INTERESTS IN CONTRACTS

Save for the contracts described under the section headed "Related Party Transactions and Connected Transactions" below, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its holding company or subsidiaries or fellow subsidiaries was a party and in which a Director and his/her connected party had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There was no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any controlling Shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.



# Directors' Report

## RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Year, the Group entered into certain transactions with parties regarded as “related parties” under the applicable accounting standards. Details of the related party transactions entered into by the Group during the Year are disclosed in Note 30(b) to the Consolidated Financial Statements. The related party transactions disclosed in Note 30(b) were not regarded as connected transactions or were exempt from reporting, announcement and Shareholders' approval requirements under the Listing Rules, other than prepayment in relation to the acquisition of property as disclosed below:

On 30 April 2024, the Group has completed a connected transaction pertaining to the acquisition of property entered between Union Gold Holdings Limited (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company and Ms. Ma Lan Heung, an executive Director, and Ms. Chan Sim Kuen, the spouse of Mr. Ma Hing Man who is an executive Director (the “**Sellers**”) on 25 March 2024 in relation to the acquisition of an industrial building located at Workshop 9, 6th Floor, Wah Yiu Industrial Centre, Nos. 30–32 Au Pui Wan Street, Sha Tin, New Territories, Hong Kong (the “**Property**”) at a consideration of HK\$4,700,000 (the “**Acquisition**”). The Property was leased to the Group before the Acquisition with a term of one year which expired on 31 March 2024. The tenancy agreement was renewed on 18 March 2024 for a term from 1 April 2024 to 31 March 2025. Details of the Acquisition are set out in the announcements of the Company dated 25 March 2024 and 16 May 2024, respectively. As the Sellers are connected person of the Company, the Acquisition therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios in respect of the Acquisition were less than 5%, the Acquisition was subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the requirements under Chapter 14A of the Listing Rules in respect of the connected transactions or continuing connected transactions conducted by the Group as disclosed in this report.

# Directors' Report

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO; or (b) pursuant to Section 352 of the SFO, recorded in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"), were as follows:

### (i) Interest in the Company

Name of Directors/ Chief executive	Capacity/Nature of interest (Note 1)	Number of Shares/ Underlying Shares interested (L) (Note 2)	Approximate percentage of the Company's issued Shares*
Mr. Ma Hing Man	Interest in a controlled corporation, interest held jointly with other persons/ Corporate and other interest	301,138,000	73.70%
Mr. Ma Hing Ming	Interest in a controlled corporation, interest held jointly with other persons/ Corporate and other interest	301,138,000	73.70%
Ms. Ma Lan Chu	Interest in a controlled corporation, interest held jointly with other persons/ Corporate and other interest	301,138,000	73.70%
Mr. Ma Yum Chee	Interest in a controlled corporation, interest held jointly with other persons/ Corporate and other interest	301,138,000	73.70%
Ms. Ma Lan Heung	Interest in a controlled corporation, interest held jointly with other persons/ Corporate and other interest	301,138,000	73.70%



# Directors' Report

## Notes:

1. Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung have decided to restrict their ability to exercise direct control over the Company by holding their interests through a common investment entity, Wah Sun International Holdings Limited ("**Wah Sun Holdings**"). Wah Sun Holdings' entire issued share capital is personally held by each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung as to 20%. They are also parties to an acting in concert deed dated 24 June 2017 (the "**Acting In Concert Deed**") pursuant to which each of them has agreed, inter alia, to consolidate their respective interests in, and control the management over Wah Sun Holdings and the Company, and to vote on any resolution to be passed at any shareholders' meeting of Wah Sun Holdings and the Company in a unanimous manner. Each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung is therefore deemed to be interested in the shares of Wah Sun Holdings held by each of them in aggregate and all the shares held by Wah Sun Holdings under the SFO.
  2. The letter "L" denotes the person's long position in such Shares.
- \* The percentage represents the total number of the Shares and the underlying Shares interested divided by the number of issued Shares of 408,626,000 as at 31 March 2025.

## (ii) Interest in an Associated Corporation

Name of Directors	Name of associated corporation	Capacity/Nature of interest (Note 1)	Number of shares held (L) (Note 2)	Percentage of interest
Mr. Ma Hing Man	Wah Sun Holdings	Beneficial owner, interest held jointly with other persons/ Personal and other interest	5	100%
Mr. Ma Hing Ming	Wah Sun Holdings	Beneficial owner, interest held jointly with other persons/ Personal and other interest	5	100%
Ms. Ma Lan Chu	Wah Sun Holdings	Beneficial owner, interest held jointly with other persons/ Personal and other interest	5	100%
Mr. Ma Yum Chee	Wah Sun Holdings	Beneficial owner, interest held jointly with other persons/ Personal and other interest	5	100%
Ms. Ma Lan Heung	Wah Sun Holdings	Beneficial owner, interest held jointly with other persons/ Personal and other interest	5	100%

# Directors' Report

## Notes:

1. Wah Sun Holdings is a direct Shareholder and an associated corporation within the meaning of Part XV of the SFO. Each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung is personally interested in one share of US\$1.00 each in Wah Sun Holdings, each representing 20% of the entire issued share capital of Wah Sun Holdings. Each of them is also a party to the Acting In Concert Deed pursuant to which each of them has agreed, inter alia, to consolidate their respective interests in, and control the management over Wah Sun Holdings and the Company, and to vote on any resolution to be passed at any shareholders' meeting of Wah Sun Holdings and the Company in a unanimous manner. Each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung is therefore deemed to be interested in the shares in Wah Sun Holdings held by each of them in aggregate under the SFO. Each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung is a director of Wah Sun Holdings.
2. The letter "L" denotes the person's long position in such shares.

Save as disclosed above, as at 31 March 2025, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, recorded in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as is known to the Directors, the following entity or persons other than the Directors and chief executive of the Company, had interests or short positions in the Shares and the underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

### Long Position in the Shares

Name of Shareholders	Capacity/Nature of interest	Numbers of Shares interested or held	Approximate percentage of the Company's issued Shares*
Wah Sun Holdings (Notes 1 and 2)	Beneficial owner/Personal interest	301,138,000	73.70%
Ms. Chan Sim Kuen (Note 3)	Interest of a spouse/Family interest	301,138,000	73.70%
Ms. Wu Yu Ling (Note 4)	Interest of a spouse/Family interest	301,138,000	73.70%
Ms. Yung Ngan Sim (Note 5)	Interest of a spouse/Family interest	301,138,000	73.70%



# Directors' Report

## Notes:

1. Wah Sun Holdings is a direct Shareholder.
2. Wah Sun Holdings is beneficially owned as to 20% each by Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung. Each of them is also a party to the Acting In Concert Deed pursuant to which each of them has agreed, inter alia, to consolidate their respective interests in, and control the management over Wah Sun Holdings and the Company, and to vote on any resolution to be passed at any shareholders' meeting of Wah Sun Holdings and the Company in a unanimous manner. Each of Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung is therefore deemed to be interested in the shares in Wah Sun Holdings held by each of them in aggregate under the SFO.
3. Ms. Chan Sim Kuen is the spouse of Mr. Ma Hing Man. Ms. Chan Sim Kuen is deemed to be interested in the same number of Shares in which Mr. Ma Hing Man is deemed to be interested by virtue of Part XV of the SFO.
4. Ms. Wu Yu Ling is the spouse of Mr. Ma Hing Ming. Ms. Wu Yu Ling is deemed to be interested in the same number of Shares in which Mr. Ma Hing Ming is deemed to be interested by virtue of Part XV of the SFO.
5. Ms. Yung Ngan Sim is the spouse of Mr. Ma Yum Chee. Ms. Yung Ngan Sim is deemed to be interested in the same number of Shares in which Mr. Ma Yum Chee is deemed to be interested by virtue of Part XV of the SFO.

\* The percentage represents the number of Shares interested divided by the number of issued Shares of 408,626,000 as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, so far as is known by or otherwise notified to the Directors, no other entity or person (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

## ARRANGEMENTS TO ACQUIRE SHARES

At no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or their respective associates (as defined in the Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the businesses of the Group was entered into or existed during the Year.

# Directors' Report

## MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the Year attributable to the Group's major suppliers and customers are as follows:

### *Purchases*

– the largest supplier	9.4%
– five largest suppliers in aggregate	29.1%

### *Sales*

– the largest customer	25.6%
– five largest customers in aggregate	88.6%

None of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors, own more than 5% of the Company's issued Shares, excluding treasury shares, (if any)) had any beneficial interest in the Group's five largest suppliers or customers.

## TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to its Shareholders by reason of their holding of the Company's securities.

## TAXATION

Shareholders are urged to consult their tax advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of the Company's Shares.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in Note 14 to the Consolidated Financial Statements.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Board confirms that the Company has maintained a sufficient public float as required by the Listing Rules (i.e. at least 25% of the Company's issued Shares, excluding treasury shares, (if any)) is held in public hands) during the Year and up to the date of this report.

## COMPETING BUSINESS

None of the Directors or the controlling Shareholders or their respective associates (as defined under the Listing Rules) has interests in any business apart from the Group's businesses, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, during the Year.



# Directors' Report

## DEED OF NON-COMPETITION

Each of Wah Sun Holdings, Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Mr. Ma Yum Chee and Ms. Ma Lan Heung (the “**Covenantors**”, each a “**Covenantor**”) has entered into a deed of non-competition (“**Deed of Non-competition**”) dated 2 January 2018 with the Company, to the effect that each of them will not directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with the business of the Group from time to time.

The Company has received the annual written confirmation from each of the Covenantors in respect of (i) their compliance with the non-competition undertakings under the Deed of Non-competition during the Year; and (ii) their undertaking to continue making annual declarations as to compliance with the terms of the Deed of Non-competition.

Upon receiving the annual written confirmation from the Covenantors for confirming that he/she has duly complied with the non-competition covenants and undertakings under the Deed of Non-competition (“**Undertakings**”), the INEDs had reviewed the same as part of the annual review process. In determining whether the Covenantors had fully complied with the Undertakings for the Year, the INEDs noted that (i) the Covenantors declared that they had fully complied with the Undertakings for the Year; (ii) no new competing business was reported by the Covenantors; and (iii) there was no particular situation rendering the full compliance of the Undertakings being questionable. In view of the above, the INEDs confirmed that all of the Undertakings were complied with by the Covenantors for the Year.

## DIVIDEND POLICY

The Board may declare dividends in the future after taking into account the Group's operations and earnings, capital requirement and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, Shareholder's interests and other factors which they may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to the Company's constitutional documents and the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, including the approval of the Shareholders. Future declarations of dividends may or may not be reflected from the Company's historical declarations of dividends and will be at the absolute discretion of the Board.

## PERMITTED INDEMNITY PROVISION

A permitted indemnity provision as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has maintained Directors' liabilities insurance which provides appropriate cover for the Directors.

Pursuant to the Articles of Association and the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties.

# Directors' Report

## UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in the Directors' information since the date of the 2024/25 interim report and up to the date of this report.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. In response to a specific enquiry made by the Company of each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code throughout the Year and the period thereafter up to the date of this report. The Model Code also applies to other specified Senior Management in respect of their dealings in the Company's securities.

## EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had a total of 4,586 employees (31 March 2024: 4,273). For the Year, the Group incurred employee benefit expense, including Directors' remuneration, of approximately HK\$177.9 million (Year 2024: approximately HK\$149.4 million).

The Company has adopted the Share Option Scheme for the purpose of recognising and acknowledging the contribution of employees.

The remuneration policy of the senior employees of the Group was tabled and recommended by the Remuneration Committee to the Board on the basis of the employees' merit, qualifications and competence.

The remuneration of the Directors are formulated and recommended by the Remuneration Committee to the Board, having regards to the Company's operating results, individual performance of the Directors and comparable market statistics.

Details of the emoluments of the five individuals with the highest emoluments and the Directors for the Year are set out in Notes 8 and 32 to the Consolidated Financial Statements, respectively.



# Directors' Report

## CORPORATE GOVERNANCE PRACTICES

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report as set out on pages 51 to 70 of this annual report.

## DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

The Directors were not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advances by the Company to an entity.

## AUDIT COMMITTEE

The Audit Committee was established on 2 January 2018 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provisions D.3.3 and D.3.7 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “CG Code”) for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. Currently, the Audit Committee comprises three members who are also the INEDs, namely Mr. Wong, Mr. Lam and Mr. Ho. Mr. Wong is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group as well as the audited Consolidated Financial Statements. The Audit Committee is of the view that such statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made. The Audit Committee has recommended the same to the Board for approval.

## INDEPENDENT AUDITOR

The Consolidated Financial Statements have been audited by PricewaterhouseCoopers, who will retire at the conclusion of the 2025 AGM, and, being eligible, offer themselves for re-appointment. A resolution will be proposed to the Shareholders at the 2025 AGM to re-appoint PricewaterhouseCoopers as the independent auditor of the Company (the “Independent Auditor”).

There has been no change of the Independent Auditor in any of the preceding three years and up to the date of this report.

By Order of the Board

**Wah Sun Handbags International Holdings Limited**

**Ma Hing Man**

*Chairman and Executive Director*

Hong Kong, 23 June 2025

# Corporate Governance Report

The Group is committed to fulfilling its responsibilities to the Shareholders and ensuring all decisions were made on the principles of trusts and fairness and in an open and transparent manner so as to protect the interests of all Shareholders.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

## CORPORATE GOVERNANCE PRACTICES

The Board and its management are committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted and complied with all applicable code provisions in all material aspects as set out in the CG Code and did not deviate from any code provision during the Year.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all the Directors have confirmed that they had complied with the Model Code during the Year.

## BOARD OF DIRECTORS

### Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets out the Group's values and standards which instil and continually reinforce and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives and the Company's values of acting lawfully, ethically and responsibly. The functions performed by the Board include but are not limited to formulating the Group's business, investment plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing and performing the Group's corporate governance practices and duties and all other functions reserved to the Board under the Articles of Association. The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The Board may from time to time delegate certain functions to Management if and when considered appropriate, and clear directions shall be given as to Management's powers which shall be reviewed periodically to ensure they remain appropriate to the Company's needs. Management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and other duties assigned to it from time to time.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

As at 31 March 2025, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Directors have continued to adopt the going concern approach in preparing the Consolidated Financial Statements.



# Corporate Governance Report

## Corporate Culture and Strategy

A healthy corporate culture across the Group is vital for the Company to achieve its vision and mission towards sustainable growth. The Board is responsible for leading, shaping, developing and fostering a corporate culture to guide the behaviour of its employees and ensuring that the Company's vision, values and business strategies are aligned to it.

By recognising the importance of stakeholders at the Board level and throughout the Group, we strive to create values to the stakeholders through sustainable growth and continuous development.

The Board has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

- (i) Integrity – we comply with all applicable laws and regulations, uphold the highest ethical standards;
- (ii) Excellence – we aim to deliver excellence;
- (iii) Collaboration – we bring out the best in each other and create strong and successful working relationships;
- (iv) Empathy – we care about our stakeholders – employees, supply chain and the community; and
- (v) Sustainability – we are committed to a sustainable future.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

## Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and INEDs so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As at the date of this annual report, the Board comprises the following eight Directors, of which the INEDs in aggregate represent more than one-third of the Board members:

### Executive Directors

Mr. Ma Hing Man (*Chairman*)  
Mr. Ma Hing Ming (*Chief Executive Officer*)  
Ms. Ma Lan Chu  
Mr. Ma Yum Chee  
Ms. Ma Lan Heung

### INEDs

Mr. Lam Kwok Cheong  
Mr. Wong Wai Keung Frederick  
Mr. Ho Lai Chuen

# Corporate Governance Report

The biographies of each of the current Directors are set out in the section headed “Biographies of Directors and Senior Management” of this annual report.

The family relationship among the executive Directors is as follows:

Name of Directors	Relationship with				
	Mr. Ma Hing Man	Mr. Ma Hing Ming	Ms. Ma Lan Chu	Mr. Ma Yum Chee	Ms. Ma Lan Heung
Mr. Ma Hing Man	–	Elder brother	Younger brother	Younger brother	Younger brother
Mr. Ma Hing Ming	Younger brother	–	Younger brother	Younger brother	Younger brother
Ms. Ma Lan Chu	Elder sister	Elder sister	–	Younger sister	Younger sister
Mr. Ma Yum Chee	Elder brother	Elder brother	Elder brother	–	Younger brother
Ms. Ma Lan Heung	Elder sister	Elder sister	Elder sister	Elder sister	–

Save as disclosed above, there was no financial, business, family or other material relationship among the Directors during the Year.

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the Year, the Company had three INEDs, meeting the requirements of the Listing Rules that the number of INEDs must be a minimum of three and must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The INEDs actively participate in Board meetings and Board committees meetings to exercise their independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct of the Company. They are responsible for taking the lead where potential conflicts of interests arise.

During the Year, each INED attended all regularly scheduled meetings of the Board and Board committees on which such INED sat in, and reviewed the meeting materials distributed in advance for such meetings and shared their experience, skills and expertise with the Board or the relevant Board committees. All of the INEDs made positive contributions to the development of the Company’s strategy and policies through independent, constructive and informed comments. The INEDs have been responsible for scrutinising the Group’s performance in achieving agreed corporate goals and objectives and monitoring the Group’s performance reporting.

The Company has received an annual confirmation of independence in writing from each of the current INEDs pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations and not being aware of any unfavourably reported incidents, the Company considers that all the current INEDs remain independent and have met the independence guidelines as set out in Rule 3.13 of the Listing Rules during the Year.



# Corporate Governance Report

During the Year, the Chairman, being an executive Director, has held one meeting with the INEDs without the presence of other executive Directors.

Proper insurance coverage in respect of legal actions against the Directors' liabilities has been arranged by the Company.

The Company has put in place mechanism to ensure independent views and input are made available to the Board. This is achieved by giving Directors access to external independent professional advice from legal advisers and auditor, as well as the full attendance of all INEDs at all the meetings of the Board and its relevant committees held during the Year.

The Board reviews the implementation and effectiveness of the aforementioned mechanisms on an annual basis. The Board considered that such mechanism was properly implemented during the Year and was effective.

## Directors' Induction and Continuing Professional Development

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statute and common law, the Listing Rules, other legal and regulatory requirements and the Company's business and governance policies. During the Year, each of the Directors attended a training session organised by professional bodies in Hong Kong on, amongst other things, the obligations, on-going corporate governance requirements and the duties of directors of a company listed on the Stock Exchange.

The Company will from time to time provide briefings to all Directors to develop and refresh their understanding of directors' duties and responsibilities. All Directors are encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuing professional development programmes received by each of the Directors during the Year are summarised as follows:

Name of Directors	Type of trainings
Mr. Ma Hing Man	A and B
Mr. Ma Hing Ming	A and B
Ms. Ma Lan Chu	A and B
Mr. Ma Yum Chee	A and B
Ms. Ma Lan Heung	A and B
Mr. Lam	A and B
Mr. Wong	A and B
Mr. Ho	A and B

Notes:

A: attending training sessions/seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

# Corporate Governance Report

## Board Process and Meetings

The Board meets regularly to determine the Group's overall strategies, receive management updates, approve business plans as well as financial results and to consider other significant matters. Management also provides updates to the Board with respect to the business activities and development of the Group on a regular basis.

Each Director ensures that he/she can give sufficient time and attention to the affairs of the Company and contribute to the Group's development through their independent (as the case may be), constructive and informed comments. All members of the Board have also disclosed and updated their number and nature of offices held and time involved in handling the matters of the Company on a regular basis.

## Board and Committees' Meetings' Attendance Records

During the Year, the Board held four regular meetings. The regular Board meetings are scheduled one year in advance to facilitate maximum attendance by the Directors.

The attendance records of the Directors at Board meetings, Board committee meetings and the AGM held on 2 September 2024 (the "2024 AGM") during the Year are set out below. The Board continued to record healthy attendance at the Board and Board committee meetings demonstrating strong commitment of the Directors in discharging their duties.

	Board Meetings Attended/Eligible to Attend	Board Committees Meetings Attended/Eligible to Attend				2024 AGM
		Audit Committee	Remuneration Committee	Nomination Committee	Risk Management Committee	
	Regular					
<b>Executive Directors:</b>						
Mr. Ma Hing Man ( <i>Chairman</i> )	4/4	N/A	2/2	2/2	N/A	1/1
Mr. Ma Hing Ming ( <i>Chief Executive Officer</i> )	4/4	N/A	2/2	2/2	N/A	1/1
Ms. Ma Lan Chu	4/4	N/A	N/A	N/A	N/A	0/1
Mr. Ma Yum Chee	2/4	N/A	N/A	N/A	N/A	0/1
Ms. Ma Lan Heung	3/4	N/A	N/A	N/A	N/A	0/1
<b>INEDs:</b>						
Mr. Lam	4/4	2/2	2/2	2/2	1/1	1/1
Mr. Wong	4/4	2/2	2/2	2/2	1/1	1/1
Mr. Ho	4/4	2/2	2/2	2/2	1/1	1/1

Subsequent to the end of the reporting Year, the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee each held a meeting on 23 June 2025.



# Corporate Governance Report

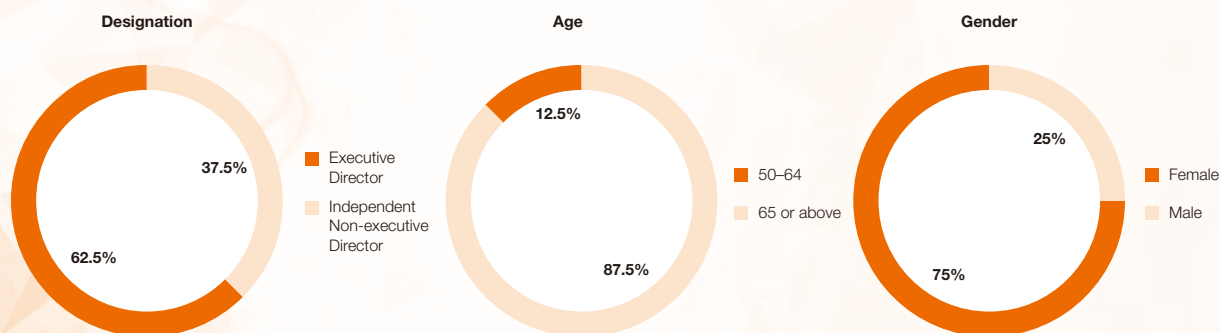
Dates of regular Board meetings have been scheduled at least two months before the meetings to provide sufficient notice to all Directors so that they can have an opportunity to attend. For non-regular Board meetings, reasonable advance notices have been given.

Minutes of the meetings of the Board and Board committees record sufficient details of the matters considered by the Board and Committees and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of the minutes of the Board meetings and Board committees meetings are sent to all Directors and all committee members, respectively within a reasonable time after such meetings for their comments and records. Such minutes of the meetings of the Board and Board committees are kept by the Company Secretary and open for inspection at any reasonable time upon reasonable request by any Directors.

If a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board and such interest has been considered to be material by the Board, the matter will not be dealt with by a written resolution but a Board meeting will be convened for that matter. INEDs who do not (and whose close associates also do not) have material interest in the transaction will be present at such Board meeting.

## Board Diversity Policy

The composition of the Board is well-balanced with each Director having skills, experience and expertise complementing the business operations and development of the Group and from a variety of backgrounds. There is a diversity of education, professional background, functional expertise, gender, age, culture and industrial experience.



A Board diversity policy of the Company was adopted by the Board (the “**Board Diversity Policy**”) and sets out the approach to achieve diversity of the Board and the factors (including but not limited to skills, regional and industry experience, professional experience, background, education, race, gender, age, culture and other qualities, etc.) to be considered in determining the composition of the Board so as to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and to maximize the Board’s effectiveness. The Board shall continue to review the implementation and effectiveness of the Board Diversity Policy on an annual basis, and committed to further improving gender diversity as and when suitable candidates are identified.

The Company recognises and embraces the benefits of a diversity of Board members. As such, the Board has, in particular, achieved gender diversity through the directorship of each of Ms. Ma Lan Chu and Ms. Ma Lan Heung as executive Directors since their respective appointments on 29 May 2017. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives as stipulated in the Board Diversity Policy.

# Corporate Governance Report

The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives.

## **Diversity in Workforce**

As at 31 March 2025, among all the employees (including the senior management) of the Group, male employees accounted for 10% and female employees accounted for 90%. This was due to the combination of traditional gender roles, job nature requiring cutting, stitching and sewing skills and less physically demanding nature of work may appeal more to women as the Group is engaged in the manufacturing and trading of hand-bag products, resulting in their higher presence within the workforce. The Group welcomes all genders to join and has taken into account gender diversity in the recruitment process and is committed to increasing the proportion of male workers as far as possible in the future. The Board had not set any measurable objectives.

## **Dividend Policy**

The Company has adopted a dividend policy (the “**Dividend Policy**”) which allows the Shareholders to share the distributable profits of the Company whilst retaining adequate reserves for the Group’s future growth. The declaration and amount of dividends shall be determined at the sole discretion of the Board. Pursuant to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (a) the Company’s actual and expected financial performance;
- (b) dividends received from the Company’s subsidiaries and associates;
- (c) retained earnings and distributable reserves of the Company and its subsidiaries and associates;
- (d) the liquidity position of the Group;
- (e) the Group’s expected working capital requirements;
- (f) general business conditions and strategies;
- (g) taxation considerations;
- (h) possible effects on creditworthiness;
- (i) legal, statutory and regulatory restrictions;
- (j) contractual restrictions; and
- (k) any other factors that the Board deems appropriate.

Subject to the Companies Act and other applicable laws and regulations, the Board currently targets to distribute to the Shareholders no less than 35% of our distributable profits for any particular financial year. The Board cannot assure the Shareholders that the Board will be able to distribute dividend of the above amount or any amount or at all, in any particular financial year. The declaration and payment of dividend may also be limited by legal restrictions, loans or other agreements that the Company have entered into or may enter into in the future.



# Corporate Governance Report

## CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Ma Hing Man acted as the Chairman and Mr. Ma Hing Ming acted as the chief executive officer of the Company (the “CEO”). The roles of the Chairman and the CEO are separate and assumed by different individuals to ensure a balance of power and authority so that power is not concentrated in any member of the Board. The respective roles and responsibilities of the Chairman and the CEO are set out in writing including but without limitation:

- the Chairman ensures all Directors are properly briefed on issues arising at Board meetings and is responsible for ensuring that Directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable;
- one of the important roles of the Chairman is to provide leadership for the Board. The Chairman ensures that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. The Chairman delegates the responsibility of drawing up the agenda for each Board meeting and Committee meeting to the Company Secretary who will take into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda, and the Chairman is primarily responsible for approving the agenda, which shall be sent to all Directors and committee members in a timely manner before the intended date of such meeting;
- the Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established;
- the Chairman encourages all Directors to make full and active contribution to the Board’s affairs and takes the lead to ensure that the Board acts in the best interests of the Company. The Chairman encourages Directors with different views to voice their concerns, allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus;
- the Chairman holds meetings with the INEDs without the presence of other Directors at least annually;
- the Chairman ensures that appropriate steps are taken to provide effective communication with Shareholders and that their views are communicated to the Board as a whole;
- the Chairman promotes a culture of openness and debate by facilitating the effective contribution of INEDs in particular and ensuring constructive relations between executive Directors and INEDs; and
- the CEO is responsible for conducting the Company’s business and affairs consistent with the principles and directions established by the Board.

# Corporate Governance Report

## BOARD COMMITTEES

The Board has established four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

### Audit Committee

The Audit Committee was established on 2 January 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. The Audit Committee comprises all the INEDs, namely Mr. Lam, Mr. Wong and Mr. Ho. Mr. Wong is the chairman of the Audit Committee. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting process and internal control and risk management procedures of the Group, and to develop and review the policies and procedures for corporate governance and make recommendations to the Board.

During the Year, the Audit Committee held two meetings to perform the following duties:

- reviewed the Group's annual report and interim report;
- discussed the audit issues with the external auditor;
- reviewed the annual internal audit plan;
- made recommendation of the appointment of the external auditor;
- assessed the independence of the external auditor;
- review the internal control and risk management systems of the Group; and
- reviewed and discussed the internal audit reports and risk management findings with Management.

The Audit committee held a meeting on 23 June 2025, amongst other matters, considered and approved for presentation to the Board for further consideration and approval (i) the draft audited Consolidated Financial Statements, and (ii) audit-related matters.

### Nomination Committee

The Nomination Committee was established on 2 January 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. The Nomination Committee comprises all the INEDs, namely Mr. Lam, Mr. Wong and Mr. Ho, and two executive Directors, namely Mr. Ma Hing Man and Mr. Ma Hing Ming. Mr. Ho is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are, among others, to review the structure, size, composition and diversity of the Board, assess the independence of the INEDs and make recommendations to the Board on matters relating to appointment and re-appointment of Directors.



# Corporate Governance Report

During the Year, the Nomination Committee held two meetings to perform the following duties:

- assessed the independence of the INEDs;
- made recommendations on the re-appointment of retiring Directors and succession planning for Directors, in particular the roles of the chairman and chief executive, to the Board;
- evaluated the structure, size and composition of the Board;
- reviewed the Company's Board Diversity Policy; and
- reviewed the terms of reference of the Nomination Committee.

The Nomination Committee held a meeting on 23 June 2025, among other matters, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the 2025 AGM.

## **Nomination Policy and Nomination Procedures**

The Board adopted a nomination policy in January 2018. Such policy sets out the criteria and procedures of considering candidates to be appointed or re-appointed as Directors. When the Board recognises the need to appoint a Director, the Nomination Committee may identify or select candidates recommended to the Nomination Committee, with or without assistance from external agencies. The Nomination Committee may then use any process that it considers appropriate in connection with its evaluation of a candidate, including but not limited to personal interviews and background checks. The Nomination Committee will have regard to the following factors when considering a candidate including but without limitation:

- skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities of the candidate;
- effect on the Board's composition and diversity; and
- independence of the candidate.

## **Remuneration Committee**

The Remuneration Committee was established on 2 January 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. The Remuneration Committee comprises all the INEDs, namely Mr. Lam, Mr. Wong and Mr. Ho, and two executive Directors, namely Mr. Ma Hing Man and Mr. Ma Hing Ming. Mr. Lam is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are, among others, to establish and review the policy and structure of the remuneration for the Directors and Senior Management and make recommendations on employee benefit arrangement and do any such things, which included but not limited to review and/or approve matters relating the Share Option Scheme under Chapter 17 of the Listing Rules, to enable the Remuneration Committee to perform its duties and functions conferred on it by the Board.

# Corporate Governance Report

The Board adopted a remuneration policy in January 2018 (the “**Remuneration Policy**”), which prohibits our Directors from determining his or her own remuneration. Each Director’s remuneration package has been considered and/or reviewed periodically with respect to his or her individual performance, responsibilities, financial performance of the Group, market practice and other applicable factors.

During the Year, the Remuneration Committee held two meetings to perform the following duties:

- made recommendations on the Company’s policy and structure for all Directors’ and Senior Management’s remuneration and on the establishment of a formal and transparent procedure for developing Remuneration Policy;
- reviewed Management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- made recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management;
- make recommendation to the Board on the remuneration of a proposed INED; and
- determined the criteria for assessing employee performance, which should reflect the Company’s business objectives and targets.

The Remuneration Committee held a meeting on 23 June 2025, among other matters, reviewed and recommended to the Board for consideration of certain remuneration-related matters of the Directors and Senior Management.

No Director participated in any discussion about his or her own remuneration in the meetings regarding the review of remuneration.

## Risk Management Committee

The Risk Management Committee was established on 2 January 2018 with written terms of reference, which are published on the respective websites of the Stock Exchange and the Company. The Risk Management Committee comprises all the INEDs, namely Mr. Lam, Mr. Wong and Mr. Ho. Mr. Wong is the chairman of the Risk Management Committee. The primary function of the Risk Management Committee includes but is not limited to reviewing the Group’s business operation, in particular overseas and export business, to monitor and control the Group’s exposure to sanctions law risks and to formulate the Group’s risk management strategies.

During the Year, the Risk Management Committee held one meeting to perform the following duties:

- reviewed the internal control and risk management systems of the Group;
- reviewed the Company’s ESG performance and reporting;
- reviewed the Company’s exposure to sanctions law risks and implementation of related internal control policies and procedures adopted by the Company;
- reviewed and monitored the training and continuous professional development of the Directors and Senior Management;



# Corporate Governance Report

- reviewed the list of sanctioned countries maintained by the Company; and
- assessed the Company's internal control policies and procedures with respect to sanctions law matters.

The Risk Management Committee held a meeting on 23 June 2025, among other matters, considered certain risk management matters.

## Corporate Governance Functions

Save for the responsibility for reviewing and monitoring the training and continuous professional development of directors and senior management which has been delegated to the Risk Management Committee, the Board is responsible for performing the following corporate governance functions:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in this report.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company on 2 January 2018 setting out the key terms and conditions of their appointment, for an initial term and renewable automatically for successive terms of three years each commencing from the next day after the then current terms of the Director's appointment which initially commenced on the Listing Date (subject to the approval from the Shareholders for re-election of the Director as a director of the Company in accordance with the requirement of the Listing Rules), which may be terminated in accordance with the provisions thereof or by not less than three months' notice in writing served by either party on the other.

Each of the INEDs are appointed for a specified term of two years, by way of a letter of appointment setting out the key terms and conditions of their appointment, which is subject to renewal after the expiry of the then current term, unless terminated in accordance with the terms and conditions stipulated therein.

The Board selects INEDs based on their qualification and experience and hence their ability to contribute to the affairs of the Group, and of overriding importance is their possession of a mindset that is independent and constructively challenges Management's views. INEDs' familiarity with the business and the industry over the years has enabled them to contribute to the management of the risks involved as well as add to the diversity of the skills and perspectives of the Board. Continuity of the INEDs provides stability to the Board's decision-making process, compensating for any turnover in the executive management team. The Board believes that the long tenure of some of the INEDs does not compromise their independence but instead brings significant positive qualities.

## Corporate Governance Report

During the Year, none of the INEDs have served more than nine years on the Board. The Board, however, recognises the importance of succession to balance the mix of deep understanding of the Group's business with fresh ideas and perspectives. The Board will periodically evaluate the composition of INEDs so as to sustain its source of independent views.

Save as disclosed, none of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the agreement or letter of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

All the Directors, including INEDs, are subject to retirement by rotation and are eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at an AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the AGM at which he/she retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself/herself for re-election. Any further Directors so to retire shall be those of other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Company may from time to time by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.

The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election. Any such Director appointed shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at an AGM.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in Note 32 to the Consolidated Financial Statements.

# Corporate Governance Report

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of Senior Management (other than the Directors) whose particulars are contained in the section headed “Biographies of Directors and Senior Management” in this annual report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to 500,000	2
1,000,001 to 1,500,000	1

## INDEPENDENT AUDITOR’S REMUNERATION

PricewaterhouseCoopers was engaged as the Group’s Independent Auditor for the Year.

The remuneration paid/payable to PricewaterhouseCoopers in respect of the Year is set out below:

	Fee paid/payable (in HK\$'000)
Audit service – Annual audit	1,380
Non-audit service – Review of interim results	270
	1,650

## DIRECTORS’ RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Consolidated Financial Statements, which give a true and fair view of the Group’s state of affairs, results and cash flow for the Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements as well as accounting and financial reporting standards. The Directors were not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as a going concern.

In addition, the statement by the Independent Auditor regarding its responsibilities on the Consolidated Financial Statements is set out in the Independent Auditor’s Report on pages 71 to 76 of this annual report.

The financial information and plans were discussed in the Board meetings. The Chairman and the CEO are responsible for explaining the latest business development and financial projections to the Directors.



# Corporate Governance Report

## RISK MANAGEMENT AND INTERNAL CONTROL

The Group has in place policies and procedures in relation to risk management and internal control (the “RMIC”). The Board is responsible for evaluating and determining the nature and extent of the risks (including ESG risks) that the Company is willing to take in achieving the Company’s strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective RMIC systems. The Board oversees management in the design, implementation and monitoring of the RMIC systems. The Board acknowledges that such RMIC systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee reviews the internal controls and risk management that are significant to the Group on an on-going basis. The Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group’s accounting and financial reporting function, as well as their training programmes and budgets. The review carried out by the Audit Committee is as follows:

### (a) the process used to identify, evaluate and manage significant risks

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

#### *Risk Identification*

- identifies risks that may potentially affect the Group’s business and operations (including ESG risks).

#### *Risk Assessment*

- assesses the risks identified by using the assessment criteria developed by Management; and
- considers the impact and consequence on the business and the likelihood of their occurrence.

#### *Risk Response*

- prioritises the risks by comparing the results of the risk assessment; and
- determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

#### *Risk Monitoring and Reporting*

- performs ongoing and periodic monitoring of the risk (including ESG risks) and ensures that appropriate internal control processes are in place;
- revises the risk management strategies and internal control processes in case of any significant change of situation; and
- reports the results of risk monitoring to Management and the Board regularly.

### (b) the main features of the RMIC systems

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

## Corporate Governance Report

- (c) **an acknowledgement by the Board that it is responsible for the RMIC systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss**

The Board is responsible for the RMIC systems of the Company as well as reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The RMIC systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

- (d) **the process used to review the effectiveness of the RMIC systems and to resolve material internal control defects**

The Board acknowledges that it is its responsibility to ensure that the Company establishes, implements and monitors appropriate and effective risk management and internal control systems and review their effectiveness. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board regularly, and at least annually, receives reports from Management regarding the establishment, review and evaluation of the effectiveness of the Company's strategic, financial, operational and compliance control, risk management and internal control systems. All major risks (including ESG risks) and compliance events are reported to the Board. The Board will also evaluate the corresponding risks, the response plan and the handling of the compliance events.

The Audit Committee and the Risk Management Committee are delegated by the Board to oversee the RMIC systems and the internal audit function of the Company on an on-going basis (at least annually).

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for the internal control of the Group and for reviewing its effectiveness.

The Board has engaged an independent internal control adviser (the "IC Adviser") to conduct the annual review of the Group's procedure, system and control (including accounting and management systems) for the Year. Such review is conducted annually and cycles reviews are under rotation basis. The scope of review was determined and approved by the Board. The IC Adviser has reported findings and areas for improvement to the Audit Committee and Risk Management Committee. The Board, the Risk Management Committee and the Audit Committee are of the view that there are no material internal control deficiencies noted. All recommendations from the IC Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board, Audit Committee and the Risk Management Committee therefore consider that the RMIC systems are effective and adequate.

# Corporate Governance Report

## (e) the whistleblowing policy and the anti-corruption system

A whistleblowing policy and an anti-corruption system have been established for employees and those who deal with the Group to raise concerns about possible improprieties in any matter relating to the Group. The Group has maintained an open channel to handle and discuss internal reports concerning finance, internal control and fraud to ensure that all reports will receive sufficient attention and any significant internal control weakness or reports will directly reach and be reported to the chairman of the Audit Committee. The Group has established a mechanism for remediating any internal control deficiency under which Management of each level are assigned clear responsibilities relating to remediating the internal control deficiency in accordance with their respective levels.

The Group has formulated a compliance manual for entities and employees which stipulates basic compliance requirements with anti-corruption, anti-fraud, anti-money laundering, anti-monopoly and other aspects.

## (f) the procedures and internal controls for the handling and dissemination of inside information

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosures are made in accordance with the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- designated reporting channels from different operations informing any potential inside information to designated departments;
- designated persons and departments to determine further escalation and disclosure as required; and
- designated persons authorised to act as spokespersons and respond to external enquiries.

## DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO, the Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company’s website;



# Corporate Governance Report

- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors and the Company Secretary are authorised to communicate with parties outside the Group.

## COMPANY SECRETARY

Mr. Wong Man Hong, the chief financial officer of the Group and the Company Secretary, is a full-time employee of the Company and has day-to-day knowledge on the Company to discharge his duty as the Company Secretary. His biographical detail is set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

Mr. Wong Man Hong reports to Mr. Ma Hing Man, the Chairman and an executive Director, and Mr. Ma Hing Ming, the CEO and an executive Director, and is responsible for advising the Board on corporate governance matters. All members of the Board have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations are followed. The selection, appointment and removal of the Company Secretary has been/will be subject to the Board's approval at its meeting.

Mr. Wong Man Hong has attended not less than 15 hours of relevant continuous professional development training during the Year.

## SHAREHOLDERS' RIGHTS

### Procedures for Putting Forward Proposals at Shareholders' Meetings

There is no provision allowing Shareholders to make proposals or move resolutions at the AGMs under the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "**EGM**") in accordance with the "Procedures for Shareholders to Convene an EGM" set out below.

### Procedures for Shareholders to Convene an EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned (the "**Requisitionist(s)**") either by post to the headquarters and principal place of business of the Company in Hong Kong (at Room 9, 6/F., Wah Yiu Industrial Centre, 30-32 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong) or by email to [johnathan.wong@wahsun.com.hk](mailto:johnathan.wong@wahsun.com.hk) for the attention of the Board or the Company Secretary.

The Requisition must state clearly the name(s) of the Requisitionist(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

# Corporate Governance Report

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within 2 months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Requisitionist(s) will be advised of the outcome and accordingly, the Board or the Company Secretary will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board or the Company Secretary fails to proceed to convene such EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board or the Company Secretary to convene an EGM shall be reimbursed to the Requisitionist(s) by the Company.

## Procedures for Shareholders to Send Enquiries to the Board

Shareholders may direct their enquiries about their shareholdings or their notification of change of correspondence address or their dividend/distribution instructions to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong.

Shareholders may send their enquiries and concerns to the Board by post to the headquarters and principal place of business of the Company in Hong Kong (at Room 9, 6/F., Wah Yiu Industrial Centre, 30–32 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong) or by email to [johnathan.wong@wahsun.com.hk](mailto:johnathan.wong@wahsun.com.hk), for the attention of the Company Secretary.

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

1. the matters within the Board's purview to the executive Directors;
2. the matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate Management.

## COMMUNICATION WITH THE SHAREHOLDERS

The Board recognises the importance of good and effective communication with all Shareholders. With a policy of being transparent, strengthening investor relations and providing consistent and stable returns to Shareholders, the Company seeks to ensure transparency through establishing and maintaining different communication channels with Shareholders.

# Corporate Governance Report

The Company has set up below dedicated telephone and facsimile numbers and an email address to enable active response to the Shareholders and investors' inquiries through a variety of ways, and to provide timely feedback and reasonable suggestions to Management:

Telephone No.	:	2601 1032
Facsimile No.	:	2601 2564
Email address	:	wahsun@wahsun.com.hk

The Shareholders can also directly put forward their opinions and suggestions to the Directors and Management at general meetings.

A key element of effective communication with the Shareholders and investors is prompt and timely dissemination of information in relation to the Company. In addition to announcing its interim and annual results to the Shareholders and investors, the Company also publicises its major business developments and activities through press releases, announcements and the Company's website in accordance with relevant rules and regulations.

General meetings also provide a useful forum for the Shareholders to exchange views with the Board. The Chairman, as well as the chairman of each of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, or in their absence, members of the respective committees, are available to answer questions from the Shareholders at AGMs and EGMs.

Management ensures that the Independent Auditor shall attend the AGM to answer questions about the conduct of audit, the preparation and content of the auditor's report, the accounting policies adopted and auditor's independence.

The Board has established a Shareholders' communication policy and the Company reviews it on an annual basis to ensure its effectiveness. During the Year, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy including steps taken at the general meetings, the handling of queries received (if any) and the channels of communication and engagement in place, and considered that the shareholders' communication policy has been properly implemented and is effective.

## CONSTITUTIONAL DOCUMENTS

During the Year, the Company had not made any change to its Articles of Association. Pursuant to Rule 13.90 of the Listing Rules, the latest version of the Articles of Association has been posted on the respective websites of the Stock Exchange and the Company.

Reference is made to the announcement of the Company dated 23 June 2025. In order to bring the existing Articles of Association in line with (i) the latest regulatory requirements in relation to the expanded paperless listing regime and electronic dissemination of corporate communications by listed issuer and the relevant amendments made to the Listing Rules which took effect on 31 December 2023; (ii) amendment made to the Listing Rules relating to treasury shares which took effect on 11 June 2024; and (iii) amendments made to the Listing Rules relating to the further expanded paperless listing regime, some amendments of which took effect from 10 February 2025 with the remaining amendments expected to gradually come into effect at the end of 2025 and thereafter, the Board proposes to adopt a new set of Articles of Association incorporating the proposed amendments in substitution for, and to the exclusion of, the existing Articles of Association. The adoption of the new Articles of Association is subject to the passing of a special resolution by the Shareholders at the 2025 AGM.



# Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF WAH SUN HANDBAGS INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of Wah Sun Handbags International Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 77 to 139, comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“**the Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to impairment of trade receivables.

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### Impairment of trade receivables

Refer to notes 3.1(b), 4(b), 20 and 34.6 to the consolidated financial statements.

As at 31 March 2025, the Group had gross trade receivables of HK\$68,224,000 (2024: HK\$55,016,000), representing 16% of the Group's total assets (2024: 15%).

As at 31 March 2025, the Group's provision for impairment of trade receivables was approximately HK\$4,146,000 (2024: HK\$4,943,000). The Group assessed impairment using the "expected credit loss" ("ECL") model.

The ECL model involved management's estimate of the lifetime expected credit loss to be incurred, which is estimated by taking into account various factors, including the credit loss experience, ageing of overdue receivables, customers' settlement history and the ability of the customers in fulfilling their payment obligations, as well as the current condition and forward-looking information. Such estimation involved a significant degree of management judgement.

Our procedures in relation to impairment assessment of trade receivables included:

- Obtained an understanding of the management's control and processes for determining the impairment of trade receivables and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud;
- Evaluated the outcome of prior period assessment of impairment of trade receivables to assess the effectiveness of management's estimation process;
- Tested ageing of the trade receivable balances as at year end on a sample basis to ensure the accuracy of the ageing analysis prepared by management;
- Obtained confirmations, on a sample basis, from debtors of the Group to confirm the gross trade receivable balances as at year end; and for non-reply confirmations, performed alternative procedures by comparing the trade receivable balances to the details stated in goods delivery notes, sales invoices and bank-in slips;
- Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent settlement received from customers on a sample basis;

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

### How our audit addressed the Key Audit Matter

We focused on this area due to the use of significant judgement and estimates by management on the assessment of the provision for impairment of trade receivables.

- Understood the status of each of the material trade receivables past due as at year end and evaluated management's assessment on the recoverability of these outstanding receivables through discussion with management, considering the ageing of these receivables and performing independent search of customers' credit profile on a sample basis;
- Evaluated the customers' historical payment records, identified any history of default, reviewed correspondence of the Group with the customers with respect to the collection of the outstanding amounts and assessed the probability that the customers would enter into bankruptcy or financial difficulties and the available assets of the customers with reference to publicly available information;
- Assessed management's assessment of current condition and forward-looking information with reference to our industry knowledge, market information including macroeconomic factors.

Based on the procedures performed, we found the management's impairment assessment of trade receivables to be supported by the available supporting evidence.



# Independent Auditor's Report

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report (consisting of the Wah Sun Handbags International Holdings Limited Annual Report 2025 and Environmental, Social, and Governance Report 2025) other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu (practising certificate number: P06356).

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 23 June 2025



## Consolidated Income Statement

		Year ended 31 March	
	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	724,098	594,407
Cost of sales	7	(564,521)	(489,412)
<b>Gross profit</b>		<b>159,577</b>	104,995
Other income	6	4,209	3,986
Other gains, net	6	3,091	3,444
Selling and distribution expenses	7	(30,866)	(24,862)
Administrative expenses	7	(54,455)	(50,927)
Reversal of provision for/(provision for) impairment of trade receivables	20	38	(2,669)
<b>Operating profit</b>		<b>81,594</b>	33,967
Finance income	9	3,956	3,347
Finance costs	9	(3,072)	(4,401)
Finance income/(costs), net		884	(1,054)
<b>Profit before income tax</b>		<b>82,478</b>	32,913
Income tax expenses	10	(15,671)	(5,702)
<b>Profit for the year</b>		<b>66,807</b>	27,211
Profit/(loss) attributable to:			
Owners of the Company		64,274	28,504
Non-controlling interests		2,533	(1,293)
		<b>66,807</b>	27,211
		<b>HK cents</b>	HK cents
<b>Basic and diluted earnings per share for profit attributable to owners of the Company</b>	12	<b>15.7</b>	7.0

The above consolidated income statement should be read in conjunction with the accompanying notes.

# Consolidated Statement of Comprehensive Income

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Profit for the year</b>	<b>66,807</b>	27,211
<b>Other comprehensive expense:</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
– Currency translation differences	(64)	(36)
<b>Total comprehensive income for the year</b>	<b>66,743</b>	27,175
Attributable to:		
Owners of the Company	64,210	28,468
Non-controlling interests	2,533	(1,293)
	<b>66,743</b>	27,175

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

		As at 31 March	
	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	13	17,349	20,160
Property, plant and equipment	14	41,820	40,722
Investment property	15	1,607	3,752
Financial asset at fair value through profit or loss	16	1,455	1,413
Deferred income tax assets	26	1,957	3,331
		<b>64,188</b>	69,378
<b>Current assets</b>			
Inventories	19	61,686	67,863
Trade receivables	20	64,078	50,073
Prepayments, deposits and other receivables	20	16,149	17,856
Pledged bank deposits	21	25,917	25,057
Cash and cash equivalents	21	188,849	141,081
		<b>356,679</b>	301,930
<b>Total assets</b>		<b>420,867</b>	371,308
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	22	4,086	4,086
Reserves		290,849	255,243
		<b>294,935</b>	259,329
Non-controlling interests		(1,409)	(3,942)
<b>Total equity</b>		<b>293,526</b>	255,387



# Consolidated Statement of Financial Position

		As at 31 March	
	Notes	2025 HK\$'000	2024 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	13	15,369	17,662
<b>Current liabilities</b>			
Trade and bills payables	24	74,960	68,159
Accruals and other payables	24	28,839	22,273
Current income tax liabilities		4,829	3,945
Lease liabilities	13	3,344	3,882
		111,972	98,259
<b>Total liabilities</b>		<b>127,341</b>	115,921
<b>Total equity and liabilities</b>		<b>420,867</b>	371,308

The consolidated financial statements on page 77 to 139 were approved by the Board of Directors on 23 June 2025 and were signed on its behalf.

**Mr. Ma Hing Man**  
Director

**Mr. Ma Hing Ming**  
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Non-	Total equity HK\$'000
	Share capital HK\$'000 (Note 22)	Share premium HK\$'000 (Note 22)	Exchange reserve HK\$'000	Capital reserve HK\$'000 (Note 23)	Retained earnings HK\$'000	Total HK\$'000	controlling interests HK\$'000	
<b>As at 1 April 2023</b>	4,086	109,611	2,571	21,656	109,282	247,206	(2,649)	244,557
<b>Comprehensive income</b>								
Profit/(loss) for the year	–	–	–	–	28,504	28,504	(1,293)	27,211
<b>Other comprehensive expense</b>								
Currency translation difference	–	–	(36)	–	–	(36)	–	(36)
<b>Total comprehensive income</b>	–	–	(36)	–	28,504	28,468	(1,293)	27,175
<b>Transactions with owners</b>								
2022/23 special dividend	–	–	–	–	(4,086)	(4,086)	–	(4,086)
2023/24 interim dividend (Note 11)	–	–	–	–	(12,259)	(12,259)	–	(12,259)
<b>As at 31 March 2024</b>	4,086	109,611	2,535	21,656	121,441	259,329	(3,942)	255,387
<b>As at 1 April 2024</b>	4,086	109,611	2,535	21,656	121,441	259,329	(3,942)	255,387
<b>Comprehensive income</b>								
Profit for the year	–	–	–	–	64,274	64,274	2,533	66,807
<b>Other comprehensive expense</b>								
Currency translation difference	–	–	(64)	–	–	(64)	–	(64)
<b>Total comprehensive income</b>	–	–	(64)	–	64,274	64,210	2,533	66,743
<b>Transactions with owners</b>								
2023/24 final dividend (Note 11)	–	–	–	–	(12,259)	(12,259)	–	(12,259)
2024/25 interim dividend (Note 11)	–	–	–	–	(16,345)	(16,345)	–	(16,345)
<b>As at 31 March 2025</b>	4,086	109,611	2,471	21,656	157,111	294,935	(1,409)	293,526

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

		Year ended 31 March	
	Notes	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>			
Net cash generated from operations	28	101,479	66,709
Income tax paid		(13,423)	(2,951)
<b>Net cash generated from operating activities</b>		<b>88,056</b>	63,758
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(6,850)	(2,891)
Increase in pledged bank deposits		(860)	(1,077)
Interest received		3,956	3,347
<b>Net cash used in investing activities</b>		<b>(3,754)</b>	(621)
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		(5,226)	(4,509)
Interest paid		(1,997)	(3,282)
Dividends paid		(28,604)	(16,345)
<b>Net cash used in financing activities</b>	29	<b>(35,827)</b>	(24,136)
Net increase in cash and cash equivalents		48,475	39,001
Cash and cash equivalents at beginning of the year		141,081	103,043
Currency translation difference		(707)	(963)
<b>Cash and cash equivalents at end of the year</b>	21	<b>188,849</b>	141,081

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

Wah Sun Handbags International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 29 May 2017 as an exempted limited liability company under Companies Act, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is situated at Room 9, 6/F., Wah Yiu Industrial Centre, 30–32 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacturing and trading of handbag products. The ultimate holding company of the Company is Wah Sun International Holdings Limited (“**Wah Sun Holdings**”), a company incorporated in the British Virgin Islands (the “**BVI**”). The ultimate controlling parties of the Group are all family members within the Ma Family namely Mr. Ma Hing Man, Mr. Ma Hing Ming, Ms. Ma Lan Chu, Ms. Ma Lan Heung and Mr. Ma Yum Chee who have entered into an acting in concert deed.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing**”).

These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

## 2 BASIS OF PREPARATION

The basis of preparation and principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all of the years presented, unless otherwise stated.

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (“**HKFRS**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost basis, except for financial asset at fair value through profit or loss which is measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements of the Group are disclosed in Note 4.

# Notes to the Consolidated Financial Statements

## 2 BASIS OF PREPARATION (CONTINUED)

### (a) Amended standards and interpretation adopted by the Group

The Group has applied the following new standards and amendments to existing standards for the first time for its financial year commencing on 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above new standards and amendments to existing standards did not have any significant impact to the results and financial position of the Group.

### (b) New and amended standards and interpretation that have been issued but are not effective

The following new and amended standards and interpretation have been issued but are not effective for the financial year beginning on 1 April 2024 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 April 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 April 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to HK Interpretation 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

# Notes to the Consolidated Financial Statements

## 2 BASIS OF PREPARATION (CONTINUED)

### (b) New and amended standards and interpretation that have been issued but are not effective (Continued)

These new and amended standards and interpretation are not expected to have a material impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group mainly operates in Hong Kong, Cambodia and the People's Republic of China (the "PRC") with most of the transactions settled in HK\$, United States dollars ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to RMB.

As HK\$ is pegged to US\$, management considered the foreign exchange risk on US\$ to the Group is minimal.

As at 31 March 2025, if RMB had strengthened/weakened by 0.5% against HK\$ with all other variables held constant, pre-tax profit for the year would decrease/increase by HK\$11,000 (2024: HK\$8,000), mainly as a result of foreign exchange losses/gains on translation of trade and bills payables which are denominated in RMB.

The Group had certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. During the year ended 31 March 2025, the Group recorded other comprehensive loss of currency translation differences of HK\$64,000 (2024: other comprehensive loss of currency translation differences of HK\$36,000). Foreign currency denominated inter-company receivables and payables that do not form part of a net investment in a foreign operation are insignificant.



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (ii) Cash flow and fair value interest rate risk

The Group is exposed to both cash flow and fair value interest rate risk as certain bank deposits are carried at variable rates and certain bank deposits are carried at fixed rates, respectively.

As at 31 March 2025, if the interest rates on bank deposits had been 50 basis-points higher/lower with all other variables held constant, pre-tax profit for the year would be HK\$944,000 (2024: HK\$705,000) higher/lower, mainly as a result of higher/lower net interest income on floating rate bank deposits.

#### (b) Credit risk

The Group is exposed to credit risk in relation to its cash at bank, pledged bank deposits, trade receivables, deposits and other receivables. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

The Group's cash at bank and pledged bank deposits were deposited with credit worthy financial institutions. Therefore, the directors do not expect any losses arising from non-performance by these counterparties.

The credit quality of the customers is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure that sales of products are made to customers with appropriate credit histories.

As at 31 March 2025, the Group had a concentration of credit risk given that the top 5 customers accounted for 83% (2024: 85%) of the Group's total year end trade receivable balances. Management limits the Group's exposure to credit risk by taking timely actions once there is any indication for recoverability problem of each individual debtor. Management also reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure adequate allowance is made for irrecoverable amount.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (i) Concentration risk

The Group has put in place policies to ensure that sales are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. With regard to the ageing analysis and relevant credit risk of trade and other receivables, please refer to Note 3.1(b)(ii).

The table below shows the gross trade receivable balances of the five major customers in revenue aggregated on a global basis at the reporting date.

	2025 HK\$'000
<b>Counterparties</b>	
Customer A	16,055
Customer B	13,892
Customer C	10,066
Customer D	9,061
Customer E	7,650
	<b>56,724</b>
	2024 HK\$'000
<b>Counterparties</b>	
Customer C	14,894
Customer E	11,227
Customer B	11,204
Customer D	8,237
Customer F	1,445
	<b>47,007</b>

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets

##### Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and trade receivables by due date.

Trade receivables were assessed individually for impairment allowance. As at 31 March 2025, the balances of such individually assessed trade receivables of were HK\$23,706,000. Loss allowances for the individually assessed trade receivables aforesaid as at 31 March 2025 was determined as follows:

	Total HK\$'000
Gross carrying amount	23,706
Loss allowance	(856)
Net trade receivables	22,850

Other than those trade receivables which were assessed by individually basis, trade receivables were grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 March 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified the rate of gross domestic product of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the debtor to engage in a repayment plan with the Group and the debtor has significant financial difficulties.



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

##### Trade receivables (Continued)

As at 31 March 2025, the provision for impairment was determined as follows:

The expected credit losses below also incorporated forward-looking information.

#### At 31 March 2025

	Current HK\$'000	0-30 days HK\$'000	31-60 days HK\$'000	61-90 days HK\$'000	Over 90 days HK\$'000	Total HK\$'000
Gross trade receivables	30,260	11,537	1,209	307	1,205	44,518
Expected credit loss rate	1%	6%	52%	100%	100%	
Loss allowance	(412)	(733)	(633)	(307)	(1,205)	(3,290)
Net trade receivables	29,848	10,804	576	–	–	41,228

#### At 31 March 2024

	Current HK\$'000	0-30 days HK\$'000	31-60 days HK\$'000	61-90 days HK\$'000	Over 90 days HK\$'000	Total HK\$'000
Gross trade receivables	46,947	4,461	1,870	57	1,681	55,016
Expected credit loss rate	5%	16%	20%	40%	89%	
Loss allowance	(2,347)	(712)	(369)	(23)	(1,492)	(4,943)
Net trade receivables	44,600	3,749	1,501	34	189	50,073

Impairment losses on trade receivables are presented as provision for impairment of trade receivables within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Due to the nature of the underlying businesses, the Group's management responsible for treasury function aims to maintain flexibility in funding by keeping sufficient cash and committed banking facilities available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position dates to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on the current rates at the end of the reporting period).

Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment and no interest payments were included. The maturity analysis for other borrowings is prepared based on the scheduled repayment dates. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	On demand or less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
<b>As at 31 March 2025</b>					
Trade and bills payables	74,960	–	–	–	74,960
Accruals and other payables	18,167	–	–	–	18,167
Lease liabilities	4,274	3,869	9,090	5,952	23,185
	97,401	3,869	9,090	5,952	116,312
<b>As at 31 March 2024</b>					
Trade and bills payables	68,159	–	–	–	68,159
Accruals and other payables	12,136	–	–	–	12,136
Lease liabilities	4,462	3,347	8,928	8,928	25,665
	84,757	3,347	8,928	8,928	105,960

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio. The net debt to equity ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" shown in the consolidated statement of financial position.

As at 31 March 2025 and 2024, the Group was at net cash position, hence the net debt to equity ratio was not applicable.

### 3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2025, by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's asset that is measured at fair value at 31 March 2025 and 2024.

#### At 31 March 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
Financial asset at fair value through profit or loss (Note 16)				
– Key management insurance contract	–	–	1,455	1,455



# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

At 31 March 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
Financial asset at fair value through profit or loss ( <i>Note 16</i> )				
– Key management insurance contract	–	–	1,413	1,413

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The fair value of the key management insurance is determined based on the surrender value, which is primarily based on the performance of the underlying investment portfolio in accordance with key management insurance contract which is not an observable input. Management estimates the fair value based on the latest policy statement of the key management insurance contract provided by the insurance company.

There were no transfers between level 1, level 2 and level 3 fair value hierarchy classifications and no significant changes in valuation techniques during the period.

The following table presents the changes in level 3 instruments for the year ended 31 March 2025:

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

	<b>As at 31 March</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Beginning of the year	<b>1,413</b>	1,371
Fair value gain	<b>42</b>	42
End of the year	<b>1,455</b>	1,413

# Notes to the Consolidated Financial Statements

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### (a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each statement of financial position date.

### (b) Provision for impairment of trade receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates (Note 3.1(b)). The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the statement of financial position date.

### (c) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of an asset's fair value less costs of disposal and value-in-use calculations prepared on the basis of management's assumptions and estimates.

## 5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the directors of the Company. The directors of the Company consider the business from a product perspective which is the manufacture and trading of handbag products. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information that regularly reviewed by the directors of the Company for the purposes of allocating resources and assessing performance of the operating segment is the consolidated financial statements of the Group, no separate segmental analysis is presented in these consolidated financial statements.

The amounts provided to the directors of the Company with respect to total assets and total liabilities are measured in a manner consistent with that in the consolidated statement of financial position.

# Notes to the Consolidated Financial Statements

## 5 SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Company is domiciled in Hong Kong.

The analysis of revenue by geographical area is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
US	542,630	485,560
Canada	56,576	45,873
Netherlands	36,605	10,718
China	22,874	8,291
Other countries	65,413	43,965
	<b>724,098</b>	<b>594,407</b>

For the purpose of classification, the geographical source of revenue is determined based on the destination of the goods delivered to customers. Revenues from the individual countries included in other countries are not material.

The non-current assets information below is based on the location of assets and excludes financial asset at fair value through profit or loss and deferred income tax assets.

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
PRC	6,752	10,825
Hong Kong	15,362	10,834
Cambodia	38,662	42,975
	<b>60,776</b>	<b>64,634</b>



# Notes to the Consolidated Financial Statements

## 5 SEGMENT INFORMATION (CONTINUED)

### Information about major customers

Revenue from the Group's major customers contributing over 10% of the total revenue of the Group is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Customer A	185,172	136,729
Customer B	173,462	172,882
Customer C	133,815	128,200
Customer D	75,979	7,230
Customer E	73,303	102,202
	641,731	547,243

## 6 REVENUE, OTHER INCOME AND OTHER GAINS, NET

An analysis of revenue, which is recognised at a point in time, is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Revenue:</b>		
Sales of goods	724,098	594,407

Revenue of HK\$447,000 (2024: HK\$316,000) recognised for the year ended 31 March 2025 relates to contract liabilities brought forward from the prior year.

# Notes to the Consolidated Financial Statements

## 6 REVENUE, OTHER INCOME AND OTHER GAINS, NET (CONTINUED)

### Accounting policy of revenue recognition – Sales of goods

The Group is principally engaged in manufacturing and trading of handbag products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognised when a customer pays consideration before the Group recognises the related revenue.

An analysis of other income and other gains, net is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Other income:</b>		
Rental income	4,044	3,963
Sundry income	165	23
	<b>4,209</b>	3,986
<b>Other gains, net:</b>		
Net exchange gains	2,753	3,225
Gain on sales of scrap materials	296	181
Fair value change of financial asset at fair value through profit or loss	42	42
Loss on disposal of property, plant and equipment	—	(4)
	<b>3,091</b>	3,444
	<b>7,300</b>	7,430

# Notes to the Consolidated Financial Statements

## 7 EXPENSES BY NATURE

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold (Note 19)	322,681	293,869
Sub-contracting charges	83,157	65,546
Transportation and customs charges	18,033	14,428
Lease rental in respect of land and building (Note 13(b))	14	284
Employee benefit expense (Note 8)	177,881	149,385
Auditor's remuneration	1,650	1,750
Travelling expenses	1,032	983
Entertainment expenses	1,925	1,994
Depreciation of property, plant and equipment	5,235	5,846
Depreciation of investment property (Note 15)	2,144	2,144
Depreciation of right-of-use assets (Note 13(b))	4,131	3,643
Legal and professional fees	3,062	2,831
Utilities	4,660	4,062
Repairs and maintenance	984	773
Donations	978	248
Other expenses	22,275	17,415
Total cost of sales, selling and distribution expenses and administrative expenses	649,842	565,201

Note: As at 31 March 2025 and 2024, the Group had no forfeited contribution available to reduce its existing level of contribution to the retirement benefit schemes in future years.



# Notes to the Consolidated Financial Statements

## 8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	165,295	138,645
Discretionary bonuses	1,399	1,135
Pension costs – defined contribution plans	11,187	9,605
	177,881	149,385

### (a) Retirement benefits – defined contribution plans

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “**Pension Scheme**”) set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the Pension Scheme. The Group has no further payment obligations once the contributions have been paid.

Pursuant to the government regulations in the PRC, the Group is required to contribute an amount to certain retirement benefit schemes based on certain percentage of the wages for the year of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to the consolidated income statement as incurred.

In addition, pursuant to the government regulations in Cambodia, all enterprises or establishment must register with the National Social Security Fund (“**NSSF**”). Employers are obliged to pay contributions to the NSSF based on certain percentage of employee’s monthly salary. Contributions to these benefits schemes are charged to the consolidated income statement as incurred.

As at 31 March 2025, the Group was not entitled to any forfeited contributions to reduce its future contributions (2024: Nil).

# Notes to the Consolidated Financial Statements

## 8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

### (b) Five highest paid individuals

For the year ended 31 March 2025, the five individuals whose emoluments were the highest in the Group include 3 (2024: 4) directors, whose emoluments were reflected in Note 32. The emolument paid to the remaining 2 (2024: 1) individuals in 2025 is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	3,720	1,245
Discretionary bonuses	90	–
Pension costs – defined contribution plans	36	18
	3,846	1,263

The emoluments of the remaining individuals fell within the following bands:

	Number of individuals Year ended 31 March	
	2025	2024
HK\$1,000,001–HK\$1,500,000	1	1
HK\$2,500,001–HK\$3,000,000	1	–
	2	1

No incentive payments or compensation for loss of office was paid or payable to any of the five highest paid individuals during the year ended 31 March 2025 (2024: Nil).

# Notes to the Consolidated Financial Statements

## 8 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

### Accounting policy of employee benefits

#### (a) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the consolidated statement of financial position date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (b) *Pension obligations*

The Group participates in defined contribution plans in the countries where it operates. A defined contribution plan is a pension plan under which the Group pays contributions, on a mandatory, contractual or voluntary basis, into a separate entity. The scheme is generally funded through payments to insurance companies or state/trustee-administered funds. The Group has no further payment obligations once the contributions have been paid. It has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employment costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (c) *Bonus plans*

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.



# Notes to the Consolidated Financial Statements

## 9 FINANCE INCOME/(COST), NET

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Finance costs:</b>		
– Interest expense on bills payable	(1,997)	(3,282)
– Interest expense on lease liabilities	(1,075)	(1,119)
	(3,072)	(4,401)
<b>Finance income:</b>		
– Interest income on bank deposits	3,956	3,347
Finance income/(cost), net	884	(1,054)

## 10 INCOME TAX EXPENSES

The amount of income tax charged to the consolidated income statement represents:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Current income tax:</b>		
– Hong Kong profits tax	5,272	3,509
– Overseas taxation	9,083	3,041
(Over)/under-provision in prior years	(41)	3
	14,314	6,553
Deferred income tax (Note 26)	1,357	(851)
	15,671	5,702

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) for the year ended 31 March 2025 on the estimated assessable profit, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25% (2024: 8.25%), in accordance with the two-tiered tax rate regime with effect from the year of assessment 2018/2019. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Cambodia corporate income tax has been provided at the rate of 20% (2024: 20%) on the estimated assessable profit for the year. Subsidiaries incorporated in PRC is subject to the PRC corporate income tax based on the statutory income tax rate of 25% for the year (2024: 25%). Those PRC subsidiaries were entitled to Corporate Income Tax ("CIT") preferential tax treatment for Small and Thin-Profit Enterprises with preferential effective CIT rate of 5% for the first RMB3,000,000 of annual taxable income for the year ended 31 March 2025 (2024: same).

# Notes to the Consolidated Financial Statements

## 10 INCOME TAX EXPENSES (CONTINUED)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Profit before income tax	82,478	32,913
Tax calculated at domestic tax rates applicable to profits in the respective countries:	17,187	5,907
Tax effects of:		
Tax concession	(634)	(481)
Income not subject to tax	(1,277)	(485)
Expenses not deductible for tax purposes	865	523
Tax losses not recognised	–	235
Utilisation of previously unrecognised tax losses	(429)	–
(Over)/under-provision in prior years	(41)	3
Income tax expenses	15,671	5,702

For the year ended 31 March 2025, the weighted average applicable tax rate was 19% (2024: 17%).

### Accounting policy of current income tax

Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Notes to the Consolidated Financial Statements

## 11 DIVIDENDS

The Board has recommended the payment of a final dividend of HK4.0 cents per share (2024: HK2.0 cents per share) and a special dividend of HK2.0 cents per share (2024: HK1.0 cent per share) amounting to an aggregate of approximately HK\$24,518,000 (2024: HK\$12,259,000) for the year ended 31 March 2025. The proposed final dividend and the proposed special dividend for the year are subject to the approval by the shareholders of the Company in the forthcoming annual general meeting of the Company. These consolidated financial statements do not reflect these dividend payable.

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of HK3.0 cents (2024: HK2.0 cents) per share	12,259	8,173
Interim special dividend declared and paid of HK1.0 cent (2024: HK1.0 cent) per share	4,086	4,086
	16,345	12,259
Proposed final dividend of HK4.0 cents (2024: HK2.0 cents) per share	16,345	8,173
Proposed special dividend of HK2.0 cents (2024: HK1.0 cent) per share	8,173	4,086
	24,518	12,259
Total dividends attributable to the year	40,863	24,518

## 12 EARNINGS PER SHARE

### (a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	Year ended 31 March	
	2025	2024
Profit attributable to owners of the Company (HK\$'000)	64,274	28,504
Weighted average number of shares in issue (thousands shares)	408,626	408,626
Basic earnings per share (HK cents)	15.7	7.0

### (b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding as at 31 March 2025 (2024: Nil).



# Notes to the Consolidated Financial Statements

## 13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	Leased land and office premises HK\$'000 (Note)	Land use rights HK\$'000	Total HK\$'000
<b>Right-of-use assets</b>			
As at 1 April 2023	22,563	131	22,694
Additions	1,223	–	1,223
Depreciation (Note 7)	(3,596)	(47)	(3,643)
Currency translation differences	(114)	–	(114)
As at 31 March 2024	20,076	84	20,160
As at 1 April 2024	<b>20,076</b>	<b>84</b>	<b>20,160</b>
Additions	<b>1,349</b>	–	<b>1,349</b>
Depreciation (Note 7)	<b>(4,084)</b>	<b>(47)</b>	<b>(4,131)</b>
Currency translation differences	<b>(29)</b>	–	<b>(29)</b>
As at 31 March 2025	<b>17,312</b>	<b>37</b>	<b>17,349</b>
		<b>As at 31 March</b>	
		<b>2025</b>	<b>2024</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Lease liabilities</b>			
Current		<b>3,344</b>	3,882
Non-current		<b>15,369</b>	17,662
		<b>18,713</b>	21,544

# Notes to the Consolidated Financial Statements

## 13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Depreciation of right-of-use assets</b>		
Leased land and office premises	(4,084)	(3,596)
Land use rights	(47)	(47)
	<b>(4,131)</b>	<b>(3,643)</b>
Interest expense (Note 9)	<b>(1,075)</b>	<b>(1,119)</b>
Expense relating to short-term leases (included in administrative expenses)	<b>(14)</b>	<b>(284)</b>

The total cash outflow for leases for the year ended 31 March 2025 was approximately HK\$5,226,000 (2024: approximately HK\$4,793,000).

Note: As at 31 March 2025, the Group recognised right-of-use assets of HK\$15,055,000 (2024: HK\$17,206,000) and lease liabilities of HK\$16,487,000 (2024: HK\$18,555,000) in respect of a lease entered into with a related party with a payment of lease liabilities of HK\$2,976,000 (2024: HK\$2,976,000) during the year (Note 30(b)).

### Accounting policy of right-of-use assets and lease liabilities

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Land use rights are grouped as part of right-of-use assets.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option (if any).

# Notes to the Consolidated Financial Statements

## 13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated income statement (Continued)

#### *Accounting policy of right-of-use assets and lease liabilities (Continued)*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received (if any);
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

Right-of-use assets are generally depreciated over the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor. Extension options are only included in the lease term if the lease is reasonably certain to be extended.



# Notes to the Consolidated Financial Statements

## 14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK\$'000 (Note)	Plant, machinery and moulds HK\$'000	Motor vehicles HK\$'000	Furniture and fixtures HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>					
Cost	65,818	31,970	9,084	11,060	117,932
Accumulated depreciation	(28,306)	(29,602)	(5,647)	(10,427)	(73,982)
Net book amount	37,512	2,368	3,437	633	43,950
<b>Year ended 31 March 2024</b>					
Opening net book amount	37,512	2,368	3,437	633	43,950
Additions	–	1,805	1,080	6	2,891
Disposal	–	–	(4)	–	(4)
Depreciation charge	(4,091)	(730)	(828)	(197)	(5,846)
Currency translation differences	(165)	(6)	(97)	(1)	(269)
Closing net book amount	33,256	3,437	3,588	441	40,722
<b>At 31 March 2024</b>					
Cost	65,592	33,756	10,003	11,047	120,398
Accumulated depreciation	(32,336)	(30,319)	(6,415)	(10,606)	(79,676)
Net book amount	33,256	3,437	3,588	441	40,722

Note: As at 31 March 2025 and 2024, the Group had an office in Fo Tan, Hong Kong and a production plant in Kampong Speu Province, Cambodia.

# Notes to the Consolidated Financial Statements

## 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and buildings HK\$'000 (Note)	Plant, machinery and moulds HK\$'000	Motor vehicles HK\$'000	Furniture and fixtures HK\$'000	Total HK\$'000
<b>At 1 April 2024</b>					
Cost	65,592	33,756	10,003	11,047	120,398
Accumulated depreciation	(32,336)	(30,319)	(6,415)	(10,606)	(79,676)
Net book amount	33,256	3,437	3,588	441	40,722
<b>Year ended 31 March 2025</b>					
Opening net book amount	33,256	3,437	3,588	441	40,722
Additions	5,629	4	1,118	99	6,850
Depreciation charge	(4,392)	(452)	(796)	(35)	(5,675)
Currency translation differences	(33)	(2)	(42)	—	(77)
Closing net book amount	34,460	2,987	3,868	505	41,820
<b>At 31 March 2025</b>					
Cost	71,109	33,751	9,856	11,137	125,853
Accumulated depreciation	(36,649)	(30,764)	(5,988)	(10,632)	(84,033)
Net book amount	34,460	2,987	3,868	505	41,820

Depreciation of HK\$3,384,000 (2024: HK\$2,403,000) has been charged to “administrative expenses” and HK\$1,851,000 (2024: HK\$3,100,000) has been charged to “cost of sales” for the year ended 31 March 2025. In addition, depreciation of HK\$440,000 (2024: HK\$343,000) has been capitalised as inventories as at 31 March 2025.

Leasehold land and buildings of approximately HK\$4,700,000 was acquired from certain related parties during the year ended 31 March 2025. See note 30 for further disclosures related to the transaction.

# Notes to the Consolidated Financial Statements

## 14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Accounting policy of property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment are calculated using the straight-line method to allocate their costs (less estimated residual values, if any) over their estimated useful lives at the annual rates, as follows:

Leasehold land and buildings	20 to 28 years
Plant, machinery and moulds	2 to 5 years
Motor vehicles	5 years
Furniture and fixtures	2 to 5 years

See note 34.4 for the other accounting policies relevant to property, plant and equipment.

## 15 INVESTMENT PROPERTY

	HK\$'000
As at 1 April 2023	5,900
Depreciation charge	(2,144)
Currency translation differences	(4)
<b>As at 31 March 2024</b>	<b>3,752</b>
As at 1 April 2024	<b>3,752</b>
Depreciation charge	<b>(2,144)</b>
Currency translation differences	<b>(1)</b>
<b>As at 31 March 2025</b>	<b>1,607</b>



# Notes to the Consolidated Financial Statements

## 15 INVESTMENT PROPERTY (CONTINUED)

The Group leased a parcel of land in Dongguan, the PRC where the Group's old factory was located (the "Dongguan Old Factory") and the rental for the entire lease term, which is expiring in December 2025, was fully settled in 1997. Following the establishment of the principal production facilities of the Group in Cambodia and the relocation of production base from the PRC to Cambodia, the operation of the Dongguan Old Factory was scaled down to cover mainly product development, administration and production support to the Cambodian production facility when required. In July 2022, the Group leased another factory within the Dongguan district with reduced scale that is commensurate with existing and the upcoming business development plan of the Group for relocation of the operation of the Dongguan Old Factory, which was completed in August 2022. On the basis that the Dongguan Old Factory will no longer be essential to the Group's future operations, the Dongguan Old Factory was leased out on 30 November 2022 to generate rental income until the end of the lease term in 2025.

Accordingly, this industrial property in the PRC has been reclassified as investment property for accounting purposes as at 31 March 2025.

The Group has adopted the cost model under HKAS 40. The investment property was stated at cost and the fair value of the Group's investment property as at 31 March 2025 was HK\$2,507,000 which was calculated by the income approach using the valuation technique of the discounted cash flow analysis, which requires (1) estimating future cash flows for a certain discrete projection period; (2) estimating the terminal value, if appropriate; and (3) discounting those amounts to present value at a rate of return that considers the relative risk of the cash flows and the time value of money. Terminal value represents the present value at the end of the discrete projection period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life.

Further particulars of the Group's investment property were included on page 140.

Amounts recognised in consolidated income statement for the investment property:

	2025 HK\$'000	2024 HK\$'000
Rental income from operating lease (Note 6)	4,044	3,963

# Notes to the Consolidated Financial Statements

## 15 INVESTMENT PROPERTY (CONTINUED)

### Accounting policy of investment property

Investment properties are interests in land and buildings (including the leasehold property held as right-of-use assets which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

The Group's investment property is rented out under an operating lease. Depreciation of investment property is calculated using the straight-line method to allocate their cost (less estimated residual values, if any) over the lease term.

Any gains or losses on the retirement or disposal of investment properties are recognised in the consolidated income statement in the year of the retirement or disposal.

## 16 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Beginning of the year	1,413	1,371
Credited to the consolidated income statement	42	42
End of the year	1,455	1,413

The Group entered into key management insurance contract to insure one of its key management personnel, which includes both investment and insurance elements.

# Notes to the Consolidated Financial Statements

## 17 SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2025 and 2024 were as follows:

Name of subsidiary	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued and paid-up capital	Ownership interest held by the Company			
				Direct	2024	Indirect	2024
				2025		2025	
Wah Sun Global Development Limited	BVI, limited liability company	Investment holding in BVI	US\$1	100%	100%	–	–
Wah Sun Hand-Bag Factory Company Limited	Hong Kong, limited liability company	Trading of hand-bag products in Hong Kong	HK\$10,000	–	–	100%	100%
Union Gold Holdings Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	HK\$100	–	–	100%	100%
Dongguan Quickmind Handbag Factory Co., Ltd*	PRC, limited liability company	Manufacturing of hand-bag products in the PRC	HK\$13,860,000	–	–	100%	100%
Wah Sun HK Factory (Cambodia) Co., Ltd	Kingdom of Cambodia ("Cambodia"), limited liability company	Manufacturing of hand-bag products in Cambodia	US\$1,000,000	–	–	100%	100%
Dongguan Union Gold Hand-bag Materials Trading Co., Ltd*	PRC, limited liability company	Trading of hand-bag materials in the PRC	– <sup>(a)</sup>	–	–	100%	100%
Wah Sun Handbags Industrial Co., Limited	Hong Kong, limited liability company	Trading of hand-bag products in Hong Kong	HK\$10,000	–	–	55%	55%

\* English translation is for identification purpose only

<sup>(a)</sup> Dongguan Union Gold Hand-bag Materials Trading Co., Ltd is a limited liability company incorporated in the PRC with registered capital of HK\$5,000,000. As at 31 March 2025, the Group is yet to pay up registered capital of HK\$5,000,000 to this subsidiary.

In the opinion of the Directors that there is no non-controlling interests that are material to the Group.



# Notes to the Consolidated Financial Statements

## 18 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
<b>Assets as per consolidated statement of financial position</b>		
Financial assets at amortised cost:		
– Trade receivables	64,078	50,073
– Deposits and other receivables	2,289	1,603
– Pledged bank deposits	25,917	25,057
– Cash and cash equivalents	188,849	141,081
Total	281,133	217,814
Financial asset at fair value through profit or loss	1,455	1,413
<b>Liabilities as per consolidated statement of financial position</b>		
Other financial liabilities at amortised cost:		
– Trade and bills payables	74,960	68,159
– Accruals and other payables	18,167	12,136
– Lease liabilities	18,713	21,544
Total	111,840	101,839

# Notes to the Consolidated Financial Statements

## 19 INVENTORIES

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
Raw materials	18,770	20,382
Work-in-progress	19,909	24,840
Finished goods	23,007	22,641
	61,686	67,863

The cost of inventories recognised as expense and included in “cost of sales” in the consolidated income statement amounted to HK\$322,681,000 (2024: HK\$293,869,000) for the year ended 31 March 2025.

### Accounting policy of inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

# Notes to the Consolidated Financial Statements

## 20 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
Trade receivables (Note)	68,224	55,016
Less: provision for impairment of trade receivables	(4,146)	(4,943)
Trade receivables, net	64,078	50,073
Deposits and other receivables	2,289	1,603
Prepayments	5,556	9,590
Value-added tax recoverable	7,941	5,800
Accrued revenue	363	863
	16,149	17,856
	80,227	67,929

The maximum exposure to credit risk as at 31 March 2025 was the carrying value of each class of receivables mentioned above. The Group did not hold any collateral as security. The carrying amounts of trade and other receivables excluding prepayments and value-added tax recoverable approximate their fair values.

The trade and other receivables and deposits excluding prepayments, value-added tax recoverable and accrued revenue are denominated in the following currencies:

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
US\$	65,421	50,912
HK\$	221	219
RMB	725	545
	66,367	51,676



# Notes to the Consolidated Financial Statements

## 20 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Note:

The credit terms of trade receivables generally range from 30 to 90 days from the invoice date. As at 31 March 2025, the ageing analysis of the gross trade receivables based on the invoice date is as follows:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within 30 days	47,653	41,334
31 to 60 days	16,458	7,034
61 to 90 days	2,576	4,771
Over 90 days	1,537	1,877
	68,224	55,016

Movements on the Group's provision for impairment of trade receivables are as follows:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Beginning of the year	4,943	2,274
(Reversal of provision for)/provision for impairment	(38)	2,669
Write-off	(759)	–
End of the year	4,146	4,943

The other receivables within trade and other receivables do not contain impaired assets.

### Accounting policy of trade receivables and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

# Notes to the Consolidated Financial Statements

## 21 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
Cash at bank	188,192	139,599
Cash on hand	657	1,482
Cash and cash equivalents	188,849	141,081
Pledged bank deposits	25,917	25,057
Cash and bank balances	214,766	166,138
Maximum exposure to credit risk	214,109	164,656

As at 31 March 2025, pledged bank deposits of HK\$25,917,000 (2024: HK\$25,057,000) were held at bank as security for banking facilities and bank borrowings (Note 25). Pledged bank deposits are deposited with a creditworthy bank with no recent history of default.

The weighted average effective interest rates on pledged bank deposits, with maturity ranging from one month to three months, was 3.1% (2024: 4.2%) per annum for the year ended 31 March 2025.

Cash and cash equivalents and pledged bank deposits approximate their fair value and are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	21,004	7,819
US\$	191,555	155,364
RMB	2,207	2,955
	214,766	166,138

Certain of the Group's bank balances and deposits denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of fund out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

# Notes to the Consolidated Financial Statements

## 22 SHARE CAPITAL AND SHARE PREMIUM

The Company was incorporated in the Cayman Islands on 29 May 2017.

### Authorised ordinary shares:

	Number of shares	Nominal value of ordinary shares HK\$'000
At 31 March 2024, 1 April 2024 and 31 March 2025	5,000,000,000	50,000

### Ordinary shares, issued and fully paid:

	Number of shares	Nominal value of ordinary shares HK\$'000	Share premium HK\$'000
At 31 March 2024, 1 April 2024 and 31 March 2025	408,626,000	4,086	109,611

## 23 CAPITAL RESERVE

Capital reserve of the Group represented the difference between the share capital of the subsidiaries acquired pursuant to a reorganisation for the Listing over the nominal value of the share capital of the Company issued in exchange thereof.

## 24 TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	68,812	55,565
Bills payable	6,148	12,594
	<b>74,960</b>	68,159
Accruals and other payables		
– Accrued salaries	10,191	9,690
– Other accruals and payables	18,167	12,136
– Contract liabilities	481	447
	<b>28,839</b>	22,273
	<b>103,799</b>	90,432

As at 31 March 2025, the carrying amounts of trade and bills payables, accruals and other payables approximate their fair values.



# Notes to the Consolidated Financial Statements

## 24 TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES (CONTINUED)

Notes:

### (a) Trade and bills payables

As at 31 March 2025, the ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within 30 days	52,751	39,822
31 to 60 days	10,661	10,942
61 to 90 days	4,549	9,881
Over 90 days	6,999	7,514
	74,960	68,159

The trade and bills payables are denominated in the following currencies:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
HK\$	11,231	18,344
US\$	18,341	9,282
RMB	45,388	40,533
	74,960	68,159

### (b) Accruals and other payables

The accruals and other payables are denominated in the following currencies:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
HK\$	6,821	6,120
US\$	9,455	8,443
RMB	12,563	7,710
	28,839	22,273

# Notes to the Consolidated Financial Statements

## 25 BORROWINGS

As at 31 March 2025, the Group had aggregate banking facilities of HK\$160,000,000 (2024: HK\$160,000,000) for bills payable, overdrafts and loans. Unutilised facilities as at 31 March 2025 amounted to HK\$153,852,000 (2024: HK\$147,406,000).

As at 31 March 2025, the Group's banking facilities are secured by pledged bank deposits of HK\$25,917,000 (2024: HK\$25,057,000) (Note 21).

## 26 DEFERRED INCOME TAX ASSETS/(LIABILITIES)

Deferred tax has been calculated on temporary differences under the liability method using the applicable tax rates which are expected to apply at the time of reversal of the temporary differences.

	2025 HK\$'000	2024 HK\$'000
Deferred income tax assets	5,899	7,180
Deferred income tax liabilities	(3,942)	(3,849)
	1,957	3,331

The movement in deferred income tax assets and liabilities (prior to offsetting balances with the same taxation jurisdiction) during the year are as follows:

### Deferred tax assets

	Lease liabilities HK\$'000	Tax loss and others HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	4,112	2,544	6,656
(Charge)/credit to the consolidated income statement (Note 10)	(309)	869	560
Currency translation differences	—	(36)	(36)
<b>At 31 March 2024</b>	<b>3,803</b>	<b>3,377</b>	<b>7,180</b>
Charge to the consolidated income statement (Note 10)	—	(1,264)	(1,264)
Currency translation differences	—	(17)	(17)
<b>At 31 March 2025</b>	<b>3,803</b>	<b>2,096</b>	<b>5,899</b>

# Notes to the Consolidated Financial Statements

## 26 DEFERRED INCOME TAX ASSETS/(LIABILITIES) (CONTINUED)

### Deferred tax liabilities

	Accelerated tax depreciation HK\$'000
<b>At 1 April 2023</b>	4,140
Credit to the consolidated income statement ( <i>Note 10</i> )	(291)
<b>At 31 March 2024</b>	<b>3,849</b>
Charge to the consolidated income statement ( <i>Note 10</i> )	<b>93</b>
<b>At 31 March 2025</b>	<b>3,942</b>

Deferred tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 March 2025, the Group did not recognise deferred tax assets of HK\$3,882,000 (2024: HK\$4,310,000) in respect of tax losses amounting to HK\$15,526,000 (2024: HK\$17,241,000) that can be carried forward against future taxable income. Total unrecognised tax losses will expire from 2026.

As at 31 March 2025, no deferred tax liabilities have been recognised in respect of the tax that would be payable on the distribution of the retained profits of the Group's foreign-invested enterprises as the Company controls the dividend policy of these foreign-invested enterprises and it is probable that such differences will not be reversed in the foreseeable future (2024: Nil).

Deferred income tax liabilities of HK\$17,367,000 (2024: HK\$13,231,000) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries as at 31 March 2025 as such amounts are expected to be permanently reinvested.



# Notes to the Consolidated Financial Statements

## 26 DEFERRED INCOME TAX ASSETS/(LIABILITIES) (CONTINUED)

### Accounting policy of deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on taxable temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 27 COMMITMENTS

### (a) Capital commitments

As at 31 March 2025, the capital commitments of the Group were as follow:

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided for in the consolidated financial statements	5,000	5,000

### (b) Operating lease commitments

#### The Group as a lessee

At 31 March 2025, no future lease payments for leases committed but not yet commenced in relation to leased properties (2024: HK\$Nil).

# Notes to the Consolidated Financial Statements

## 27 COMMITMENTS (CONTINUED)

### (b) Operating lease commitments (Continued)

#### *The Group as a lessor*

The Group leases its industrial property in the PRC (note 15) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 March 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	3,595	4,972
After one year but within three years	—	3,660
	<b>3,595</b>	8,632

## 28 NET CASH GENERATED FROM OPERATIONS

	Notes	2025 HK\$'000	2024 HK\$'000
Profit before income tax		82,478	32,913
Adjustments for:			
Depreciation of right-of-use assets	7	4,131	3,643
Depreciation of property, plant and equipment	7	5,235	5,846
Depreciation of investment property	7	2,144	2,144
(Reversal of provision for)/provision for impairment of trade receivables	20	(38)	2,669
Fair value change of financial asset at fair value through profit or loss	6	(42)	(42)
Loss on disposal of property, plant and equipment	6	—	4
Finance income	9	(3,956)	(3,347)
Finance costs	9	3,072	4,401
		<b>93,024</b>	48,231
Changes in working capital:			
Inventories		6,556	60,583
Trade receivables		(13,967)	(16,349)
Prepayments, deposits and other receivables		1,419	(4,518)
Trade and bills payables		7,740	(23,388)
Accruals and other payables		6,707	2,150
Net cash generated from operations		<b>101,479</b>	66,709

# Notes to the Consolidated Financial Statements

## 29 CASH FLOW INFORMATION – FINANCING ACTIVITIES

This section sets out the reconciliation of liabilities arising from financing activities for the year ended 31 March 2025.

	Dividend payable HK\$'000	Interest payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	–	–	23,827	23,827
Non cash – dividend declared	16,345	–	–	16,345
Non cash – interest cost	–	3,282	1,119	4,401
Non cash – new leases	–	–	1,223	1,223
Cash flow – financing activities	(16,345)	(3,282)	(4,509)	(24,136)
Foreign exchange adjustment	–	–	(116)	(116)
<b>At 31 March 2024</b>	–	–	21,544	21,544
<b>At 1 April 2024</b>	–	–	21,544	21,544
Non cash – dividend declared	28,604	–	–	28,604
Non cash – interest cost	–	1,997	1,075	3,072
Non cash – new leases	–	–	1,349	1,349
Cash flow – financing activities	(28,604)	(1,997)	(5,226)	(35,827)
Foreign exchange adjustment	–	–	(29)	(29)
<b>At 31 March 2025</b>	–	–	18,713	18,713

## 30 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the year:

Name of the related parties	Relationship with the Group
Ms. Ma Lan Heung	Director and ultimate controlling shareholder of the Company
Ms. Dong Yan	Director of a subsidiary
Ms. Chan Sim Kuen	Spouse of Mr. Ma Hing Man
Ms. Yu Siu Mui	Non-controlling interests of a subsidiary of the Group



# Notes to the Consolidated Financial Statements

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The following transactions were carried out with related parties:

Save as disclosed elsewhere in the consolidated financial statements, during the year ended 31 March 2025, the following transactions were carried out with related parties at terms mutually agreed by both parties:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Prepayment in relation to the acquisition of the Property		
– Ms. Ma Lan Heung and Ms. Chan Sim Kuen	–	470
Acquisition of the office ( <i>note</i> )		
– Ms. Ma Lan Heung and Ms. Chan Sim Kuen	4,700	–
	4,700	470
<b>Continuing transactions:</b>		
Payment of lease liabilities/rental expenses paid or payable to related parties		
– Ms. Dong Yan	2,976	2,976
– Ms. Ma Lan Heung and Ms. Chan Sim Kuen	14	168
	2,990	3,144
Emolument payable or paid		
– Ms. Yu Siu Mui	2,640	1,245
<b>Total</b>	<b>10,330</b>	<b>4,859</b>

*Note:* On 30 April 2024, the Group completed the acquisition of the office in Hong Kong from two connected parties of the Group at a consideration of approximately HK\$4,700,000.

# Notes to the Consolidated Financial Statements

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Key management compensation

Key management includes directors of the Company (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Salaries, bonus and other allowances	11,490	11,603
Discretionary bonuses	908	862
Retirement benefit costs		
– Mandatory Provident Fund Scheme	62	65
	12,460	12,530

# Notes to the Consolidated Financial Statements

## 31 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries		95,531	95,531
<b>Current assets</b>			
Amount due from subsidiaries		146,832	126,246
Cash and cash equivalents		78	79
		146,910	126,325
<b>Total assets</b>		<b>242,441</b>	<b>221,856</b>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		4,086	4,086
Share premium		109,611	109,611
Capital reserve	(a)	95,531	95,531
Retained earnings	(b)	33,213	12,628
Total equity		242,441	221,856
<b>Total liabilities</b>		<b>—</b>	<b>—</b>
Total equity and liabilities		242,441	221,856

The statement of financial position of the Company was approved by the Board of Directors on 23 June 2025 and was signed on its behalf.

Mr. Ma Hing Man  
Director

Mr. Ma Hing Ming  
Director



# Notes to the Consolidated Financial Statements

## 31 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### (a) Capital reserve

Capital reserve of the Company represented the difference between the net assets value of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof.

### (b) Retained earnings of the Company

	HK\$'000
<b>As at 1 April 2023</b>	4,574
Profit for the year	24,399
2022/23 final dividend	(4,086)
2023/24 interim dividend	(12,259)
<b>As at 31 March 2024</b>	12,628
<b>As at 1 April 2024</b>	<b>12,628</b>
Profit for the year	<b>49,189</b>
2023/24 final dividend	<b>(12,259)</b>
2024/25 interim dividend	<b>(16,345)</b>
<b>As at 31 March 2025</b>	<b>33,213</b>

# Notes to the Consolidated Financial Statements

## 32 BENEFIT AND INTERESTS OF DIRECTORS

### (a) Directors' emoluments

The remuneration of the directors is set out below:

For the year ended 31 March 2025

Name of directors	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking				Total HK\$'000
	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	
<b>Executive directors</b>					
Mr. Ma Hing Man	–	3,444	287	–	3,731
Mr. Ma Hing Ming (Note (i))	–	2,724	227	18	2,969
Ms. Ma Lan Chu	–	1,242	103	–	1,345
Mr. Ma Yum Chee	–	1,002	84	–	1,086
Ms. Ma Lan Heung	–	882	74	–	956
	–	9,294	775	18	10,087
<b>Independent non-executive directors</b>					
Mr. Lam Kwok Cheong	200	–	–	–	200
Mr. Wong Wai Keung					
Frederick	200	–	–	–	200
Mr. Ho Lai Chuen	200	–	–	–	200
	600	–	–	–	600

Note:

(i) Mr. Ma Hing Ming is also the chief executive officer of the Company.

# Notes to the Consolidated Financial Statements

## 32 BENEFIT AND INTERESTS OF DIRECTORS (CONTINUED)

### (a) Directors' emoluments (Continued)

For the year ended 31 March 2024

Name of directors	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking				
	Fees HK\$'000	Salaries HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Ma Hing Man	–	3,444	287	2	3,733
Mr. Ma Hing Ming (Note (i))	–	2,724	227	18	2,969
Ms. Ma Lan Chu	–	1,242	104	–	1,346
Mr. Ma Yum Chee	–	1,002	84	–	1,086
Ms. Ma Lan Heung	–	882	74	–	956
	–	9,294	776	20	10,090
<b>Independent non-executive directors</b>					
Mr. Lam Kwok Cheong	200	–	–	–	200
Mr. Wong Wai Keung Frederick	200	–	–	–	200
Mr. Yeung Chi Wai	162	–	–	–	162
Mr. Ho Lai Chuen	38	–	–	–	38
	600	–	–	–	600

Note:

(i) Mr. Ma Hing Ming is also the chief executive officer of the Company.



# Notes to the Consolidated Financial Statements

## 32 BENEFIT AND INTERESTS OF DIRECTORS (CONTINUED)

### (b) Directors' retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits during the year ended 31 March 2025 (2024: Nil).

(c) No emoluments were paid by the Group to any Director as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

(d) None of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

### (e) Consideration provided to third parties for making available directors' services

No consideration was made to the directors of the Company for making available the services of them as a director of the Company during the year ended 31 March 2025 (2024: Nil).

### (f) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors during the year ended 31 March 2025 (2024: Nil).

### (g) Directors' material interest in transactions, arrangements or contracts

Save as elsewhere disclosed in the notes to the consolidated financial statements, there is no significant transactions, arrangements and contracts in relation to the Group's business in which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly subsisted at the end of the year or at any time during the year ended 31 March 2025 (2024: Nil).

## 33 EVENT AFTER THE REPORTING PERIOD

There were no material events undertaken by the Group after 31 March 2025.

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

### 34.1 Subsidiaries

#### 34.1.1 Consolidation

Subsidiaries are entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.1 Subsidiaries (Continued)

#### 34.1.1 Consolidation (Continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

#### *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

#### *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the aggregate fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.1 Subsidiaries (Continued)

#### 34.1.1 Consolidation (Continued)

##### *Business combinations (Continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

#### 34.1.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 34.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors collectively, who make strategic decisions.

### 34.3 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group entity operates (the “**functional currency**”). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.



# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.3 Foreign currency translation (Continued)

#### (b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within “finance income” or “finance costs”. All other foreign exchange gains and losses are presented in the consolidated income statement within “other income and other gains – net”.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortised cost are recognised in income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income, are included in other comprehensive income.

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.4 Property, plant and equipment

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial year in which they are incurred.

The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 34.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains, net" in the consolidated income statement.

### 34.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

### 34.6 Financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in income statement or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.6 Financial assets (Continued)

#### (ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognised in profit or loss and presented net within "other gain – net" in the period in which it arises.

#### (iv) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 34.8 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks.

### 34.9 Pledged bank deposits

Pledged bank deposits represented fixed deposits pledged to banks to secure for bank facilities and bank borrowings.

### 34.10 Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued.

### 34.11 Trade, bills and other payables

Trade, bills and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade, bills and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 34.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### 34.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 34.15 Interest income

Interest income on financial assets at amortised cost calculated using effective interest method is recognised in consolidated income statement. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

# Notes to the Consolidated Financial Statements

## 34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 34.16 Leases

#### *Group as a lessor*

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in the consolidated income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

### 34.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.



## Particulars of Investment Property

As at 31 March 2025

Location	Category of lease	Use	Attributable interest of the Group
Two production plants and three dormitories located at Changfu Industrial Park, Fushan Village, Fenghua Road, Fushan Management District, Liaobu Town, Dongguan, the PRC	Medium term lease	Industrial	100%

## Five-Year Financial Summary

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows.

### RESULTS

	Year ended 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	724,098	594,407	446,518	617,586	403,843
Profit before tax	82,478	32,913	9,694	52,337	9,211
Income tax expense	(15,671)	(5,702)	(3,687)	(12,954)	(3,649)
Profit for the year	66,807	27,211	6,007	39,383	5,562
Profit attributable to:					
Owners of the Company	64,274	28,504	8,495	39,544	5,562
Non-controlling interests	2,533	(1,293)	(2,488)	(161)	–
<b>Per Share Data</b>					
Basic and diluted earnings per share (HK cents)	15.7	7.0	2.1	9.7	1.4
Interim dividend per share (HK cents)	3.0	2.0	1.0	1.5	–
Interim special dividend per share (HK cent)	1.0	1.0	–	0.5	–
Final dividend per share (HK cents)	4.0	3.0	1.0	2.0	–
Final special dividend per share (HK cents)	4.0 <sup>1</sup>	2.0	–	2.0	0.5
Final special dividend per share (HK cents)	2.0 <sup>1</sup>	1.0	1.0	2.0	1.5
Total dividend per share (HK cents)	6.0	3.0	1.0	4.0	2.0
	10.0	6.0	2.0	6.0	2.0
Dividend payout ratio	61%	90%	96%	62%	147%

Note:

<sup>1</sup> The proposed final and final special dividend for 2024/25 is pending for approval at the upcoming AGM.

## Five-Year Financial Summary

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows. (continued)

### ASSETS AND LIABILITIES

	As at 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Assets</b>					
Non-current assets	64,188	69,378	76,431	76,730	72,797
Current assets	356,679	301,930	305,946	340,261	301,350
Total assets	420,867	371,308	382,377	416,991	374,147
<b>Equity and liabilities</b>					
Equity attributable to owners of the Company	294,935	259,329	247,206	259,268	235,991
Non-controlling interests	(1,409)	(3,942)	(2,649)	(161)	–
Total equity	293,526	255,387	244,557	259,107	235,991
Non-current liabilities	15,369	17,662	20,419	20,558	22,595
Current liabilities	111,972	98,259	117,401	137,326	115,561
Total liabilities	127,341	115,921	137,820	157,884	138,156
Total equity and liabilities	420,867	371,308	382,377	416,991	374,147
Net current assets	244,707	203,671	188,545	202,935	185,789