力勁科技集團有限公司
L.K. Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code 股份代號：558)

ANNUAL REPORT
2024/25 年報

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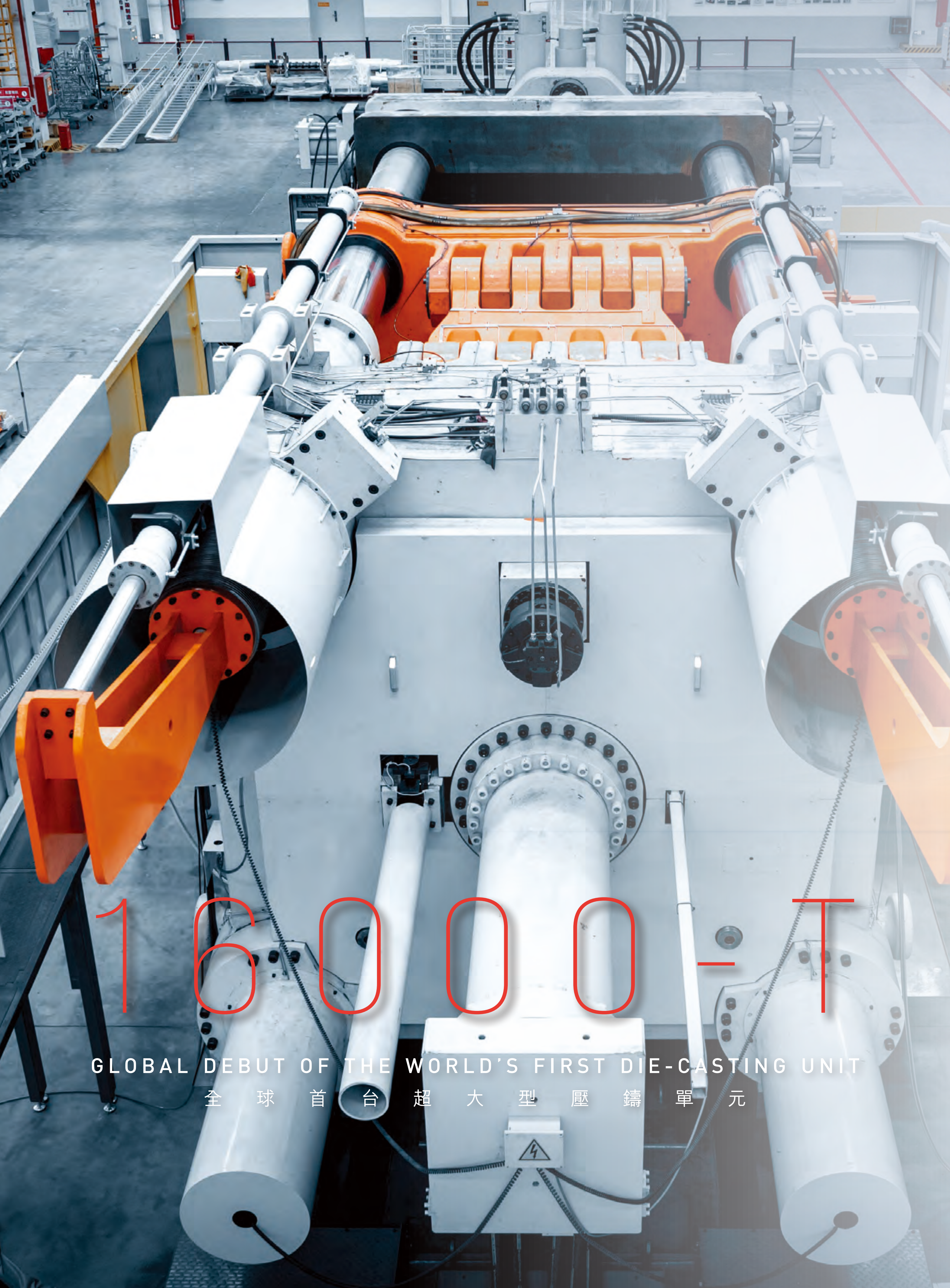
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GLOBAL DEBUT OF THE WORLD'S FIRST DIE-CASTING UNIT
全　球　首　台　超　大　型　壓　鑄　單　元

CORPORATE INFORMATION

As at 27 June 2025

BOARD OF DIRECTORS

Executive Directors

Ms. Chong Siw Yin *(Chairperson)*
Mr. Liu Zhuo Ming *(Chief Executive Officer)*
Mr. Tse Siu Sze

Independent Non-executive Directors

Dr. Low Seow Chay
Dr. Lui Ming Wah, *PhD, SBS, JP*
Mr. Look Andrew

COMPANY SECRETARY

Ms. Ng Ka Man

AUTHORISED REPRESENTATIVES

Ms. Chong Siw Yin
Ms. Ng Ka Man

AUDIT COMMITTEE

Dr. Lui Ming Wah, *PhD, SBS, JP (Chairperson)*
Dr. Low Seow Chay
Mr. Look Andrew

NOMINATION COMMITTEE

Dr. Low Seow Chay *(Chairperson)*
Dr. Lui Ming Wah, *PhD, SBS, JP*
Mr. Look Andrew

REMUNERATION COMMITTEE

Mr. Look Andrew *(Chairperson)*
Dr. Low Seow Chay
Dr. Lui Ming Wah, *PhD, SBS, JP*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 8th Floor
Mai Wah Industrial Building
1–7 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Bank of China
Intesa Sanpaolo Spa

STOCK CODE

558

WEBSITE

www.lk.world

VISION 願景

SHAPE THE FUTURE, SHAPE THE WORLD

讓 世 界 有 形

L.K. Technology Holdings Limited (the "Company") is one of the world's largest die-casting machine manufacturers. The Group engages in the design, manufacture and sale of three product lines, i.e. diecasting machine, plastic injection moulding machine and computerised numerical controlled (CNC) machining centre. The Group has manufacturing bases and R&D centres in Shenzhen, Zhongshan, Ningbo, Shanghai, Fuxin, Kunshan, Taiwan and Italy. To capture overseas markets, the Group has established sales and services companies in the USA and India. The Group also operates a casting factory in Fuxin for the production of cast iron/steel components.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of LK Technology Limited, I hereby present the results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2025 (the "Year").

In FY2024/2025, the Group demonstrated operational resilience in a complex market environment and maintained a solid operating position. The Company achieved an operating revenue of HK$5,824.9 million, and a significant period-to-period growth of 24.5%. In particular, revenue generated from the die-casting business segment amounted to HK$3,866.6 million, accounting for 66.4% of the total revenue; revenue generated from the plastic injection moulding business segment amounted to HK$1,757.5 million, accounting for 30.2%; and revenue generated from the CNC machining centre business amounted to HK$200.8 million, accounting for 3.4% of the total revenue. In terms of profitability, gross profit of the Company amounted to HK$1,597.2 million, with a gross profit margin of 27.4%, representing a slight increase of 0.2 percentage points compared to the last financial year. Net profit amounted to HK$403.0 million, with a net profit margin of 6.9%.

In 2024, the annual production and sales of new energy vehicles in China reached 10 million units, reaching 12.888 million and 12.866 million respectively, ranking first in the world for 10 consecutive years, and the products are exported to more than 70 countries and regions, becoming a "beautiful business card" made in China. In 2025, China will implement preferential policies such as trade-in of old cars and tax exemption for new energy vehicles, support advantageous enterprises to improve quality and efficiency, standardize market competition, continuously optimize the industrial ecology, and continue to maintain a steady and positive development trend.

The development of lightweight automobiles and the growth of the robotics industry may drive a significant increase in the demand for magnesium alloy castings. With the increasing design and production capabilities of magnesium alloy automotive parts manufacturers, the penetration rate of medium and large magnesium alloy parts in automobile applications, such as dashboard brackets, seat brackets, central control brackets, display brackets, etc., has gradually increased. In the magnesium alloy market, the automotive industry is the most widely used downstream application area for magnesium alloys, and the development of lightweight automobiles has become the core driving force for the demand for magnesium alloy castings. The market believes that the global demand for magnesium alloy corresponding to lightweight automobiles may increase from 570,000 tons in 2024 to 1.35 million tons in 2027, with a CAGR of 34% during the period.

The Company has always attached great importance to the application of magnesium alloy in the field of robotics. The mass production of humanoid robots is imminent, and the amount of magnesium alloy castings in the long term is considerable. In the global market, Tesla's humanoid robot has entered the mass production cycle. Tesla's humanoid robot motor shell and body part shell have a higher demand for magnesium alloy castings than industrial robots, and the volume of humanoid robots may bring greater growth elasticity to the demand for magnesium alloy castings. The market expects that the global demand for magnesium alloy for humanoid robots may increase from 200 tons in 2024 to 8,500 tons in 2030, with a CAGR of 93% during the period.

At present, the Group firmly grasps the new opportunities brought about by the rapid growth of the magnesium alloy die-casting market, and is further expanding its direct investment in the research and development of magnesium alloy die-casting products while being committed to making greater breakthroughs and development in this field. The Group will continue to invest in R&D, launch various advanced technologies one after another, ensure the rapid implementation of many innovative products, and continue to deepen the development path of integrated die-casting solutions for new energy vehicles.

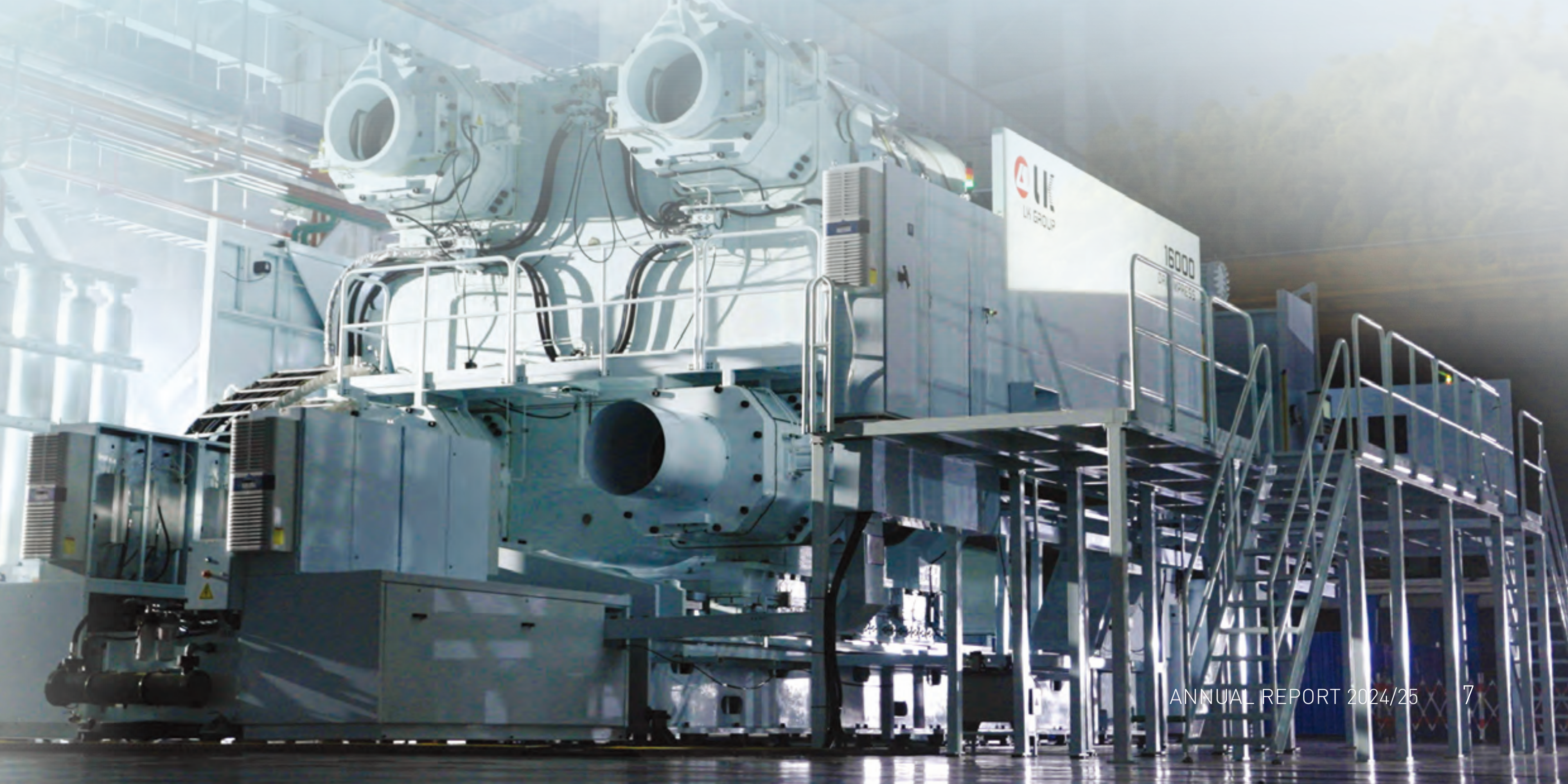
Finally, on behalf of the Board and the management team, I would like to hereby express my sincere gratitude to our customers, suppliers, correspondent banks, partners and shareholders for their strong support and encouragement. At the same time, I would also like to express my sincere gratitude to all the members of the Board who have contributed to the development of the Group's business in the previous year, and to all the employees who have worked tirelessly and diligently.

Chairman
Chong Siw Yin
27 June 2025

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2025	2024	**Change**
	HK$'000	HK$'000	%
Operating results:			
Revenue	**5,824,959**	5,837,373	-0.2%
Gross profit	**1,597,207**	1,588,260	0.6%
Gross profit margin	**27.4%**	27.2%	0.2%
Operating profit	**535,720**	658,751	-18.7%
Operating profit margin	**9.2%**	11.3%	-2.1%
Profit for the year	**403,041**	517,739	-22.2%
Net profit margin	**6.9%**	8.9%	-2.0%
Return on equity	**9.8%**	12.9%	-3.1%
	HK cents	HK cents	
Basic and diluted earnings per share	**25.7**	35.3	-27.2%

	At 31 March		
	2025	2024	**Change**
	HK$'000	HK$'000	%
Financial position:			
Total assets	**11,914,252**	10,905,823	9.2%
Net assets	**4,116,554**	4,016,099	2.5%
Net current assets	**3,042,491**	3,475,338	-12.5%
Cash and cash equivalents	**1,560,253**	2,375,176	-34.3%
Total borrowings	**2,148,860**	1,792,919	19.9%



MISSION 使命

LK, STRIVES FOR YOUR SUCCESS

力 勁 ， 始 終 致 力 於 客 戶 的 成 功

I. INDUSTRY DEVELOPMENT TREND AND MACROECONOMIC CONDITIONS

(i) Demand for die-casting and plastic injection moulding amid transformation of the automotive industry

The automotive industry is in a critical period of transition from traditional fuel vehicles to new energy vehicles. With an optimistic long-term outlook, the automotive industry continues to undergo electric and intelligent transformation with greater breadth and depth, driving the market's development capacity. Nevertheless, given the impact of the uncertain macro environment on the overall performance of the manufacturing industry in 2024, the automotive industry also slowed down in growth.

According to EVTank, global new energy vehicle sales in 2024 amounted to 18,236,000 units, representing a year-on-year increase of 24.4%, of which the sales in China's market of 12,866,000 units, representing a year-on-year increase of 35.5%, accounted for 70.5% of the share, up 5.7 percentage points compared to 2023. The growth was primarily attributable to exceptional effectiveness of the "trade-in" policy, coupled with accelerated model iteration and price decrease, which propelled the domestic penetration rate of new energy vehicles over 40%. In contrast, the European and U.S. markets demonstrated a stark contrast in growth rates, with respective sales of 2,890,000 units, representing a year-on-year decrease of 2.0%, and 1,573,000 units, representing a year-on-year increase of 7.2%, in 2024. Europe experienced sluggish growth due to the withdrawal of subsidies and supply chain bottlenecks, while the United States maintained steady growth through domestic incentives under the Inflation Reduction Act. Structural differences among regional markets further highlighted China's leading position in the new energy vehicle industry chain and expanded the space for large-scale applications of die-casting and injection moulding technologies.

In the development process of new energy vehicles, lightweight components have become one of the core requirements. With the capabilities to effectively minimise the number of parts, reduce vehicle weight, improve manufacturing efficiency and other advantages, integrated die-casting technology has been widely applied in new energy vehicle manufacturing. In 2024, integrated die-casting technology has been deeply integrated into various manufacturing processes of core auto parts. Besides EIC shells, die-casting process is also applied to shock towers, subframes and other key parts, and has seen increasing use in body structure parts, gradually becoming a staple process in the industry. Automobile rear floor, front compartment, battery tray and other core parts have also widely adopted integrated die-casting technology, attracting various new energy vehicle enterprises to establish presence in the field.

Plastic injection moulding technology is also commonly applied in the fields of automotive interiors and electronic components. With improving automotive intelligence and comfort, the precision, quality and aesthetic requirements for plastic injection are also increasingly stringent. For example, the bezel of the smart display integrated into the central dashboard of new energy vehicles requires high-precision plastic injection moulding to achieve a tolerance control of 0.1mm, while achieving satisfactory weather resistance and electromagnetic shielding performance. Meanwhile, the plastic gears in seat adjustment mechanisms demand injection-moulded parts featuring high strength and low noise. According to QYR's statistics, sales of the global injection moulding machine market reached US$9.88 billion in 2024, representing a year-on-year increase of 4.8%, with the automotive industry contributing over 30% of the growth. The sustained rise in demand for high-performance injection moulding machines essentially reflects the pursuit of precision, integration, and lightweight components under the "new four modernisations" trend in vehicles.

(ii) Manufacturing trend in the global economic landscape

In 2024, international volatilities intensified global economic uncertainties, causing profound impact on the development of the manufacturing industry. Trade measures such as tariffs imposed by the United States have disrupted the global supply chain. Affected by capricious trade policies and recession expectations, U.S. indexes slowed down after an upsurge and currency depreciation led to a hike in the prices of US dollar-denominated international commodities, putting immense cost pressure on manufacturing enterprises which are heavily reliant on imported energy and raw materials, such as metals. Political instability arising from the United States election during this period also dampened enterprises' desire to invest and expand production, limiting the development of the global manufacturing industry.

Against this backdrop, the growth momentum of countries around the world varied significantly. While developed countries promoted the return and upgrading of their manufacturing industry, developing countries actively welcomed industrial relocation and took forward industrial transformation. However, challenges and uncertainties continue to loom large in the general landscape.

II. BUSINESS PERFORMANCE AND ANALYSIS OF CORE BUSINESS

(i) Business performance of the Group

In FY2024/2025, the Group demonstrated operational resilience in a complex market environment and maintained a solid operating position. The Company achieved an operating revenue of HK$5,824.9 million and a significant period-to-period growth of 24.5%. In particular, revenue generated from the die-casting business segment amounted to HK$3,866.6 million, accounting for 66.4% of the total revenue; revenue generated from the plastic injection moulding business segment amounted to HK$1,757.5 million, accounting for 30.2%; and revenue generated from the CNC machining centre business amounted to HK$200.8 million, accounting for 3.4% of the total revenue. In terms of profitability, gross profit of the Company amounted to HK$1,597.2 million, with a gross profit margin of

27.4%, representing a slight increase of 0.2 percentage points compared to the last financial year. Net profit amounted to HK$403.0 million, with a net profit margin of 6.9%.

(ii) Operating results of each business segment

The die-casting machine business demonstrated differentiated development pattern in the complex and evolving market environment. In the first half of the year, the year-on-year performance in terms of revenue was under pressure due to investment uncertainties caused by the international environment, compounded by the concentration of delivery for new die-casting machine orders in the second half of the year. However, as the delivery pace accelerated in the second half of the year, the period-on-period performance in terms of revenue improved significantly by 38.3%, boosting the full-year performance and making up the result shortfall. Profit recorded a period-on-period growth of 80.9% in the second half, nearly doubling that of the first half.

This structural improvement primarily stemmed from a dual-pronged business strategy: On one hand, the large-scale delivery of super-large die-casting machines in the second half became the core driver of period-on-period growth in profit, which reflected the deepening presence of downstream customers in integrated die-casting. On the other hand, small and medium die-casting machines demonstrated resilient performance, contributing consistent revenue through diversified application scenarios through compatibility with 3C and home appliance components, thereby stabilising the business fundamentals.

The injection moulding machine business performed well in the financial year, achieving a revenue of HK$1,757.5 million, representing a year-on-year increase of 23.3%, while segment profit improved by 5.7% year-on-year. The outstanding performance was driven by the national policy tailwinds combined with internal product mix optimisation. The "Action Plan for Promoting Large-Scale Equipment Renewal and Consumer Goods Trade-In (《推動大規模設備更新和消費品以舊換新行動方案》)" issued in March 2024 and the "Notice on Intensifying and Expanding the Implementation of Large-Scale Equipment Renewal and Consumer Goods Trade-in Policies in 2025"《關於2025年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知》issued in January 2025 by national government departments stimulated equipment upgrading and capacity expansion in downstream industries, such as home appliances and packaging, which consistently boosted the demand for injection moulding machines. By application sector, revenue generated by the Group's injection moulding machine business from the consumer goods, home appliance, packaging and toy segments grew by 62%, 47%, 41%, and 57% year-on-year, respectively, reflecting robust market demands.

In terms of product structure, sales of electric plastic injection moulding machines tailored for high-precision and cutting-edge fields such as medical and optical applications increased significantly, emerging as a new driving force for profit growth. Leveraging advanced servo drive systems and precision mechanical structures, the Company achieved industry-leading performance in core parameters such as pressure control and positioning accuracy. The rising proportion of high-end models further optimised the product structure of plastic injection moulding machines, solidifying the foundation of its steady profitability growth.

Revenue of the CNC machining centre business amounted to HK$200.8 million in the financial year, representing a year-on-year increasing of 19.3%, with a period-on-period increase of 22.3% in the second half of the year. During the Reporting Period, the Company enhanced decision-making efficiency through management team restructuring and expanded domestic and international sales channels to improve market reach, which yielded extraordinary results in the second half. Meanwhile, MCG5 series high-speed machining centres manufactured by the Company, equipped with linear motors with a feed speed of 70m/min, secured purchase orders from OEMs and the auto parts manufacturing industry for post-processing of integrated die-castings for automobile chassis.

In overseas markets, Vietnam and Indonesia delivered standout performances, with sales revenue increasing by 53.9% and 28.6% year-on-year, respectively, reflecting strong growth vigour. As the Regional Comprehensive Economic Partnership (RCEP), came into effect, tariff reductions and industrial chain integration released policy benefits. Coupled with accelerated local infrastructure construction and expeditious manufacturing upgrading, demand for machines and equipment in Southeast Asia's emerging markets continued to rise, giving consistent support to domestic demand and forming optimistic growth prospects.

(iii) Result of customer collaborations in core business segments

In terms of the result of customer collaborations, the Company cultivated strong and productive partnerships with high-quality customers both domestically and internationally. During the Reporting Period, the die-casting machine business established collaborations with leading automotive manufacturers, including renowned German OEMs, new energy vehicle OEMs and traditional OEMs, to participate in the joint R&D of core components for their new vehicle models. In particular, technological synergy advantages were created in the field of integrated die-casting for automotive structure parts.

The plastic injection moulding machine business encompassed a wide range of advanced models, meeting the stringent requirements of high-precision applications. Beyond medical and optics sectors, we tapped into new customer collaborations during the Reporting Period. For example, the Group's presence in the toy segment dated back to the

1980s, having laid a solid foundation as a key plastic injection equipment supplier during the golden era of Hong Kong's toy manufacturing segment. The Company remains highly responsive to market trends. In 2022, more than 70 units of the POTENZA series servo energy-saving plastic injection moulding machines enabled the production of tens of million units of "Bing Dwen Dwen" and "Shuey Rhon Rhon" figurines, ensuring the delivery of popular products at medical-grade quality standards. During the Reporting Period, we partnered with an emerging lifestyle toy enterprise once again to support the production of Ne Zha 2 blind boxes, achieving a per unit output of 350 boxes per hour with 20 machines from the same series, representing an improvement of 35% in efficiency, which demonstrated the high capacity and stability of the Company's equipment in short-cycle and large-scale IP projects. In the packaging sector, the Group's ELS400 electric high-speed thin-wall plastic injection moulding machine was tailored for the production of thin-wall packaging products, offering a combination of fast injection speed, high precision and low energy consumption. During the Reporting Period, it received industry recognition at Plastics & Rubber Indonesia and demonstrated significant growth potential in the ASEAN markets.

During the Reporting Period, the CNC machining centre business achieved a major breakthrough by establishing a strategic partnership with ORIX, an international financial leasing institution. This innovative collaboration featured an in-depth integration of financial means with manufacturing, focusing on core models such as the high-speed drilling centres TC510/TC710 and vertical machining centres VM2/MV850. Leveraging the financing lease model, the partnership aimed to facilitate penetration into lower-tier markets, driving both market share and brand influence of CNC machining centres.

III. INDUSTRY TECHNICAL INNOVATIONS AND APPLICATION ADVANCEMENTS

(i) Magnesium alloy materials: a potential star in the trend of green lightweight components

Magnesium alloy materials occupy an important position in the global trend of lightweight components and green manufacturing. As the world's largest magnesium resource reserve and producer, China accounted for over 80% of global raw magnesium production in 2023. In 2024, among magnesium alloy subsegments, the automotive industry was the most widely used downstream application of magnesium alloys with a demand of 385,000 tonnes, which accounted for 70% of the demand for magnesium alloy consumption (Source: Magnesium Industry Branch of the China Nonferrous Metals Industry Association).

As the core field of downstream applications of magnesium alloy, the automotive sector possesses enormous future growth potential from the perspective of industrial development trend. In 2020, the "Energy-saving and New Energy Vehicle Technology Roadmap" (《節能與新能源汽車技術路線圖》) published by the Society of Automotive Engineers of China clearly stated that by 2025 and 2030, the targeted magnesium alloy used per vehicle will be 25kg and 45kg respectively. According to industry data, magnesium used per vehicle was only 1.5-3kg in 2020 due to cost and technical limitations. In 2024, magnesium used per vehicle jumped to 10kg for new energy vehicles and 5kg for traditional vehicles. Such remarkable progress proves the automotive industry is swiftly promoting the application of magnesium alloy and taking forward lightweight transformation.

Although chassis die-castings in general remains in the stage of technical development to boost strength and fire retardancy, panels, steering wheel skeleton, seat structural parts and other interior decorations have entered the stage of trial commercialisation with significant lightweight advantages: Industry reports shows that the use of magnesium alloy as a substitute for aluminium alloy in steering wheel skeleton manufacturing can achieve a weight reduction of over 25%; whereas its application in seat structural parts for a certain magnesium alloy seat back can result in a weight reduction of approximately 49.6%, compared with the original steel structure backrest.

Regarding material performance, given its higher damping coefficient (with an increase in vibration energy absorption rate of more than 30%) and structural strength (achieving tensile strength up to 270MPa in typical T6 heat treatment processes), magnesium alloy is superior to aluminium alloy in vibration and noise reduction and ride comfort optimisation. In terms of pricing, according to ChinaMagnesium.Net (尚鎂網), the value ratio of magnesium to aluminium has dipped to below 0.75 since 2025, reaching a historically low level, which highlights the competitive advantage of magnesium alloy in raw material costs and renders large-scale applications economically feasible.

In the 3C electronic product sector, magnesium alloy is also widely used with a demand of 110,000 tonnes in 2024, accounting for 20% of the total magnesium alloy consumption (Source: Magnesium Industry Branch of the China Nonferrous Metals Industry Association). The density of magnesium alloy is only two-third of that of aluminium. It can produce lightweight components, while achieving good electromagnetic shielding and heat dissipation performance, which meets 3C products' requirements of thin and light components and high performance. Taking notebook computers as an example, the use of magnesium alloy as the body material can not only significantly reduce weight, but also greatly improve heat dissipation performance, greatly enhancing portability and user experience.

(ii) TPI semi-solid magnesium alloy forming technology: charting new heights for die-casting process

In the wave of technological breakthroughs in magnesium alloy forming process, the Group's TPI semi-solid magnesium alloy forming technology has become a cutting-edge technological solution in the field. Its core TPI module is highly flexible and can transform traditional die-casting machines into semi-solid thixomoulding process systems, which is also a fully reversible change. Major advantages of the technology are: 50% reduction in energy consumption to align with green manufacturing; 20% increase in product strength, lower porosity and significant improvements in mechanical properties. Compared with traditional semi-solid injection equipment, TPI module achieves stable pressure control based on die-casting technology, solves the problems of uneven density and surface defects caused by pressure fluctuation of traditional equipment, ensures uniform filling of materials, significantly reduces forming defects and provides solutions with high precision and low energy consumption for the commercial mass production of magnesium alloy auto parts.

During the Reporting Period, the Group developed a multi-scenario product matrix based on the TPI technology, covering all size requirements from small precision parts to ultra-large structural components: The Micro series is designed for 500–1,000 tonne die-casting machines and targets the semi-solid die-casting of high-precision small parts. Prototypes of the Super series can be applied to 800–2,500 tonne machines to specifically address the demand for medium to large components. The Giga series targets heavy machines and aims to support 3,000–7,000 tonne machines, which is expected to become the world's heaviest magnesium alloy semi-solid die-casting equipment. Trial runs have been conducted at the Hangzhou Bay facility for various customers, with both domestic and overseas sales underway.

It is worth noting that the technology was awarded the Award of Excellence in Process by the International Magnesium Association (IMA) in 2024 for its modular transformation solution for conventional cold chamber die-casting machines. Widely regarded as a benchmark in magnesium alloy applications, the award reflects the Group's technological edge in the world. With its strong technological barriers and product lineup, the Group is well-positioned to expand its share in the global magnesium die-casting market. During the Reporting Period, the TPI technical team continued to engage in collaborative R&D with leading OEMs, exploring cutting-edge applications in next-generation magnesium alloy material forming processes and integrated die-casting technology, thereby taking forward the in-depth integration of technology with market demands.

IV. OUTLOOK

(i) Market strategy: empowering the market with technology and enhancing service reach

Driven by its leading technological and innovative achievements, the Group precisely targets and effectively addresses market demands. Its customised technology responds to customers' immediate demands, while its forward-looking technological reserve aligns with future trends, enabling the Group to realise a full-cycle comprehensive coverage of market demands through a dual-pronged approach. On the premise, the Group leverages its extensive global network of over 60 localised sales and service centres, offering a myriad of services, such as machine commissioning and mould optimisation, to its customers with a professional team through a 24/7 real-time response mechanism. These services not only solve practical problems for its customers, but also promote broader adoption of its technological achievements through widespread service reach and communication, thereby empowering the global penetration of the Group's technology and, ultimately, generating long-term support for the Company's business results.

(ii) Technological innovation: dual drivers to spearhead industry transformation

In the field of cutting-edge technological innovation, the Group's customised R&D effort and forward-looking R&D strategy have become a core engine driving breakthroughs in the industry.

Currently, customised R&D addresses the pain points of the industry. In the light of the challenges in industrialisation arising from existing customer demands and technological bottlenecks, the Group adheres to a customised development approach, employing an efficient model of "demand targeting-technology development-outcome delivery" to precisely meet customers' needs in production processes and product performance. For instance, through accurate insights into integrated forming process in the new energy vehicle industry, the Group pioneered the development of the world's first 6,000T ultra-large die-casting machine, laying the technical foundation for the integrated forming of ultra-large components. Subsequently, through deep collaboration with leading OEMs, it continued to iterate die-casting machine technology, increasing clamping forces from 6,000T to the current 16,000T, the highest in the world. It gradually realised integrated forming for key structural components, such as front compartment, central floor and overall chassis, setting a benchmark for customised technology development in the industry.

Looking ahead, the Group will seize market opportunities with forward-looking R&D. With a strategic vision, the Group targets market trends in the next five to ten years and systematically accumulates cutting-edge technologies. For example, during the trial commercialisation of magnesium alloy interior components, the Group had already tapped into TPI semi-solid magnesium alloy forming technology and overcome the technical challenges of "modular transformation of traditional die-casting machines", which facilitated customers' transition to magnesium alloy products. This strategy centres around the precise matching of technological reserves with market demand cycles. When a paradigm shift occurs in the industry, the Group can leverage its dual advantages of "technological maturity + comprehensive solutions" to quickly capture market growth and maintain its leading position in industry development.

To further enhance market competitiveness with its forward-looking technological reserves, the Group will further deepen the development of its innovative ecosystem: On the one hand, it will focus on new material sectors (such as magnesium alloys, composite materials, high-temperature alloys and other lightweight and high-performance materials) by collaborating with leading institutions in materials science to jointly tackle technological challenges and explore new paths for synergy and innovation between material properties and forming processes; on the other hand, it will maintain close ties with enterprises in emerging sectors, such as artificial intelligence and low-altitude economy, and explore potential market demand to establish presence in advance in the technical R&D of next-generation intelligent equipment, thereby laying the technical foundation for future market transformation. Additionally, the Group will continue to pursue innovative technologies and applications to expand business developments.

MAJOR EVENTS OF L.K. TECHNOLOGY IN 2024/2025

1. APRIL 2024

The "Research, Development, and Industrial Application of Integrated Die-Casting Equipment for Large Thin-Wall Automotive Body Structures" (《大型薄壁車身結構一體化壓鑄裝備研發及產業化應用》) project, led by the L.K. Group, was awarded first prize. In April 2024, the "Research, Development, and Industrial Application of Integrated Die-Casting Equipment for Large Thin-Wall Automotive Body Structures" project, jointly developed by L.K. Group's Shenzhen Leadwell Technology Co. Ltd, Zhaoqing Xiaopeng New Energy Investment Co., Ltd., and Huazhong University of Science and Technology, was awarded the First Prize of the Guangdong Mechanical Industry Science and Technology Award (廣東省機械工業科學技術獎一等獎) and the First Prize of the Guangdong Mechanical Engineering Society Science and Technology Award (廣東省機械工程學會科學技術獎一等獎).

2. MAY 2024

ORIX China Corporation and L.K. Group established a strategic partnership. In May 2024, ORIX Leasing (China) Co., Ltd., a subsidiary of the globally renowned multinational corporation ORIX Group, signed a strategic cooperation agreement with L.K. Group. The two parties comprehensively collaborated in business areas including financial leasing and operating leasing, jointly exploring the smart manufacturing equipment market in Greater China and globally. A series of collaborative agreements and objectives were reached.

3. JUNE 2024

L.K. Thailand embarks on a new Journey, charting a new chapter in the southeast Asian market. In June 2024, Siam L.K. Co. Ltd. successfully held a grand opening ceremony and technology open day event, attracting nearly 200 distinguished client representatives. A speech was delivered by Ms. Liu Ying Ying, Vice President of L.K. Group, while she attended the opening ceremony. The primary business of L.K. Thailand includes the sales and support services of die-casting machines and automated peripheral equipment, plastic injection moulding machine and auxiliary equipment, as well as numerical controlled machining centers. Leveraging the Group's global resources and technological strengths, L.K. Thailand will provide more customized and efficient solutions for clients in Southeast Asia, supporting the transformation and upgrading of the local manufacturing industry and jointly creating a win-win future.

4. JUNE 2024

L.K. 7000T super-large smart die-casting unit was exported to Minth Group's Serbian subsidiary. In June 2024, after months of meticulous preparation and rigorous testing, the delivery process of the L.K. 7000T super-large smart die-casting unit ordered by Minth Group was successfully completed. The unit was shipped to United Alloy-Tech Europe d.o.o., the Minth Group's Serbian subsidiary in Europe. The delivered 7000T super-large smart die-casting unit is a specially customized smart equipment for Minth Group, designed to meet the emerging development needs of European new energy vehicle brand customers. It features high efficiency, high precision, and highly automated intelligent manufacturing capabilities, and is primarily used for mass production of integrated die-cast battery housings and automotive body structural components for new energy vehicles.

5. JULY 2024

IDRA, a subsidiary of L.K. Group, won 2024 European Inventor Award (2024年歐洲發明家獎). In July 2024, two engineers from IDRA (a subsidiary of L.K. Group) – Fiorenzo Dioni and Richard Oberle – were awarded the "2024 European Inventor Award (2024年歐洲發明家獎)" by the European Patent Office in recognition of their outstanding achievements and innovations in "Giga Press" and "5S Injection Technology". The Giga Press process integrates multiple components into a single super-large die-cast part, revolutionizing the production methods for new energy vehicles. The 5S injection system ensures complete control over pressure and speed during the Giga Press production process, providing the dynamic force required to manufacture the most complex and demanding castings.

6. AUGUST 2024

Teachers and students from the Department of Mechanical Engineering of Tsinghua University carried out practical activities at the production base of LK Group. In August 2024, the "Mechanical Power (機械力量)" 12th "Shenzhen-Hong Kong Dream Factory (深港夢工)" Ideological and Political Practice Team led by Professor Li Pei Jie from Tsinghua University's Department of Mechanical Engineering made its first stop at L.K. Group's Intelligent Equipment Manufacturing Base in Shenzhen-Shanwei Special Cooperation Zone. The team commenced a week-long ideological and political practice program in Shenzhen and Hong Kong, promoting Tsinghua-L.K. industry-academia-research collaboration.

7. OCTOBER 2024

Mr. Liu Siong Song, founder of L.K. Group, was awarded SAC/TC186 "Lifetime Achievement Award in Foundry Machinery Standardization Work (鑄造機械標準化工作終身成就獎)". In October 2024, the inaugural meeting of the 7th National Technical Committee on Foundry Machinery Standardization (SAC/TC186, hereinafter referred to as "the Committee") and the 2024 Standards Review Conference were held in Quanzhou. The event was attended by over 300 experts and representatives from the State Administration for Market Regulation, Fujian Provincial Administration for Market Regulation, China Machinery Industry Federation, relevant research institutions, universities, and enterprises. Mr. Liu Siong Song, founder of L.K. Group, was honored with the "Lifetime Achievement Award in Foundry Machinery Standardization Work (鑄造機械標準化工作終身成就獎)".

8. NOVEMBER 2024

L.K. Group was awarded the PVCHK "Smart Learning Enterprise Award (智慧學習型企業獎)" again. In November 2024, the 5th Smart Learning Enterprise Award Ceremony was held by the Professional Validation Council of Hong Kong Industries (PVCHK). L.K. Group was awarded the PVCHK "Smart Learning Enterprise Award (智慧學習型企業獎)" again. As an enterprise integrating globalization in its development, L.K. Group is committed to enhancing corporate learning culture, pursuing excellence, constructing a learning enterprise based on knowledge and technology and advocating human-oriented management. We attach great importance to technological innovation and continuously improve the skill training of our staff and innovation system so as to enhance our innovation ability and corporate competitiveness through the power of learning. L.K. Group has won awards for three consecutive years since its first participation and success in the "Smart Learning Enterprise Award (智慧學習型企業獎)" in 2019.

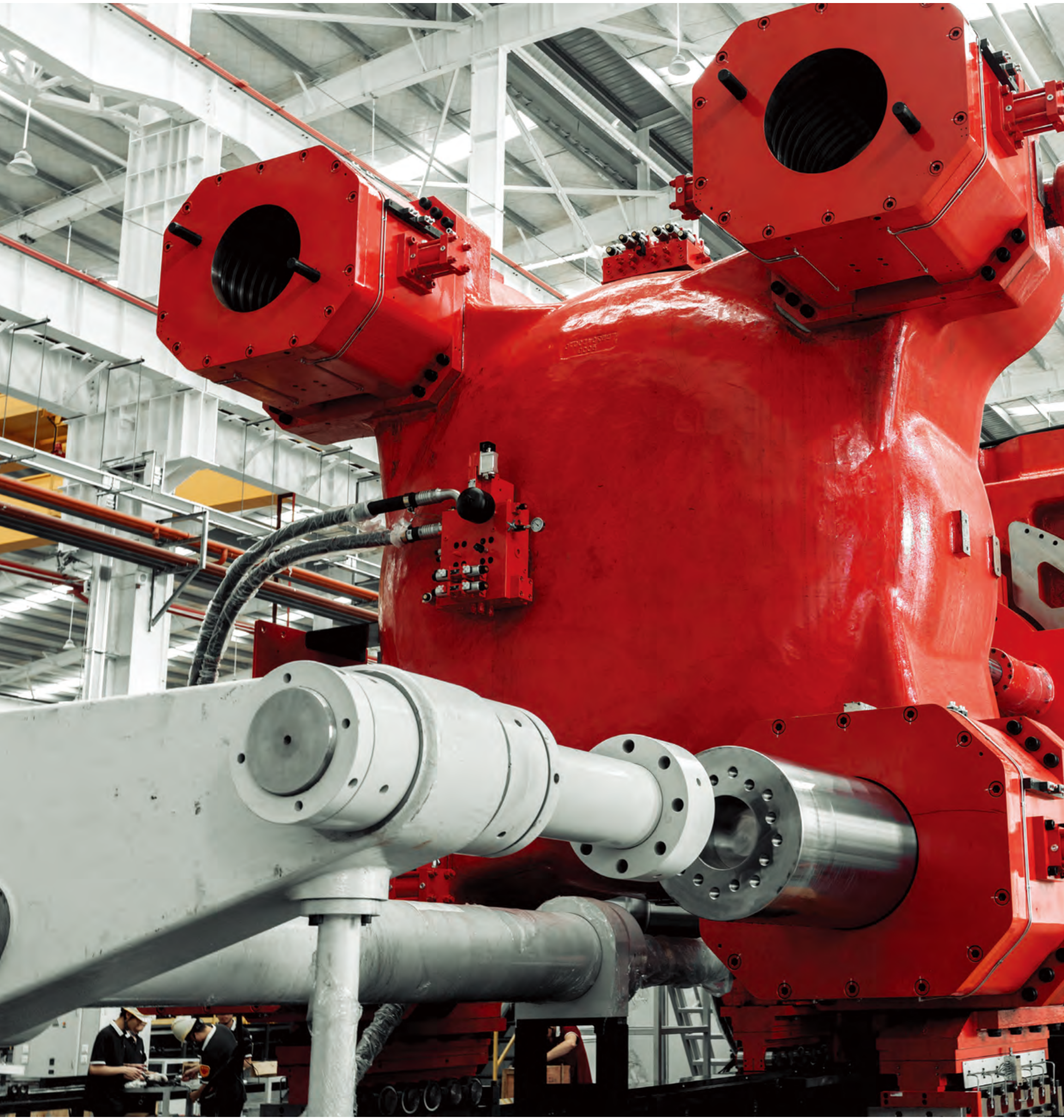
9. DECEMBER 2024

L.K. Group was awarded the "Semi-solid Technology Application Outstanding Contribution Award (半固態技術應用卓越貢獻獎)". In December 2024, "The 10th Advanced Solidification Control and Forming Engineering Technology Seminar and Semi-solid Technology and Application Seminar (第十屆先進控制凝固與成形工程技術研討會暨半固態技術及應用研討會)" was held in Zhuhai, Guangdong by China Foundry Association. The theme of the seminar was "Semi-solid Technology + Years (半固態技術+年華)", which focused on the discussion and exchange of views on different application scenarios of semi-solid technology, material performance requirements, process routes and mold design, etc. Furthermore, universities and scientific research institutes, software casting enterprises, equipment enterprises and application enterprises were granted the "Semi-solid Technology Application Innovation Contribution Award (半固態技術應用創新貢獻獎)" and "Semi-solid Technology Application Outstanding Contribution Award (半固態技術應用卓越貢獻獎)".

10. MARCH 2025

L.K. MCG5 5-Axis Column Gantry Machining Center (Moving Column Type) was awarded the "2025 Hong Kong Innovation and Technology Grand Award (2025香港創新發明大獎)". In March 2025, the MCG5 5-Axis Column Gantry Machining Center (Moving Column Type) developed by Mr. Liu Siong Song, the founder of L.K. Group, and L.K.'s engineering team was awarded the "2025 Hong Kong Innovation Technology Grand Award (2025香港創新發明大獎)" by relevant experts organized by the Hong Kong Federation of Innovative Technologies and Manufacturing Industries (FITMI), the Hong Kong Productivity Council (HKPC), and the Innovation and Technology Commission (ITC). In order to be selected for the "2025 Hong Kong Innovation Technology Grand Award (2025香港創新發明大獎)", the participant should meet the following criteria: being unique in innovation and invention, having potential for development and marketability, provide economic benefits or increase production and environmental protection benefits, improve living quality, make contribution to society, provide economic benefits as well as production and environmental protection benefits, and having a clear picture of commoditization and the future development of its business.

DIRECTORS AND SENIOR MANAGEMENT PROFILES



DIRECTORS

Ms. Chong Siw Yin, aged 69, is the Chairperson of the Board and an Executive Director of the Company. Ms. Chong joined the Group in March 1988, and was appointed as an Executive Director in August 2004. She is also a director of certain subsidiaries of the Company. Ms. Chong is responsible for the strategic planning, administration and human resources management of the Group and has over 37 years of management experience. Ms. Chong is the mother of Mr. Liu Zhuo Ming (the Chief Executive Officer and an Executive Director of the Company) and Miss Liu Ying Ying.

Mr. Liu Zhuo Ming, aged 39, is the Chief Executive Officer and an Executive Director of the Company. Mr. Liu joined the Group in October 2008 and has served in a number of positions in the Group. He was appointed as an Executive Director in April 2014 and was appointed as the Chief Executive Officer in April 2017. Mr. Liu is also a director of certain subsidiaries of the Company. He graduated from Oregon State University, USA with a bachelor's degree in Computer Science. Mr. Liu has extensive experience in business operations and management. Mr. Liu is the son of Ms. Chong Siw Yin (the Chairperson of the Board and an Executive Director of the Company) and Mr. Liu Siong Song (the strategic and technical consultant and controlling shareholder of the Company).

Mr. Tse Siu Sze, aged 57, is an Executive Director of the Company. Mr. Tse joined the Group in July 1990 and has served in a number of positions in the Group. Mr. Tse was appointed as an Executive Director in December 2013. He is also a general manager or director of certain subsidiaries of the Company. Mr. Tse has over 35 years of experience in production management, sales and marketing.

Dr. Low Seow Chay, aged 75, was appointed as an Independent Non-executive Director of the Company in September 2004. He was the associate professor of the Nanyang Technological University of Singapore before his retirement in November 2012. Dr. Low has more than 30 years of teaching (and research) experience in mechanical engineering. He is a former member of the Parliament of Singapore serving the term from 1988 to 2006, and was a board member of Hor Kew Corporation Limited and a board member of Casa Holdings Limited, both are publicly listed companies in Singapore. Dr. Low received a Doctor of Philosophy Degree from The University of Manchester, U.K..

Dr. Lui Ming Wah, *PhD, SBS, JP*, aged 87, was appointed as an Independent Non-executive Director of the Company in September 2004. Dr. Lui is an established industrialist serving as the Honorary Chairman of The Hong Kong Electronic Industries Association and the Honorary President of The Chinese Manufacturers' Association of Hong Kong, the founder chairman of Hong Kong Shandong Business Association, Honorary President of Federation of HK Shandong Community Organisations Limited. Adviser Prof. of Shandong University. He was elected to the First, Second and Third Legislative Council of the HKSAR in 1998, 2000 and 2004 respectively. Dr. Lui was also member of the tenth and eleventh National Committee of the Chinese People's Political Consultative Conference, Member of standing Shandong Provincial Committee of C.P.P.C.C., post President of The Hong Kong Association for the Advancement of Science and Technology and Advisor of Hong Kong Affairs. He is the managing director of Keystone Electronics Co., Limited. Besides, he is currently an independent non-executive director of AV Concept Holdings Limited and Gold Peak Technology Group Limited (both being listed companies on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")). Dr. Lui obtained a master's degree in Applied Science from the University of New South Wales in Australia and a PhD from the University of Saskatchewan in Canada. He completed the "Hong Kong Senior Staff Course No. 1, 1984". He is a Fellow of The Hong Kong Institute of Directors.

Mr. Look Andrew, aged 60, has been an Independent Non-executive Director of the Company since April 2022. Mr. Look holds a bachelor of commerce degree from the University of Toronto and has over 30 years' experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is an independent non-executive director of Hung Fook Tong Group Holdings Limited, EC Healthcare and CITIC Resources Holdings Limited, all being listed on The Stock Exchange in Hong Kong. He was an independent non-executive director of Ka Shui International Holdings Limited (listed on The Stock Exchange in Hong Kong).

SENIOR MANAGEMENT

Mr. John Stokes, aged 58, was appointed as General Manager of Idra Group in April 2024. Mr. Stokes is a renowned mechanical and production engineer with 38 years of experience in the die casting industry. He co-developed the Giga Press machine, revolutionizing the automotive sector by producing lightweight aluminium components. John started his career in Idra in 1995 as a technician and has continued to progress his career leading sales, marketing, training, and contributing to projects supporting industry growth. Mr. Stokes was educated and started his career in the UK working in a well-respected foundry as maintenance manager.

Ms. Pan Lingling, aged 54, is the general manager and a director of Shenzhen Leadwell Technology Co. Ltd. and the director of Shenzhen L.K. Technology Co. Ltd.. Ms. Pan joined the Group in October 2002. She has been the general manager and a director of Shenzhen Leadwell Technology Co. Ltd. since April 2017 and was appointed as the director of Shenzhen L.K. Technology Co. Ltd. in April 2024. Ms. Pan has wealth of experience in research and development management, human resources management and market development. She is currently the Vice President of China Shenzhen Machinery Association, Member of Longhua District of Shenzhen Municipal Committee of the C.P.P.C.C. and Vice President of Shenzhen Women Entrepreneurs Association. Ms. Pan possesses a postgraduate qualification in Economics and Management and a certification as a Senior Engineer.

Mr. Hu Zaoren, aged 53, joined the Group in April 1995 and has served in a number of positions in the Group. He is currently the general manager of Shanghai Atech Machinery Co. Ltd. (appointed in June 2016) and the director of Shenzhen L.K. Technology Co. Ltd. (appointed in April 2024). Mr. Hu has rich experience in production, marketing and after-sale services management. Mr. Hu holds a Bachelor's degree in Business Administration with specialty in Mechatronic and Intermediate Economics Professional Qualification.

Mr. Zhang Jun, aged 45, is the general manager of Ningbo L.K. Technology Co. Ltd. and the director of Shenzhen L.K. Technology Co. Ltd.. Mr. Zhang joined the Group in July 2000 and has served in various positions including customer services supervisor, customer services manager, sales manager and marketing director. He was appointed as the general manager of Ningbo L.K. Technology Co. Ltd. in July 2019 and as the director of Shenzhen L.K. Technology Co. Ltd. in April 2024. Mr. Zhang has over 25 years of experience in customer services, sales management and market development.

The board (the "Board") of directors (the "Directors") of the Company is committed to maintaining good corporate governance practices and procedures. The Company has applied the principles and complied with code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2025 (the "Year").

BOARD OF DIRECTORS

The Board currently comprises three Executive Directors and three Independent Non-executive Directors. The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business operation and development of the Group. Each of the Executive Directors has entered into a service contract with the Company for a term of three years. The Independent Non-executive Directors are appointed for a fixed term of three years and are subject to retirement by rotation and re-election in accordance with the Company's articles of association. Each of the Independent Non-executive Directors or the Company may terminate the appointment at any time during the three-year term by giving the other party at least three months' notice in writing. They bring independent judgment and provide the Company with invaluable guidance and advice on the Group's development. They also review the financial information and operational performance of the Company on a regular basis. The present structure of the Board ensures the independence and objectivity of the Board and provides a system of checks and balances to safeguard the interests of the shareholders as a whole.

All the Independent Non-executive Directors meet the requirements of independence under the Listing Rules. The Company has received from each of the Independent Non-executive Directors the annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent. There is no relationship (including financial, business, family or other material relationship) among members of the Board save as those disclosed in the section headed "Directors and Senior Management Profiles".

The Board meets at least four times a year at approximately quarterly intervals to review financial and operational performance and approves matters specially reserved to the Board for its decision. The day-to-day management, administration and operation of the Company are delegated to the chief executive officer (the "Chief Executive Officer") and the senior management of the Company. Dates of the regular Board meeting are scheduled earlier. Notice of at least 14 days is given for regular Board meetings. For ad hoc Board meetings, reasonable notice will be given. All the Directors actively participated in the Board meetings during the Year.

The company secretary of the Company (the "Company Secretary") is responsible for ensuring compliance of Board procedures and advising the Board on matters concerning corporate governance and regulatory compliance. All Directors have access to the advice and services of the Company Secretary. Directors are consulted as to matters to be included in the agenda for regular Board meetings. Other than exceptional circumstances, related Board meeting materials are sent to all Directors in a timely manner and at least three days before the date of the scheduled Board meeting. Directors are provided with adequate and complete information to enable them to make an informed decision. Draft and final versions of minutes of Board meetings are sent to all Directors for comment and records within a reasonable time after the Board meeting is held. The minutes of the Board meetings record in sufficient details the matters considered (continued) by the Board, including concerns raised by the Directors. All minutes of Board meetings are kept by the Company Secretary and are open for inspection by any Director.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by way of a Board meeting and the interested shareholder or Director shall not vote nor be counted in the quorum present at the relevant meeting. Independent Non-executive Directors who, and whose associates, have no material interest in the transaction shall be present at such a Board meeting.

CORPORATE GOVERNANCE FUNCTIONS

The Board also reviewed the corporate governance policies and practices, the training and continuous professional development of Directors, compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Company reviews the insurance coverage from time to time to ensure adequate coverage. There is a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses in order to assist them to discharge their duties to the Company.

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The roles of the chairperson of the Company (the "Chairperson") and the Chief Executive Officer are segregated and are not exercised by the same individual. Ms. Chong Siw Yin is the Chairperson and Mr. Liu Zhuo Ming is the Chief Executive Officer. The segregation of duties of the Chairperson and the Chief Executive Officer ensures a clear distinction in the Chairperson's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business. The division of responsibilities between the Chairperson and the Chief Executive Officer are set out in writing.

CONTINUOUS PROFESSIONAL DEVELOPMENT

Relevant materials on legislative and regulatory updates were circulated to all Directors during the Year so as to keep them abreast of any changes to the regulation and disclosure obligations. Individual Directors also participated in other courses and seminars organized by regulatory and professional bodies to update their knowledge in their professional areas and have provided records thereof to the Company.

Records of the Directors' training during the Year are as follows:

Members of the Board	**Training received**
Executive Directors	
Ms. Chong Siw Yin *(Chairperson)*	(i) and (ii)
Mr. Liu Zhuo Ming *(Chief Executive Officer)*	(i) and (ii)
Mr. Tse Siu Sze	(i) and (ii)
Independent Non-executive Directors	
Dr. Low Seow Chay	(i) and (ii)
Dr. Lui Ming Wah, *PhD, SBS, JP*	(i) and (ii)
Mr. Look Andrew	(i) and (ii)
Mr. Tsang Yiu Keung, Paul (Resigned as an Independent Non-executive Director with effect from 30 November 2024)	(i) and (ii)

(i) Reading materials in relation to latest developments in rules and regulations

(ii) Attending training seminars

ATTENDANCE AT MEETINGS

The record of attendance of the Directors at Board meetings, Board Committee meetings and annual general meeting during the Year is set out below:

	Number of meetings attended/held				
	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	Annual general meeting
Executive Directors					
Ms. Chong Siw Yin	6/6	N/A	N/A	N/A	1/1
Mr. Liu Zhuo Ming	6/6	N/A	N/A	N/A	1/1
Mr. Tse Siu Sze	6/6	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Dr. Low Seow Chay	6/6	3/3	2/2	1/1	1/1
Dr. Lui Ming Wah, *PhD, SBS, JP*	6/6	3/3	2/2	1/1	1/1
Mr. Look Andrew	6/6	3/3	2/2	1/1	1/1
Mr. Tsang Yiu Keung, Paul*	6/6	3/3	2/2	1/1	1/1

In addition, the Chairperson met one time during the Year with all the Independent Non-executive Directors without the presence of other Directors on 29 November 2024.

* Mr. Tsang Yiu Keung, Paul resigned from his position an Independent Non-executive Director and all positions in the Board Committees with effect from 30 November 2024.

BOARD COMMITTEES

The Company has established three Board Committees, namely Audit Committee, Remuneration Committee and Nomination Committee. The terms of reference for these Board Committees are reviewed and updated regularly to ensure that they are aligned with prevailing governance practices. Each Board Committee's terms of reference, which outline the roles, authorities and procedures, and list of members are available in full on the websites of the Company and The Stock Exchange of Hong Kong Limited.

Remuneration Committee

The Remuneration Committee currently comprises three Independent Non-executive Directors, namely Mr. Look Andrew, Dr. Low Seow Chay and Dr. Lui Ming Wah. Mr. Look Andrew is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include reviewing the terms of remuneration packages of Directors and senior management, determining the award of bonuses and considering the matters relating to share schemes under the Listing Rules of the Company and making recommendations to the Board (the model described in code provision E.1.2(c)(ii) was adopted).

The Remuneration Committee held one meeting during the Year. The major work done of the Remuneration Committee during the Year was discussed and renewed the service contract with Ms. Chong Siw Yin.

Pursuant to code provision of E.1.5 of the CG Code, details of the annual remuneration of the members of the senior management (the "Senior Management") by band for the Year is as follows:

	Number of employees
Nil–HK$2,000,000	2
HK$2,000,001–HK$4,000,000	1
HK$4,000,001–HK$5,500,000	1

Details of the remuneration of each Director for the Year are set out in Note 26 to the financial statements.

Nomination Committee

The Nomination Committee currently comprises three Independent Non-executive Directors, namely Dr. Low Seow Chay, Dr. Lui Ming Wah and Mr. Look Andrew. Dr. Low Seow Chay is the chairman of the Nomination Committee. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of the board succession. The Nomination Committee can reasonably ensure that only candidates with capability and relevant experience will be appointed as future directors.

During the Year, the Nomination Committee held two meetings. The members of the Nomination Committee discussed and renewed the service contract with Ms. Chong Siw Yin.

Board Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity of the Board. The Company recognizes that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Company take opportunities to promote gender diversity at all levels, including but not limited to our Board and the Senior Management. Currently, there is one female each on the Board and the Senior Management.

As at 31 March 2025, the Company has approximately 5,409 employees (including Senior Management) comprising of 4,598 males and 811 females (85% for male and 15% for female approximately).

The Company is mindful of the objectives as set out in the diversity policy when assessing the candidacy of the employees, and will ensure that the Company shall continue to follow the policy.

The Nomination Committee will discuss and review the measurable objectives for implementing the Board Diversity Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors, namely Dr. Lui Ming Wah, Dr. Low Seow Chay and Mr. Look Andrew. Dr. Lui Ming Wah is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group and provide advice and comments to the Board.

During the Year, the Audit Committee held three meetings with the Executive Directors, representatives of the management, the internal auditors and the external auditor of the Company to discuss the auditing, financial reporting, operational performance and internal control matters. The Audit Committee also met one time during the Year with the external auditor in the absence of the management to discuss and make enquiries on various financial and operational matters.

The following is a summary of work performed by the Audit Committee during the Year:

(i) review of the Group's interim and annual results before submission to the Board for approval;

(ii) review of external auditor's audit plan, external auditor's reports and other matters raised by the external auditor;

(iii) review of the independence of external auditor;

(iv) making recommendation to the Board on the appointment of the external auditor, and to approve the remuneration and terms of engagement of the external auditor;

(v) review of the internal audit department reports and make recommendations; and

(vi) review of the effectiveness of the risk management and internal control systems of the Group.

Auditor's Remuneration

The financial statements of the Group for the Year have been audited by PricewaterhouseCoopers ("PwC"). The remuneration paid/payable to PwC is set out as follows:

	Fee paid/payable HK$'000
Audit services	3,200
Non-audit services	1,030
	4,230

The non-audit services are mainly for interim results review, tax compliance and risk management review.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. The Directors have confirmed, following specific enquiries by the Company that they have complied with the required standards as set out in the Model Code throughout the Year.

The Company has also established written guidelines on no less exacting terms than the Model Code for dealings in the Company's securities by relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company or the Company's securities.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year.

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 53 to 57.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROLS

Responsibility of the Board

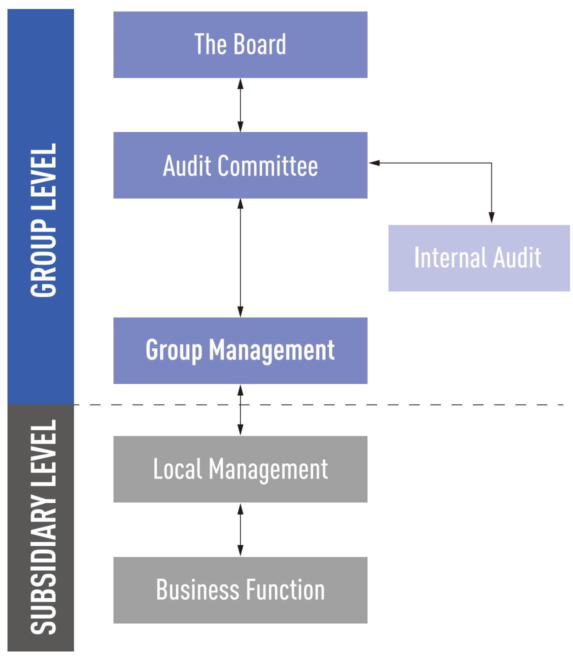
The Board acknowledges its responsibility to ensure the establishment, maintaining and review of the appropriateness and effectiveness of the Group's risk management and internal control systems, where management is responsible for the design, implementation and monitoring of these systems to manage risks.

Sound and effective risk management and internal control systems are in place to achieve the Group's strategic objectives as well as to safeguard shareholder investments and the Company assets. Such systems are designed to manage rather than eliminate the risk of failure to achieve strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Our Risk Management and Internal Control Framework

The Board has the overall responsibility of the risk management and internal control systems of the Group. With the support from the Audit Committee, the Board monitors the Group's risk exposure, oversees the actions of management and monitors the overall effectiveness of the risk management and internal control systems on an ongoing basis. Management is responsible for setting an appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal controls. Policies and procedures form the basis and set forth the control standards required for functioning of the Group's business entities. These policies and procedures covered various aspects, including operations, finance & accounting, human resources, regulatory & compliance, delegation of authority, etc.

With an aim to improve the Group's risk management and internal control systems, the Group has engaged a professional consulting firm to enhance its risk management system and assist management to perform an annual assessment of major risks associated with the Group's businesses and operations. The organizational structure for risk management is set out as follows:



During the risk assessment process, the Group has identified several key risks that may impact the Group's strategic objectives, as a result of the changes in the business and external environment. These risks have been prioritized according to the likelihood of their occurrence and the significance of their impact on the business of the Group. A risk assessment report has been submitted to the Board for oversight and monitoring of the risks. Meanwhile, risk management measures and mitigating controls have been developed to manage these risks to an acceptable level.

Internal Audit

The internal audit department (the "IAD") of the Company plays a major role in monitoring the internal controls of the Group. It reports directly to the Audit Committee. The IAD has carried out independent audits to evaluate the effectiveness of the Group's internal control systems according to the Internal Audit Plan. The head of the IAD has attended the Audit Committee meetings and reported the work that has been done and audit findings to the Audit Committee. All recommendations from the IAD have been followed up promptly to ensure proper controls have been in place within a reasonable time.

Review of Risk Management and Internal Control Systems

The Board is responsible for maintaining appropriate and effective risk management and internal control systems to safeguard shareholder investments and the Company assets as well as reviewing the effectiveness of such systems, with the support of the Audit Committee, on an annual basis.

Key or major business units are required to perform annual control self-assessments to assess the effectiveness of internal control systems. The control self-assessments are in the form of questionnaires that set out key risks and corresponding controls for each key business process. The questionnaires are required to be confirmed and signed by the management of corresponding business units upon completion. The IAD reviews the completed control self-assessment questionnaires and provides comments and recommendations for consideration by the management of business units.

During the Year, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered these systems being effective and adequate. In addition, the Board has reviewed and is satisfied with the adequacy of resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, as well as their training programs and budget.

Procedures and Controls over Handling and Dissemination of Inside Information

The Company is aware of its obligation under relevant sections of the Securities and Futures Ordinance and Listing Rules. An Inside Information Disclosure Policy has been established to lay down practical guidelines on definition and the scope of inside information; disclosure and management framework; exemptions for disclosure; receiving, reporting and disclosing of inside information; confidentiality and records of such information. Also, staff who have access to inside information are required to follow the Inside Information Disclosure Policy to keep the unpublished inside information strictly confidential.

DIVIDEND POLICY

The Company has, since listing, adopted a dividend policy. The Company intends to pay dividends by way of interim and final dividends. The Directors generally intend to declare and recommend dividends which would amount in total to not less than 30% of the distributable profits generated during the year. The payment and amount of any dividends will be at the discretion of the Directors and will depend upon the Group's earnings, financial conditions, cash requirements and availability, and other factors. There is no assurance as to whether the dividend distribution will occur as intended, what the amount of dividend payment or the timing of such payment will be.

The payment of dividend by the Company is also subject to any restrictions under the applicable laws and regulations, including the laws of the Cayman Islands and the memorandum and articles of association of the Company (the "Articles of Association).

COMPANY SECRETARY

Ms. Ng Ka Man ("Ms. Ng") was appointed as the Company Secretary since 1 March 2024. Ms. Ng is a senior manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Ng confirmed that she took not less than 15 hours of relevant professional training during the year ended 31 March 2025 pursuant to Rule 3.29 of the Listing Rules. Ms. Ng's primary contact person of the Company is Ms. Chong Siw Yin.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board established a shareholders communication policy in 2012 and made it available on the Company's website. The policy is subject to review on a regular basis to ensure its effectiveness.

The Company maintains various communication channels with its shareholders. The Company's annual general meeting provides a good opportunity for shareholders to exchange views with the Board. Members of the Board and the external auditor will attend the annual general meeting to answer shareholders' questions.

In order to promote effective communication, the Company maintains a website (www.lk.world) which includes past and present information relating to the Group and its businesses.

The Company regards communications with its investors as being vital. The Company continues to enhance investor relations. Designated members of the Board and Senior Management are given the specific responsibilities to maintain regular contact with institutional investors, potential investors, financial analysts and fund managers. During the Year, plant visits and meetings were held to help them better understand the Group's operations and developments. Press releases were issued as appropriate to provide with the most updated business development of the Group to the public.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting of the Company ("EGM")

Pursuant to Article 58 of the Articles of Association, shareholders of the Company holding at the date of deposit of requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Putting forward proposals at general meetings

There are no provisions allowing shareholders to move new resolutions at general meetings under the Companies Law of the Cayman Islands or the Company's Articles of Association. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures as set out in the preceding paragraph.

As regards proposing a person for election as a Director, please refer to the procedures available on the website of the Company.

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquires to the Company addressing to the Company Secretary by mail at Unit A, 8th Floor, Mai Wah Industrial Building, 1–7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong.

Constitutional documents

During the Year, there is no significant change in the Company's constitutional documents.

DIRECTORS' REPORT

The Directors submit their annual report together with the audited consolidated financial statements for the year ended 31 March 2025 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Company and its subsidiaries (collectively the "Group") are principally engaged in the design, manufacture and sales of hot chamber and cold chamber die-casting machines, plastic injection moulding machines, computerized numerical controlled machining centres and related accessories. The Group is also engaged in steel casting. The activities of the Company's principal subsidiaries, associates and joint ventures are set out in Notes 12, 11 and 10 to the consolidated financial statements respectively.

An analysis of the Group's performance for the Year by operating segment is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 60.

An interim dividend of HK3 cents per share in respect of the period ended 30 September 2024 was paid to shareholders on 9 January 2025. The Directors recommend a payment of final dividend of HK4.5 cents per share for the year ended 31 March 2025 (2024: HK5 cents), subject to shareholders' approval at the forthcoming annual general meeting to be held on Friday, 5 September 2025, payable to shareholders whose names appear on the register of members of the Company on Monday, 15 September 2025. The dividend will be paid on or about 2 October 2025.

BUSINESS REVIEW

A review of the Group's business during the Year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the Year and up to the date of this report, and an indication of likely future developments in the Group's business, are provided in sections headed "Chairman's Statement" on page 6 and "Management Discussion and Analysis" on pages 9 to 17 of the annual report, and the notes to the consolidated financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognizes the importance of compliance with the requirements of relevant laws and regulations. During the Year, as far as the Board and management are aware of, there was no material breach or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmental-friendly corporation and pays close attention to environmental protection laws and regulations to ensure the environmental policies are in line with domestic and international standards. All the factories are operated in strict compliance with the relevant environmental regulations and rules.

KEY RELATIONSHIPS

The Group recognizes the importance of maintaining a good relationship with its employees, customers and suppliers so as to maintain sustainable development in the long term. During the Year, there were no material and significant disputes between the Group and its employees, customers and suppliers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For details of the environmental related activities performed during the Year, please refer to the Company's 2024/25 Environmental, Social and Governance Report published on the Company's website and on the website of The Hong Kong Stock Exchange the same date as the publication of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 7 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the movements in investment properties are set out in Note 8 to the consolidated financial statements.

SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31 March 2025 are set out in Note 19 to the consolidated financial statements.

DONATIONS

During the Year, the Group made charitable or other donations totaling HK$1,892,000.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and Note 36 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2025, the Company's reserves available for distribution to shareholders of the Company were HK$1,139,475,000, representing share premium of HK$1,068,168,000 and retained earnings of HK$71,307,000.

Under the Companies Law of the Cayman Islands, the share premium of the Company may be distributed subject to the provision of the Company's Articles of Association and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme and share award scheme of the Group as disclosed below, 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 during the Year or subsisted at the end of the Year.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 168.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

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

Executive Directors:

Ms. Chong Siw Yin *(Chairperson)*
Mr. Liu Zhuo Ming *(Chief Executive Officer)*
Mr. Tse Siu Sze

Independent Non-executive Directors:

Dr. Low Seow Chay
Dr. Lui Ming Wah, *PhD. SBS, JP*
Mr. Look Andrew
Mr. Tsang Yiu Keung, Paul (Resigned as an Independent Non-executive Director with effect from 30 November 2024)

In accordance with Article 87 of the articles of association of the Company, Mr. Liu Zhuo Ming and Dr. Low Seow Chay ("Dr. Low") shall retire from office by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting ("AGM"). The Remuneration Committee and Nomination Committee of the Company had assessed and reviewed the annual confirmation of independence of Dr. Low based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that he remains independent. The Remuneration Committee and Nomination Committee had considered and nominated the above 2 retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM.

Each of the above retiring Directors had abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

Dr. Low has served as an Independent Non-executive Director of the Company for more than 9 years. Dr. Low has demonstrated his ability to provide an independent view to the Company's matters. The Board is of the view that Dr. Low is able to continue to fulfill his role as required and he is therefore considered as independent and is recommended to be re-elected.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 23 to 25 to this annual report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT

Save for the transactions as disclosed in the section headed "Continuing Connected Transaction" below and the related party disclosures as disclosed in Note 35 to the financial statements of the annual report, none of the Directors had any material interests, either directly or indirectly, in any transaction, arrangement and contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the Year.

CONTRACT OF SIGNIFICANCE

L.K. High-Tech Industrial Park Urban Renewal Project* (力勁高新科技工業園城市更新項目)

On 28 December 2020, L.K. Machinery (Shenzhen) Co., Ltd.* (力勁機械(深圳)有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company (the "Vendor") and Shenzhen Wanjin Investment Co., Ltd.* (深圳市萬勁投資有限公司), a company established in the PRC with limited liability (the "Purchaser") entered into the memorandum of understanding (the "MOU") in relation to the disposal of properties, pursuant to which, amongst others, the Purchaser paid a refundable earnest money of RMB10,000,000 to the Vendor in relation to the urban renewal project titled L.K. High-tech Industrial Park Urban Renewal Project* (力勁高新科技工業園城市更新項目) (the "Urban Renewal Project").

On 12 January 2021, the Vendor entered into the cooperation agreement (the "Cooperation Agreement") with the Purchaser, pursuant to which the Vendor had agreed to sell, and the Purchaser had agreed to purchase, the properties located in Shenzhen, Guangdong, the PRC, for a consideration comprising (i) the monetary consideration of RMB350 million (equivalent

* *English name is made for identification purpose only*

to approximately HK$419.1 million); and (ii) the resettlement properties, which are estimated by Vigers Appraisal and Consulting Limited, an independent valuer appointed by the Company, to have a gross development value of approximately RMB1,249 million (equivalent to approximately HK$1,495.6 million) as at 5 January 2021. Upon the entering into of the Cooperation Agreement, the refundable earnest money of RMB10,000,000 has been returned to the Purchaser without interest in accordance with the terms of the MOU.

On 18 January 2021 (the "Approval Date"), the Company has obtained a written shareholders' approval from Girgio Industries Limited ("Girgio"), a controlling shareholder of the Company, then holding in aggregate 770,980,000 shares of the Company, representing approximately 64.7% of the entire issued share capital of the Company as at the Approval Date, for the Cooperation Agreement and the transactions contemplated thereunder. Accordingly, the written approval from Girgio has been accepted in lieu of holding a general meeting of the Company for the approval of the Cooperation Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

Monetary consideration of RMB70,000,000 was received by the Vendor from the Purchaser in relation to Urban Renewal Project in 2022. Details of the Urban Renewal Project are set out in the announcements dated 28 December 2020, 12 January 2021, 18 January 2021, 27 January 2021, 18 January 2023 and the circular dated 4 March 2021.

As mentioned in the Circular, the terms of the Cooperation Agreement stipulated that the Urban Renewal Approval (立項完成) in relation to the Urban Renewal Project shall be obtained by the Purchaser within two years after the Shareholders' Approval (i.e., on or before 17 January 2023). As at 18 January 2023, such Urban Renewal Approval (立項完成) had not been obtained by the Purchaser.

Pursuant to the terms of the Cooperation Agreement, where the Urban Renewal Approval is not obtained within the abovementioned timeframe, the Vendor may unilaterally terminate the Cooperation Agreement, and upon which the Vendor shall return 50% of the paid deposit (i.e. RMB35 million) to the Purchaser.

On 26 July 2023, the Vendor and the Purchaser entered into a termination agreement. 50% of the paid deposit returned to the Purchaser without interest, details of which are set out in the announcement dated 26 July 2023.

Save for the transactions as disclosed in the sections headed "Contract of Significance" and "Continuing Connected Transaction" and the related party disclosures as disclosed in Note 35 to the financial statements of the annual report, there had been no contract of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of SFO (including any interests which were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:

Name of Director/ chief executive	Name of company	Capacity	Number of shares held	Approximate percentage of shareholding
Ms. Chong	the Company	Beneficiary of a trust	849,078,004[1] Long position	62.23%
	the Company	Beneficial owner	3,105,000[2] Long position	0.23%
	the Company	Interest of spouse	5,722,750[3] Long position	0.42%
Mr. Liu Zhuo Ming	the Company	Beneficiary of a trust	849,078,004[4] Long position	62.23%
	the Company	Beneficial owner	1,000,000[5] Long position	0.07%
Mr. Tse Siu Sze ("Mr. Tse")	the Company	Interest of spouse	50,000[6] Long position	0.004%

Notes:

1. These 849,078,004 shares are owned by Girgio Industries Limited ("Girgio"). Girgio is owned as to 95% by Full Profit Asset Limited which is wholly-owned by HSBC International Trustee Limited (as trustee of The Liu Family Trust, in which Ms. Chong, Mr. Liu Zhuo Ming and Miss Liu Ying Ying ("Miss Liu") are the beneficiaries of The Liu Family Trust) and 5% by Mr. Liu Siong Song ("Mr. Liu"), the spouse of Ms. Chong.

2. 3,105,000 underlying shares held by Ms. Chong, 300,000 of which are held by virtue of the interests in the share options of the Company granted to her on 24 September 2021.

3. These 5,722,750 shares are beneficially owned by Mr. Liu.

4. Mr. Liu Zhuo Ming is deemed to be interested in the 849,078,004 shares held by Girgio as a beneficiary of The Liu Family Trust. Mr. Liu Zhuo Ming is the son of Mr. Liu and Ms. Chong.

5. 1,000,000 underlying shares are held by Mr. Liu Zhuo Ming by virtue of the interests in the share options of the Company granted to him on 24 September 2021.

6. 50,000 underlying shares are held by Mr. Tse by virtue of the interests in the share options of the Company granted to his spouse on 24 September 2021.

Long position in shares of associated corporation of the Company

Name of director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of shareholding
Mr. Tse	LK Injection Molding Machine Co., Ltd.	Beneficial owner	6,011,031 Long position	2.62%

Save as disclosed above, as at 31 March 2025, none of the Directors and chief executive of the Company had registered any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND LONG POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 March 2025, according to the relevant disclosure of the interest information as shown on the HKExnews website of HKEx and the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors and chief executive of the Company, had long positions of 5% or more in the Shares and underlying Shares of the Company:

Name	Capacity	Number of shares held	Approximate percentage of shareholding
Girgio	Beneficial owner	849,078,004[1] Long position	62.23%
Mr. Liu	See Note[2]	849,078,004[2] Long position	62.23%
	See Note[2]	3,105,000[2] Long position	0.23%
	Beneficial owner	5,722,750 Long position	0.42%
HSBC International Trustee Limited	See Note[3]	848,078,004[3] Long position	62.16%

Notes:

1. These 849,078,004 shares are owned by Girgio. Girgio is owned as to 95% by Full Profit Asset Limited which is wholly-owned by HSBC International Trustee Limited (as trustee of The Liu Family Trust, in which Ms. Chong, Mr. Liu Zhuo Ming and Miss Liu are the beneficiaries of The Liu Family Trust) and 5% by Mr. Liu.

2. Mr. Liu is the spouse of Ms. Chong and is deemed to be interested in the shares held by Ms. Chong. Besides, Mr. Liu holds 5% interest in Girgio.

3. HSBC International Trustee Limited is the trustee of The Liu Family Trust. The Liu Family Trust was established by Mr. Liu on 22 February 2002 and amended and restated on 3 December 2021 for the benefit of Ms. Chong and the children of Mr. Liu and Ms. Chong. The Liu Family Unit Trust had terminated since 18 November 2021 and Fullwit Profits Limited had ceased to have an indirect interest in the Company after the transfer of ownership in Girgio to Full Profit Asset Limited since 26 October 2021. HSBC International Trustee Limited as trustee of The Liu Family Trust owns 95% interest in the Company by the virtue of its shareholding in Full Profit Asset Limited.

Save as disclosed above, the Directors of the Company were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who has interest in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred therein.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 8 September 2016 and would remain in force for a period of 10 years.

On 24 September 2021, the Company granted an aggregate of 27,540,000 share options to 390 employees of the Group under the Share Option Scheme. Movements in the outstanding share options of the Company granted under the Share Option Scheme during the Year were as follows:

				Number of share options							
Name	**Date of grant**	**Closing price per share immediately before date of grant** HK$	**Exercise price per share** HK$	**Balance outstanding as at 1 April 2024**	**Granted during the Year**	**Exercised during the Year**	**Lapsed during the Year**	**Cancelled during the Year**	**Balance outstanding as at 31 March 2025**	**No. of share option during the vesting period[3]**	**No. of share options exercisable during the exercisable period[3]**
Directors											
Ms. Chong	24 September 2021	18.9	19.86	120,000	–	–	–	–	120,000	120,000 (24 September 2021 to 24 September 2023)	120,000 (25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	90,000	–	–	–	–	90,000	90,000 (24 September 2021 to 24 September 2024)	90,000 (25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	90,000	–	–	–	–	90,000	90,000 (24 September 2021 to 24 September 2025)	90,000 (25 September 2025 to 23 September 2031)

Name	Date of grant	Closing price per share immediately before date of grant HK$	Exercise price per share HK$	Number of share options: Balance outstanding as at 1 April 2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Balance outstanding as at 31 March 2025	No. of share option during the vesting period[3]	No. of share options exercisable during the exercisable period[3]
Mr. Liu Zhuo Ming	24 September 2021	18.9	19.86	400,000	–	–	–	–	400,000	400,000 (24 September 2021 to 24 September 2023)	400,000 (25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	300,000	–	–	–	–	300,000	300,000 (24 September 2021 to 24 September 2024)	300,000 (25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	300,000	–	–	–	–	300,000	300,000 (24 September 2021 to 24 September 2025)	300,000 (25 September 2025 to 23 September 2031)
Miss Liu[1]	24 September 2021	18.9	19.86	60,000	–	–	–	–	60,000	60,000 (24 September 2021 to 24 September 2023)	60,000 (25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	45,000	–	–	–	–	45,000	45,000 (24 September 2021 to 24 September 2024)	45,000 (25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	45,000	–	–	–	–	45,000	45,000 (24 September 2021 to 24 September 2025)	45,000 (25 September 2025 to 23 September 2031)
Ms. Lau Yau Ting[2]	24 September 2021	18.9	19.86	20,000	–	–	–	–	20,000	20,000 (24 September 2021 to 24 September 2023)	20,000 (25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	15,000	–	–	–	–	15,000	15,000 (24 September 2021 to 24 September 2024)	15,000 (25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	15,000	–	–	–	–	15,000	15,000 (24 September 2021 to 24 September 2025)	15,000 (25 September 2025 to 23 September 2031)
Other employee participants	24 September 2021	18.9	19.86	9,340,000	–	–	–	766,000	8,574,000	8,574,000 (24 September 2021 to 24 September 2023)	8,574,000 (25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	7,005,000	–	–	–	574,500	6,430,500	6,430,500 (24 September 2021 to 24 September 2024)	6,430,500 (25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	7,005,000	–	–	–	574,500	6,430,500	6,430,500 (24 September 2021 to 24 September 2025)	6,430,500 (25 September 2025 to 23 September 2031)
				24,850,000	–	–	–	1,915,000	22,935,000		

Notes:

1. An employee of LK Injection Molding Machine Co., Ltd. and L.K. Machinery International Limited (subsidiaries of the Company) and a daughter of Ms. Chong and Mr. Liu, hence Miss Liu is an associate of a director and a controlling shareholder of the Company pursuant to the definition of the Listing Rules.

2. An employee of L.K. Machinery International Limited and the spouse of Mr. Tse, being an associate of a Director of the Company pursuant to the definition of the Listing Rules.

3. The Share Options will be vested in three tranches, subject to the terms of the Share Option Scheme and the fulfilment of the following vesting conditions:

Percentage of exercisable Share Options	Exercise period	Vesting conditions
40% of the Share Options	exercisable during the period commencing from the first trading day after the second anniversary of the date of grant up to and including 23 September 2031	upon satisfaction of the specific performance indicators based on the appraisal mechanism for the relevant grantees for specified financial years
30% of the Share Options	exercisable during the period commencing from the first trading day after the third anniversary of the date of grant up to and including 23 September 2031	
30% of the Share Options	exercisable during the period commencing from the first trading day after the fourth anniversary of the date of grant up to and including 23 September 2031	

The principal terms of the Share Option Scheme are summarised as follows:

(a) Purpose

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

(b) Participants

The Board may, at its absolute discretion, offers to grant options to eligible persons including any full-time or part-time employees and directors (including non-executive directors and independent non-executive directors) of any member of the Group.

(c) **Maximum number of shares**

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 113,326,500 shares, representing 10% of the issued share capital of the Company as at the date of the approval of the Share Option Scheme.

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Group shall not exceed 30% of the shares of the Company in issue from time to time.

Under the share option scheme,

1. The number of options available for grant as at 1 April 2024 was 88,226,500 shares (equivalent to approximately 6.41% of the issued shares of the Company as at that day);

2. The number of options available for grant as at 31 March 2025 was 89,936,500 shares (equivalent to approximately 6.59% of the issued shares of the Company as at that day); and

3. The total number of shares of the Company that may be issued in respect of the options under the Share Option Scheme during the Year divided by the weighted average number of ordinary shares in issue for the Year was 1.12%.

(d) **Maximum entitlement of each participant**

Subject to the provisions of the Listing Rules, no option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period exceeds 1% of the shares in issue from time to time. Where any further grant of options to such an eligible person would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such eligible person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant shall be separately approved by the shareholders of the Company in general meeting with such eligible person and his close associates (or his close associates if such eligible person is a connected person) abstaining from voting.

(e) **Offer period and amount payable for options**

An offer of the grant of an option shall remain open for acceptance by the eligible person concerned for a period of 14 days from the offer date. The amount payable on acceptance of an option is HK$10.00.

(f) **Minimum holding period, vesting and performance target**

The Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the option) including qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the option in respect of all or any of the shares to which such option relates shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. Subject to such terms and conditions as the Board may determine as aforesaid, there is no minimum period for which an option must be held before it can be exercised.

(g) Subscription price

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall be at least the higher of: (i) the nominal value of the shares of the Company; (ii) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the offer date; and (iii) the average of the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date.

(h) Exercise of option

Subject to the terms and conditions upon which the option was granted, an option may be exercised by the grantee at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Share Option Scheme and expiring on a date to be determined and notified by the Directors to each grantee provided that such period shall not exceed the period of ten years from the date of the grant of a particular option but subject to the provisions for early termination thereof contained in the Share Option Scheme.

(i) Life of Share Option Scheme

Subject to earlier termination by the Company by ordinary resolution in general meeting, the Share Option Scheme will remain in force for a period of ten years commencing from 8 September 2016 after such period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects.

SHARE AWARD SCHEME

The Company has adopted the Share Award Scheme (the "Share Award Scheme") on 28 October 2015 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognize the contributions of the employees (including without limitation employees who are also directors) of the Group and to give incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at their absolute discretion select any employee for participation in the Share Award Scheme as a selected employee. The Board may determine the number of shares of the Company to be awarded to each selected employee and may impose any conditions, restrictions or limitations or waive any such conditions, restrictions or limitations from time to time in relation to the award as it may at its absolute discretion think fit.

The Board shall not make any further award which will result in the total number of shares awarded by the Board under the Scheme exceeding 10 per cent. of the issued share capital of the Company as at the Adoption Date. The total number of shares which may be awarded to a selected employee in any 12-month period up to and including the date of award shall not in aggregate exceed 1 per cent. of the issued share capital of the Company as at the Adoption Date.

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

During the Year, the Company has not purchased any shares of the Company through the trustee in the open market on the Stock Exchange for the purpose of the Share Award Scheme. There were no shares awarded to employees pursuant to the Share Award Scheme during the Year.

SHARE INCENTIVE SCHEME OF SHENZHEN LK

The adoption of the share incentive scheme (the "Share Incentive Scheme") of Shenzhen L.K. Technology Co., Ltd.* (深圳力勁科技股份有限公司) ("Shenzhen LK"), an indirect subsidiary of the Company, was approved by the Company at the extraordinary general meeting held on 22 December 2023. There were no unvested awards at the beginning and at the end of the Year, nor awards granted, vested, cancelled or lapsed during the Year.

The principal terms of the Share Incentive Scheme are summarised as follows:

(a) Purpose

The purpose of the Share Incentive Scheme is to (i) reward and recognise any suitable individuals who are directors and/or employees of the Shenzhen LK Group; (ii) enhance the sense of ownership and corporate belonging among employees, especially core employees of the Shenzhen LK Group; (iii) enable a large number of employees to share in the substantial returns brought about by the development of Shenzhen LK; (iv) establish a team with clear goals, united in their efforts, and with a strong cohesion of stable and excellent management, to enhance Shenzhen LK's core competitiveness, and ensure the implementation of Shenzhen LK's development strategy and business objectives; and (v) further improve Shenzhen LK's governance structure and perfect Shenzhen LK's incentive mechanism.

(b) Grantees of the Share Incentive Scheme

The grantees of the Share Incentive Scheme (the "Grantees") are to be determined based on relevant laws, regulations, normative documents such as the Company Law of the PRC, the articles of association of Shenzhen LK and the Listing Rules, and based on the actual circumstances of Shenzhen LK.

On the premise of not violating the aforementioned principles, the Grantees should be, subject to the approval by the management committee of the Share Incentive Scheme (the "Management Committee"), the directors and employees of the Shenzhen LK Group.

* *English name is made for identification purpose only*

(c) **Maximum amount of shares of Shenzhen LK**

The total amount of shares of Shenzhen LK to be granted to the Grantees shall not exceed a registered capital of RMB24,936,635, representing approximately 4.51% and 4.07% of Shenzhen LK's total registered capital as at the date of adoption of the Share Incentive Scheme and the date of this annual report respectively.

As at the date of this Annual Report, the total amount of shares of Shenzhen LK available for grant under the Share Incentive Plan is zero.

The number of shares of Shenzhen LK that may be issued in respect of all options and awards to be granted under all the Share Incentive Scheme and other share schemes (if any) of Shenzhen LK during the Year divided by the weighted average number of shares of Shenzhen LK in issue for the Year is zero.

(d) **Maximum entitlement of each Grantee of the Share Incentive Scheme**

Where any grant of an award of restricted shares pursuant to the Share Incentive Scheme (the "Award") to a Grantee would result in the restricted shares issued and to be issued in respect of all awards and options granted to such Grantee (excluding any awards and options lapsed in accordance with the terms of the Share Incentive Scheme or any other share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total registered capital of Shenzhen LK, such grant must be separately approved by the shareholders of the Company (the "Shareholders") at the general meeting of the Company, with such Grantee and his/her close associates (or associate if the Grantee is a connected person) abstaining from voting, and the Company must send a circular to the Shareholders.

Where any grant of Award to a Grantee that is a director (other than an independent non-executive director) or chief executive of the Company, or any of their associates, the approval of independent non-executive directors should be obtained. If the aforesaid grant of Awards would result in the restricted shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the Share Incentive Scheme or any other share schemes) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total registered capital of Shenzhen LK, such further grant of awards must be approved by the Shareholders at general meeting of the Company, with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting, and the Company must send a circular to the Shareholders.

Where any grant of Award to a Grantee that is an independent non-executive director or a substantial shareholder of the Company, or any of their associates, the approval of independent non-executive directors (excluding any independent non-executive director who is the grantee of the Awards) should be obtained. If the aforesaid grant of Awards would result in the restricted shares issued and to be issued in respect of all awards and options granted (excluding any awards and options lapsed in accordance with the terms of the Share Incentive Scheme or any other share schemes) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total registered capital of Shenzhen LK, such further grant of awards must be approved by the Shareholders at general meeting of the Company, with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting, and the Company must send a circular to the Shareholders.

(e) Vesting period and performance targets

The restricted shares granted under the Share Incentive Scheme will vest immediately on the date of grant. The Share Incentive Scheme does not impose a vesting period, and therefore, does not impose performance targets with regard to the vesting of the restricted shares granted under the Share Incentive Scheme, but the restricted shares attaching to the Award are subject to a Lock-up Period (as defined hereinbelow). Considering that the restricted shares granted under the Share Incentive Scheme will be subject to a total holding period (i.e., the Lock-up Period (as defined hereinbelow)) of more than 12 months, and such lock-up arrangements are appropriate for retaining, incentivising, rewarding, remunerating and compensating valuable employees, the Directors, the Remuneration Committee and the directors of Shenzhen LK are of the view that such arrangement with no vesting period is justifiable and aligns with the purposes of the Share Incentive Scheme.

The restricted shares obtained by the Grantees under the Share Incentive Scheme will be subject to a lock-up period (the "Lock-up Period") commencing from the date of grant, i.e., the effective date of the grant agreement or a date otherwise agreed in the grant agreement (the "Grant Date"), until the Unlocking Day (as defined hereinbelow).

The unlocking of the restricted shares granted to the Grantees is subject to the satisfaction of all the following conditions (the "Unlocking Conditions") or waiver thereof by the Management Committee:

(a) completion of the Service Period (as defined hereinbelow); and

(b) the Unlocking Day applicable to such restricted shares has approached, and as at such Unlocking Day, no Repurchase Event (as defined hereinbelow) has occurred.

The condition of completion of the Service Period (as defined hereinbelow) may be waived by the Management Committee, provided that the Service Period applicable to any restricted shares shall not be less than 12 months as a result of such waiver. In such an event, and provided that all other conditions are satisfied or waived, the Unlocking Day will be advanced to the date on which the Service Period condition is waived.

The service period (the "Service Period") applicable to the restricted shares granted to the Grantees is determined as follows:

(a) for the initial grant of Awards (the "Initial Grant"), the Service Period starts from the Grant Date of the Initial Grant (the "Initial Grant Date") and ends on the fifth anniversary of the Initial Grant Date. If Shenzhen LK's equities are listed on a stock exchange before the fourth anniversary of the Initial Grant Date, the Service Period will end one year after Shenzhen LK's listing date; and

(b) for subsequent grant(s) of Awards (the "Subsequent Grant"), the Service Period starts from the Grant Date of the Subsequent Grant, and the length of the Service Period (in terms of total days) should be consistent with the length of the Service Period applicable to the Initial Grant.

Once the Unlocking Conditions are met, the restricted shares granted to the Grantees on the same Grant Date will be unlocked by 25% each on the day the Service Period ends and on each of the subsequent three anniversaries (each a "Unlocking Day").

On each Unlocking Day, if all Unlocking Conditions for the restricted shares held by the Grantees are met or exempted, then such restricted shares will become effective on that Unlocking Day. Otherwise, such restricted shares will not be regarded as unlocked from the Grant Date. Grantees can participate in the distribution of dividends and disposal gains of the restricted shares from a company with limited liability or other form of entity established or to be established as the employee stock ownership platform for the purpose of the Share Incentive Scheme (the "Employee Stock Ownership Platforms") for their unlocked restricted shares according to the terms of the Share Incentive Scheme.

(f) Grant price and its determination basis

For the Initial Grant, the price for a Grantee to acquire each restricted share (the "Grant Price") is RMB6.07 per registered capital of Shenzhen LK. The Grant Price is determined by the average closing prices of the shares over the five trading days up to and including 29 September 2023, as adjusted for a discount that reflects Shenzhen LK's profit contribution to the Group (assuming certain internal group restructuring has been completed).

For Subsequent Grants, the Grant Price will be determined by the Management Committee, based on the Grant Price of the Initial Grant and considering factors such as Shenzhen LK's operating conditions and the prevailing market environment.

The Grantees under the Share Incentive Scheme may include directors, senior management, and core employees of the Shenzhen LK Group. Some of these individuals play pivotal roles in shaping and steering the Shenzhen LK Group's developmental strategy and direction. Others hold key positions, directly overseeing the Shenzhen LK Group's business operations and managerial tasks, significantly influencing its growth. Shenzhen LK believes that providing incentives to these core personnel at a reasonable incentive cost, can bolster the dedication and accountability of the Grantees, such that the incentive targets can be reliably achieved. On this basis, the Directors and the directors of Shenzhen LK are of the view that the basis of determination of the Grant Price aligns with the purposes of the Share Incentive Scheme.

(g) Life of Share Incentive Scheme

The validity and effectiveness of the Share Incentive Scheme shall not exceed 10 years from the date on which the Share Incentive Scheme is approved by the board of directors of Shenzhen LK, the board of directors and the general meeting of the Company.

THE TOP-UP PLACING AND SUBSCRIPTION OF SHARES

On 26 April 2021, Girgio Industries Limited, a controlling shareholder of the Company, (the "Vendor") and the Company entered into the placing and subscription agreement with CLSA Limited (as the sole placing agent, the "Placing Agent"), pursuant to which, the Placing Agent had agreed to place a total of 60,000,000 then existing ordinary shares of the Company at a price of HK$9.50 per share (the "Placing Price") owned by the Vendor to no less than six independent placees on a best effort basis (the "Placing"), while the Vendor conditionally agreed to subscribe for new ordinary shares of the Company, the number of which is equal to the number of the placing shares placed by the Placing Agent at an issue price equal to the Placing Price (the "Subscription"). The Placing Price represented a discount of approximately 9.00% to the closing price of HK$10.44 per share as quoted on the Stock Exchange on the last trading date prior to the signing of the placing and subscription agreement, i.e., 26 April 2021. Completion of the Placing and the Subscription took place on 29 April 2021 and 3 May 2021, respectively.

The net proceeds from the Subscription were approximately HK$562,546,000, net of expenses incurred by the Vendor in relation to the Placing and the Subscription. The net proceeds have been and will be utilised for the intended purposes as previously disclosed in the relevant announcements. The net placing price, after deducting all professional fees and other out-of-pocket expenses incurred by the Vendor, which are ultimately borne by the Company, was approximately HK$9.37 per placing share. The Placing and Subscription were completed on 29 April 2021 and 3 May 2021 respectively. Details of the Placing and the Subscription are set out in the announcements dated 26 April 2021 and 3 May 2021. At as 31 March 2025, the Company has fully utilised the net proceeds as intended.

USE OF NET PROCEEDS FROM TOP-UP PLACING AND SUBSCRIPTION

Items	**Net proceeds**	**Utilisation as at 31 March 2025**	**Unutilised as at 31 March 2025**
	HK$'000	HK$'000	HK$'000
For increasing production efficiency and capacity	386,150	386,150	–
General working capital	176,396	176,396	–
	562,546	562,546	–

The following table illustrates the net proceeds utilised for increasing production efficiency and capacity as at 31 March 2025:

	HK$'000
Purchases of property, plant and equipment	
Fuxin Jinda Precision Machinery Co., Ltd.* 阜新勁達精密機械有限公司	31,915
Fu Xin L.K. Northern Machinery Co. Ltd.* 阜新力勁北方機械有限公司	94,738
Fuxin Lida Steel Casting Co. Ltd. 阜新力達鋼鐵鑄造有限公司	64,120
L.K. Technology (Kunshan) Co. Ltd.* 力勁科技（昆山）有限公司	35,234
Shenzhen Shenshan Special Cooperation Zone L.K. Technology Co. Ltd.* 深汕特別合作區力勁科技有限公司	60,240
	286,247
Purchases of land use rights and deposit paid	
Ningbo L.K. Intelligent Machinery Co. Ltd.* 寧波力勁智能裝備有限公司	99,903
	386,150

* *English name is made for identification purpose only*

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CONTINUING CONNECTED TRANSACTION

During the Year, the Company had the following continuing connected transaction that is subject to the Listing Rules' reporting requirement for disclosure in annual report.

Consultancy Agreement

On 1 December 2023, the Company entered into the Consultancy Agreement with Mr. Liu Siong Song to appoint him as the strategic and technical consultant of the Company for the term from 1 December 2023 to 30 November 2026 for the annual caps for the years ended 31 March 2024 and 2025, years ending 31 March 2026 and 2027 not exceeding HK$1,250,000, HK$3,000,000, HK$3,000,000 and HK$1,750,000 respectively.

Details of the abovementioned continuing connected transaction are set out in the announcement dated 1 December 2023.

The independent non-executive directors have reviewed the transactions and confirmed to the Board of Directors that, in their opinion, the transactions, and the arrangements governing those transactions, are entered into by the Company in the ordinary and usual course of business and on normal commercial terms, and are fair and reasonable so far as the shareholders of the Company are concerned and in the interests of the shareholders of the Company as a whole.

For the purpose of Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company, PricewaterhouseCoopers, to report on the above continuing connected transaction for the Year in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transaction disclosed by the Company in accordance with Rule 14A.56 of the Listing Rules.

The Directors confirmed that the Company has complied with the requirements of Chapter 14A of the Listing Rules in respect of the continuing connected transaction during the Year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Company's share option scheme disclosed above, at no time during the Year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures, of the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any part of the business of the Company were entered into or existed during the Year.

COMPETING BUSINESS

Each of Mr. Liu, Girgio, Ms. Chong and Mr. Liu Zhuo Ming (son of Mr. Liu and Ms. Chong) has provided a written confirmation, which has been reviewed and confirmed by the Independent Non-executive Directors of the Company, confirming compliance with the terms the Non-competition Undertaking entered into between them and the Company.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the five largest customers and purchases from the five largest suppliers of the Group accounted for less than 30% of the Group's total sales and total purchases, respectively, for the year.

STAFF AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed approximately 5,409 full-time staff. The staff costs for the Year amounted to HK$1,008,530,000 (2024: HK$967,907,000). The remuneration policies of the Group are determined based on market trends, future plans and the performance of individuals. In addition, the Group also provides other staff benefits such as mandatory provident fund, state-managed social welfare scheme, Share Option Scheme, Share Award Scheme and Share Incentive Scheme.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provide that the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses for any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, provided that the indemnity shall not extend to any fraud or dishonesty which may attach to them.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has taken out and maintained appropriate insurance cover for its Directors and officers in respect of potential legal actions that may be incurred in the course of performing their duties.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report, to the best knowledge of the Directors and based on the information publicly available to the Company, there is sufficient public float as required by the Listing Rules.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and being eligible, offer themselves for re-appointment.

On behalf of the Board
Chong Siw Yin
Chairperson

Hong Kong, 27 June 2025

羅兵咸永道

To the Shareholders of L.K. Technology Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of L.K. Technology Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 58 to 166, 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.

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters identified in our audit is summarised as follows:

- Recoverability of trade receivables

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Recoverability of trade receivables Refer to Note 3.1(b)(ii) (impairment of financial assets), Note 4(b) (critical accounting estimates and judgements) and Note 14 (trade and bills receivables) to the consolidated financial statements. As at 31 March 2025, the gross trade receivables recognised by the Group was HK$3,202,052,000 (2024: HK$2,602,204,000). The related provision for impairment of trade receivables recognised by the Group amounted to HK$155,558,000 (2024: HK$126,422,000). Management applied the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. Management judgements are required in assessing the expected credit losses for trade receivables. The judgements included review of customers settlement history, their current ability to pay and forward-looking information. We focused on this area because the determination of the recoverable amounts of trade receivables requires the use of significant judgements and estimates.	Our procedures in relation to trade receivables included: • Obtaining an understanding of the management's internal control and assessment process of the expected credit loss for trade receivable and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity and subjectivity; • Assessing the appropriateness of the credit loss provisioning methodology used by the Group; • Testing the expected credit losses by checking to the customers past repayment pattern and historical credit loss experience, subsequent settlement and forward-looking information used; • Tested the mathematical accuracy of the calculation of expected credit loss rates and the calculation of the provision for impairment losses; and • Testing, on a sample basis, the accuracy of the ageing reports for trade receivables prepared by management. Based on the results of our procedures, we found the management's judgements and estimates used in the recoverability assessment on trade receivables were supported by available evidence.

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 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.

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 HKSAs 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.

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

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

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.

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

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 Lee Kin Wah, Albert (practising certificate number: P04868)

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 June 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Intangible assets	*6*	**10,720**	14,377
Property, plant and equipment	*7*	**2,680,922**	2,159,300
Investment properties	*8*	**419,600**	414,000
Right-of-use assets	*9*	**495,281**	450,493
Interest in joint ventures	*10*	**64,542**	–
Interests in associates	*11*	**16,181**	14,942
Other receivables and deposits	*15*	**36,941**	77,236
Deferred income tax assets	*13*	**114,447**	112,006
Trade and bills receivables	*14*	**14,911**	27,051
Financial assets at fair value through other comprehensive income	*16*	**92,391**	5,495
Total non-current assets		**3,945,936**	3,274,900
Current assets			
Inventories	*17*	**1,928,097**	1,801,043
Trade and bills receivables	*14*	**3,718,880**	2,956,548
Other receivables, prepayments and deposits	*15*	**411,398**	346,816
Short-term bank deposits	*18(a)*	**108,696**	–
Restricted bank balances	*18(b)*	**240,992**	151,340
Cash and cash equivalents	*18(a)*	**1,560,253**	2,375,176
Total current assets		**7,968,316**	7,630,923
Total assets		**11,914,252**	10,905,823
Equity			
Share capital	*19*	**136,440**	137,640
Reserves	*20*	**(826,765)**	(688,749)
Retained earnings	*20*	**2,680,555**	2,470,434
		1,990,230	1,919,325
Non-controlling interests		**2,126,324**	2,096,774
Total equity		**4,116,554**	4,016,099

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Deferred income tax liabilities	*13*	**73,086**	76,909
Borrowings	*21*	**253,829**	235,061
Lease liabilities	*9*	**57,630**	63,863
Other payables	*22*	**4,460**	4,681
Redemption liabilities	*22*	**2,482,868**	2,353,625
Total non-current liabilities		**2,871,873**	2,734,139
Current liabilities			
Trade and bills payables	*22*	**1,838,182**	1,604,840
Other payables and contract liabilities	*22*	**1,129,092**	915,478
Borrowings	*21*	**1,895,031**	1,557,858
Lease liabilities	*9*	**12,214**	10,103
Current income tax liabilities		**41,795**	67,306
Financial liability at fair value through profit or loss	*16*	**9,511**	–
Total current liabilities		**4,925,825**	4,155,585
Total liabilities		**7,797,698**	6,889,724
Total equity and liabilities		**11,914,252**	10,905,823

The consolidated financial statements on pages 58 to 166 were approved by the Board of Directors on 27 June 2025 and were signed on its behalf.

Chong Siw Yin
Director

Liu Zhuo Ming
Director

The notes on pages 66 to 166 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	*23*	**5,824,959**	5,837,373
Cost of sales	*25*	**(4,227,752)**	(4,249,113)
Gross profit		**1,597,207**	1,588,260
Other income	*23*	**167,360**	185,082
Other gains/(losses)- net	*24*	**23,920**	(1,827)
Selling and distribution expenses	*25*	**(468,354)**	(446,805)
General and administrative expenses	*25*	**(754,354)**	(660,404)
Provision for impairment of trade receivables – net	*25*	**(30,059)**	(5,555)
Operating profit		**535,720**	658,751
Finance income	*27*	**18,124**	16,923
Finance costs	*27*	**(65,923)**	(76,411)
Finance costs – net	*27*	**(47,799)**	(59,488)
Share of losses of associates	*11*	**(4,077)**	(265)
Share of losses of joint ventures	*10*	**(8,043)**	–
Profit before income tax		**475,801**	598,998
Income tax expenses	*28*	**(72,760)**	(81,259)
Profit for the year		**403,041**	517,739
Profit attributable to:			
Equity holders of the Company		**350,094**	484,118
Non-controlling interests		**52,947**	33,621
		403,041	517,739
		HK cents per share	HK cents per share
Earnings per share for profit attributable to owners of the Company during the year			
– Basic earnings per share	*29(a)*	**25.7**	35.3
– Diluted earnings per share	*29(b)*	**25.7**	35.3

The notes on pages 66 to 166 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Profit for the year	**403,041**	517,739
Other comprehensive loss for the year		
Items that may be reclassified to profit or loss		
Currency translation differences	**(25,423)**	(115,482)
Items that will not be reclassified to profit or loss		
Currency translation differences	**(23,397)**	–
Total comprehensive income attributable to owners of the Company, net of tax	**354,221**	402,257
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**324,671**	368,636
Non-controlling interests	**29,550**	33,621
	354,221	402,257

The notes on pages 66 to 166 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium HK$'000	Share reserve HK$'000	Treasury shares HK$'000	Capital redemption reserves HK$'000	Exchange translation reserve HK$'000	Other reserve HK$'000	Statutory reserve HK$'000	Property revaluation reserve HK$'000	Financial asset at fair value through other comprehensive income reserve HK$'000	Retained earnings HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024	137,640	1,123,842	12,418	(56,874)	-	(201,419)	(2,104,156)	407,639	129,433	368	2,470,434	1,919,325	2,096,774	4,016,099
Profit for the year	-	-	-	-	-	-	-	-	-	-	350,094	350,094	52,947	403,041
Other comprehensive loss														
Currency translation differences	-	-	-	-	-	(25,423)	-	-	-	-	-	(25,423)	(23,397)	(48,820)
Total comprehensive income/(loss)	-	-	-	-	-	(25,423)	-	-	-	-	350,094	324,671	29,550	354,221
Transfer to statutory reserve	-	-	-	-	-	-	-	27,006	-	-	(27,006)	-	-	-
Transactions with owners in their capacity as owners:														
Repurchase of Company's shares *(Note 19)*	(1,200)	(55,674)	-	56,874	-	-	-	-	-	-	-	-	-	-
Capital redemption reserves arising from repurchase of shares *(Note 20)*	-	-	-	-	1,200	-	-	-	-	-	(1,200)	-	-	-
Dividends paid *(Note 30)*	-	-	-	-	-	-	-	-	-	-	(109,152)	(109,152)	-	(109,152)
Interest accretion of redemption liability in relation to a put option exercisable by non-controlling interests *(Note 12)*	-	-	-	-	-	-	(144,614)	-	-	-	-	(144,614)	-	(144,614)
Appropriation to Safety fund *(Note 20)*	-	-	-	-	-	-	2,615	-	-	-	(2,615)	-	-	-
At 31 March 2025	136,440	1,068,168	12,418	-	1,200	(226,842)	(2,246,155)	434,645	129,433	368	2,680,555	1,990,230	2,126,324	4,116,554

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Share reserve HK$'000	Treasury shares HK$'000	Exchange translation reserve HK$'000	Other reserve HK$'000	Statutory reserve HK$'000	Property revaluation reserve HK$'000	Financial asset at fair value through other comprehensive income reserve HK$'000	Retained earnings HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2023	137,640	1,123,842	13,771	–	(85,937)	18,837	313,409	129,433	368	2,204,353	3,855,716	–	3,855,716
Profit for the year	–	–	–	–	–	–	–	–	–	484,118	484,118	33,621	517,739
Other comprehensive loss													
Currency translation differences	–	–	–	–	(115,482)	–	–	–	–	–	(115,482)	–	(115,482)
Total comprehensive income/(loss)	–	–	–	–	(115,482)	–	–	–	–	484,118	368,636	33,621	402,257
Transfer to statutory reserve	–	–	–	–	–	–	94,295	–	–	(94,295)	–	–	–
Capitalisation of share reserves	–	–	(1,353)	–	–	–	(65)	–	–	134	(1,284)	–	(1,284)
Capital injections from non-controlling interests *(Note 12)*	–	–	–	–	–	–	–	–	–	–	–	2,065,934	2,065,934
Transactions with owners in their capacity as owners:													
Employees' incentive plans	–	–	–	–	–	(1,780)	–	–	–	–	(1,780)	–	(1,780)
Repurchase of Company's shares *(Note 19)*	–	–	–	(56,874)	–	–	–	–	–	–	(56,874)	–	(56,874)
Dividends paid *(Note 30)*	–	–	–	–	–	–	–	–	–	(123,876)	(123,876)	–	(123,876)
Redemption liability in relation to a put option exercisable by non-controlling interests *(Note 12)*	–	–	–	–	–	(2,065,934)	–	–	–	–	(2,065,934)	–	(2,065,934)
Interest accretion of redemption liability in relation to a put option exercisable by non-controlling interests *(Note 12)*	–	–	–	–	–	(55,279)	–	–	–	–	(55,279)	–	(55,279)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(2,781)	(2,781)
At 31 March 2024	137,640	1,123,842	12,418	(56,874)	(201,419)	(2,104,156)	407,639	129,433	368	2,470,434	1,919,325	2,096,774	4,016,099

The notes on pages 66 to 166 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	*31(a)*	**(57,892)**	226,365
Interest paid		**(62,126)**	(76,545)
Income tax paid		**(104,792)**	(83,881)
Net cash (outflow)/inflow from operating activities		**(224,810)**	65,939
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment	*31(b)*	**4,512**	6,390
Payments for intangible assets		**(1,191)**	(5,052)
Purchases of property, plant and equipment		**(638,501)**	(477,634)
Purchase of land use rights		**(48,646)**	(7,888)
Repayment for deposits received for Urban Renewal Project	*23*	**–**	(38,462)
Investment in an associate	*11*	**(5,435)**	–
Investment in a financial asset at fair value through other comprehensive income	*16*	**(21,740)**	–
Investment in a joint venture	*10*	**(26,643)**	–
Increase in short-term bank deposits		**(108,696)**	–
Interest received		**18,124**	16,923
Acquisition of subsidiary		**–**	620
Net cash outflow from investing activities		**(828,216)**	(505,103)
Cash flows from financing activities			
Capital injections from non-controlling interests	*12*	**–**	2,065,934
Proceeds in connection with an employees' incentive plan	*19(b)*	**–**	166,336
Payments for repurchase of the Company's shares		**–**	(56,874)
Dividends paid to holders of employee's incentive plan		**(3,138)**	–
Inceptions of new bank borrowings	*31(c)*	**1,709,591**	1,365,973
Repayments of bank borrowings	*31(c)*	**(1,333,805)**	(1,175,895)
Net decrease in trust receipt loans	*31(c)*	**(1,962)**	(5,699)
Principal elements of lease payments	*31(c)*	**(10,557)**	(10,595)
Dividends paid to the shareholders of the Company	*30*	**(109,152)**	(123,876)
Net cash inflow from financing activities		**250,977**	2,225,304

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Net (decrease)/increase in cash and cash equivalents		**(802,049)**	1,786,140
Cash and cash equivalents at beginning of year		**2,375,176**	605,365
Exchange difference on cash and cash equivalents		**(12,874)**	(16,329)
Cash and cash equivalents at end of year	*18(a)*	**1,560,253**	2,375,176

The notes on pages 66 to 166 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

L.K. Technology Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 16 October 2006. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The immediate and ultimate holding company of the Company is Girgio Industries Limited, a company incorporated in the British Virgin Islands.

The Company and its subsidiaries (the "Group") are principally engaged in the design, manufacture, and sales of hot chamber and cold chamber die-casting machines, plastic injection moulding machines, computerised numerical controlled ("CNC") machining centre and related accessories.

These consolidated financial statements are presented in Hong Kong dollars ("HK$") unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards and disclosure requirements of Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the financial asset at fair value through other comprehensive income ("FVOCI"), financial liability at fair value through profit or loss ("FVPL") and investment properties, which are carried at fair value.

The preparation of 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 are disclosed in Note 4.

2.2 Changes in accounting policies and disclosures

2.2.1 Amendments to existing standards adopted by the Group

The Group has applied the following amended standards and new interpretation for the first time for the annual reporting period commencing 1 April 2024:

HKAS 1 (Amendments)	Classification of liabilities as current or non-current
HKAS 1 (Amendments)	Non-current liabilities with covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements
HKFRS 16 (Amendments)	Lease liability in a sale and leaseback
HK (IFRIC) – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

2.2.2 New and amended standards and interpretation not yet adopted

		Effective for accounting periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of exchangeability	1 April 2025
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
HKFRS 9 and HKFRS 7 (Amendments)	Classification and measurement of financial instruments	1 April 2026
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Not yet established
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027
HK (IFRIC) – Int 5 (Amendments)	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027

The directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards, amendments to existing standards and interpretation and do not expect them to have a material impact in the current or future reporting periods and on foreseeable future transactions. The directors of the Group will adopt the new standards, amendments to existing standards and interpretation when they become effective.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.3 Material accounting policies

2.3.1 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 executive directors that makes strategic decisions.

2.3.2 Property, plant and equipment

Buildings comprise mainly factories and offices. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's 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 period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Buildings	Over the estimated useful lives of no more than 50 years
Leasehold improvements	5%–20% or over the lease term, whichever is shorter
Plant and machinery	10%–20%
Furniture, fixtures and office equipment	5%–20%
Motor vehicles	20%–25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.3 Material accounting policies (Continued)

2.3.2 Property, plant and equipment (Continued)

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the consolidated income statement.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.3.3 Land use rights (included in right-of-use assets)

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents consideration paid for the rights to use the land on which various plants and buildings are situated for periods varying from 44 to 50 years. Amortisation of land use rights is calculated on a straight-line basis over the period of the land use rights.

2.3.4 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields and is not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss in 'other gains/(losses) – net'.

2.3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method. The cost of finished goods and work in progress comprises design costs, 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. Write down is made for deteriorated, damaged and obsolete inventories.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.3 Material accounting policies (Continued)

2.3.6 Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade 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 receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.3.7 Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value on the date the guarantee is given. Subsequently, the liabilities under such guarantees are measured at the best estimate of the expenditure required to settle any financial obligation arising at the consolidated statement of financial position date, less amortisation calculated to recognise in the consolidated income statement and the fee, if any, income earned on a straight-line basis over the life of the guarantee. These estimates are determined based on experience of similar transactions and debtors' payment history, supplemented by the judgement of management of the Group.

2.3.8 Revenue recognition

The Group recognises revenue when it satisfies a performance obligation by transferring a promised goods and service to a customer, which is when the customer obtains control of goods and service, has the ability to direct the use of, and obtain substantially all of the remaining benefits from that goods and service. If the control of the goods and services is transferred over a period of time, the Group recognises revenue by reference to the extent of progress toward completion in fulfilling its performance obligations during the entire contract period.

For the amounts of revenue recognised for goods transferred and services provided, the Group recognises any unconditional rights to consideration separately as a receivable and the rest as a contract asset, and recognises provision for impairment of the receivable and the contract asset based on expected credit loss ("ECL"); if the consideration received or receivable exceeds the obligation performed by the Group, a contract liability is recognised. The Group presents a net contract asset or a net contract liability under each contract.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.3 Material accounting policies (Continued)

2.3.8 Revenue recognition (Continued)

Contract costs include costs to fulfill a contract and of obtaining a contract. The cost incurred for providing services by the Group is recognised as the costs to fulfill a contract, and is amortised based on the progress towards completion of the service provided when recognising revenue. The incremental cost incurred by the Group of obtaining a contract is recognised as the costs of obtaining a contract. For costs of obtaining a contract that will be amortised within one year, the Group recognises it in profit and loss. For the costs of obtaining a contract that will be amortised for more than one year period, it is amortised in profit and loss based on same progress towards completion as recognising revenue.

The Group recognises revenue for each of its activities in the consolidated income statement in accordance with below policies:

(a) Sales of goods

Sales of goods are recognised when a group entity has transferred control over products to the customer, the customer has accepted the products, there is no unfulfilled obligation that could affect the customer's acceptance of the products, the amount of sales can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from sales is based on the price specified in the sales contracts. Accumulated experience is used to estimate the likelihood and provide for sales return for the goods sold at the time of sale. A receivable is recognised when the goods are accepted 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.

(b) Provision of services

Service income is recognised when the Group satisfied the performance obligation in accordance with the substance of the relevant agreements. Service income is recognised over time.

(c) Rental income

Rental income is recognised in the consolidated income statement on a straight-line basis over the term of the lease.

(d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies

2.4.1 Consolidation

A subsidiary is an entity (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.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the 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. 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 recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the 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.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in the consolidated income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.1 Consolidation (Continued)

(a) 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 unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. 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. It means 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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.2 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 dividend received and receivable.

2.4.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of losses of associates' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4.5 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 entity operates ("the functional currency"). The consolidated financial statements are presented in HK$, which is the Company's functional currency 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 valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the consolidated income statement.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.5 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

All foreign exchange gains and losses are presented in the consolidated income statement within 'other gains/(losses) – net'.

Translation differences on non-monetary financial assets, such as equities classified as FVOCI, 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 consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

(ii) income and expenses for each consolidated 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 dates of the transactions); and

(iii) all resulting currency translation 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. Currency translation differences arising are recognised in other comprehensive income.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.5 Foreign currency translation (Continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to the consolidated income statement.

2.4.6 Intangible assets

(a) Goodwill

Goodwill arising on the acquisition of subsidiaries represents 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 identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.6 Intangible assets (Continued)

(b) Trademarks

Trademarks are carried at costs less accumulated amortisation and accumulated impairment losses. Amortisation is provided on a straight-line basis over their estimated useful lives of not more than ten years.

(c) Patents

Patents are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis over their remaining useful lives of sixteen years.

(d) Research and development expenditures

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life of not more than five years, and carried at cost less subsequent accumulated amortisation and accumulated impairment losses.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to the consolidated income statement in the period in which it is incurred.

2.4.7 Impairment of investments in subsidiaries and non-financial assets

Goodwill is not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation 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 to sell 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 (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.7 Impairment of investments in subsidiaries and non-financial assets (Continued)

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 subsidiaries 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.

2.4.8 Financial assets

(a) 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 profit or loss 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 FVOCI.

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

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the 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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.8 Financial assets (Continued)

(c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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 three 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/(losses) – net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in 'other gains/(losses) – net'. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in 'other gains – net' and impairment expenses are presented as separate line item in the consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within 'other gains/(losses) – net' in the period in which it arises.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.8 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in consolidated income statement as 'other income' when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in 'other income', in consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments 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.

2.4.9 Offsetting financial instrument

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.

2.4.10 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.11 Share capital

Ordinary 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.

2.4.12 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade 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 and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.4.13 Financial liabilities

Other financial liabilities of the Group are measured at amortised cost, using the effective interest method.

Subsequent to initial recognition, the financial liability is carried at amortised cost using the effective interest method. The accretion of the discount on the financial liability and any adjustments to estimated amounts of the final redemption amount are recognised as a finance charge in the consolidated income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference is recognised in the consolidated income statement.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.14 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 removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated income statement as other income or finance costs.

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 end of the reporting period.

2.4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially 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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.16 Current and deferred income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries, associates and joint ventures 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also 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 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 end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.16 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, 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.

2.4.17 Employee benefits

Pension obligations

The Group operates various defined contribution plans for its employees in Hong Kong, The People's Republic of China (the "PRC") and Italy. A defined contribution plan is a pension plan under which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group 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 employee benefit expense 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.

(a) Employees of the Group in Hong Kong

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for certain of its employees. Under the MPF Scheme, each of the Group and the employees are required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000, and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in trustee-administered funds independently.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.17 Employee benefits (Continued)

Pension obligations (Continued)

(a) Employees of the Group in Hong Kong (Continued)

The Group also operates a defined contribution staff retirement scheme registered under the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong) (the "ORSO Scheme") for certain of its employees, the assets of which are held separately from those of the Group in trustee-administered funds independently. The Group contributes 5% on the eligible employees' basic salaries to the ORSO Scheme, and such contributions are charged to profit or loss as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

(b) Employees of the Group in the PRC

Pursuant to the relevant regulations of the PRC government, the subsidiaries in the PRC participate in local municipal government retirement benefits schemes (the "Schemes"), whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefits obligations of those employees of the subsidiaries in the PRC. Contributions under the Schemes are charged to the consolidated income statement as incurred.

(c) Employees of the Group in Italy

The employees of the Group's subsidiaries which operate in Italy are required to participate in a pension scheme (the "Italy Pension Scheme") operated by the state. These subsidiaries are required to contribute a certain percentage of their gross salary to the Italy Pension Scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the Italy Pension Scheme.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.18 Share-based payments

The Group operates equity-settled share-based compensation plans, under which the entity receives services from employees as consideration for share options of the Company and two of its subsidiaries. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.19 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.

2.4.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

2.4.21 Government subsidies and value added tax refund

Government subsidies are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and all the attaching conditions will be complied with. Subsidies relating to expenses incurred by the Group are deferred and recognised in the consolidated income statement over the period necessary to match them with the expenses they are intended to compensate. Subsidies relating to the purchase of property, plant and equipment are deducted from the carrying amount of the asset so that the subsidies are recognised as income over the lives of the corresponding depreciable assets by way of a reduced depreciation charge.

Value added tax refund is recognised when there is reasonable assurance that it will be received and the Group will comply with the conditions attaching to it.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.22 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4.23 Leases

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.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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 other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.4 Summary of other potentially material accounting policies (Continued)

2.4.23 Leases (Continued)

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; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of 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.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.4.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

(a) Market risk

The Group's activities expose it to the financial risks in relation to changes in interest rates and foreign currency exchange rates as discussed below. There has been no material change in the Group's exposure to market risks or the manner in which it manages and measures the risks.

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on restricted bank balances, cash and cash equivalents and borrowings which are carried at prevailing market interest rates as shown in Notes 18 and 21. Management will consider hedging significant interest rate exposure should the need arise.

The Group did not have any interest rate swap contracts as at 31 March 2025 and 2024.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for bank deposits and borrowings at the end of the reporting period. For variable rate borrowings and bank deposits, the analysis is prepared assuming the amount of liability/asset outstanding at the end of reporting period was outstanding for the whole year. A 100 basis point increase or decrease in HIBOR is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's pre-tax profit for the year ended 31 March 2025 would decrease/increase by HK$5,698,000/HK$14,059,000 (2024: increase/increase by HK$2,283,000/HK$8,154,000).

(ii) Foreign exchange risk

The functional currencies of the Group's respective principal subsidiaries are Renminbi ("RMB"), Euro ("EUR") and HK$. Majority of the purchases and sales of the local operations are transacted in local functional currency and therefore foreign exchange transactional risks are minimal.

For companies with HK$ as their functional currency

As at 31 March 2025, if RMB had weakened/strengthened by 5% against HK$ with all other variables held constant, pre-tax profit for the year then ended would have been approximately HK$3,319,000 lower/higher (2024: HK$13,896,000), mainly as a result of the foreign exchange losses/gains on the translation of RMB denominated cash and cash equivalents.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

For companies with RMB as their functional currency

As at 31 March 2025, if US$ had weakened/strengthened by 5% against RMB with all other variables held constant, pre-tax profit for the year then ended would have been approximately HK$2,433,000 lower/higher (2024: HK$990,000), mainly as a result of the foreign exchange losses/gains on translation of US$ denominated cash and bank deposits.

The Group does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

(i) Risk management

The Group's credit risk is primarily attributable to its trade and other receivables, deposits placed with banks and guarantees given by the Group for its customers. The Group has no significant concentrations of credit risk. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

For banks and financial institutions, deposits are only placed with reputable banks. For credit exposures to customers, the Group has policies in place to ensure that sales are made and guarantees are granted to reputable and credit-worthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly recoverable amount of each individual trade and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

(ii) Impairment of financial assets

Trade receivables

The trade receivables of the Group are subject to the ECL model. The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure ECL, the Group categorises its trade receivables based on the nature of customer accounts and shared credit risk characteristics.

The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowances as at 31 March 2025 and 2024 were determined as follows for trade receivables:

As at 31 March 2025

	Gross carrying amount HK$'000	**Loss allowance HK$'000**	**Net carrying amount HK$'000**
Provision on individual basis	**129,370**	**(116,310)**	**13,060**
Provision on collective basis *(Note)*	**3,072,682**	**(39,248)**	**3,033,434**
	3,202,052	**(155,558)**	**3,046,494**

As at 31 March 2024

	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Provision on individual basis	99,411	(94,815)	4,596
Provision on collective basis *(Note)*	2,502,793	(31,607)	2,471,186
	2,602,204	(126,422)	2,475,782

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Note:

As at 31 March 2025

	Current HK$'000	Within 90 days past due HK$'000	91–180 days past due HK$'000	181–365 days past due HK$'000	More than 365 days past due HK$'000	Total HK$'000
Expected credit losses rate	**0.30%**	**0.88%**	**1.26%**	**2.65%**	**7.82%**	
Gross carrying amount – trade receivables	**1,768,222**	**518,714**	**308,339**	**229,849**	**247,558**	**3,072,682**
Loss allowances on collective basis	**5,325**	**4,581**	**3,873**	**6,099**	**19,370**	**39,248**

As at 31 March 2024

	Current HK$'000	Within 90 days past due HK$'000	91–180 days past due HK$'000	181–365 days past due HK$'000	More than 365 days past due HK$'000	Total HK$'000
Expected credit losses rate	0.50%	0.95%	1.43%	3.37%	11.18%	
Gross carrying amount – trade receivables	1,644,177	461,047	155,177	131,181	111,211	2,502,793
Loss allowances on collective basis	8,171	4,366	2,215	4,420	12,435	31,607

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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowances for trade receivables as at 31 March 2025 and 2024 reconcile to the opening loss allowances as follows:

	2025 **HK$'000**	2024 HK$'000
Opening loss allowances	**126,422**	125,642
Provision for impairment of trade receivables – net	**30,059**	5,555
Receivables written off during the year as uncollectible	**(1)**	(2,567)
Exchange realignment	**(922)**	(2,208)
Closing loss allowances	**155,558**	126,422

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and deposits and bills receivables. Management considered that these have a low credit risk and did not make any provision for these other financial assets at amortised cost based on the historical settlement pattern of these other financial assets and the forward-looking recoverability analysis of the counterparties. The ECL is assessed to be minimal.

Cash and bank balances

Cash and bank balances are also subject to impairment requirement of HKFRS 9. Management is of the view that the Group's cash and bank balances are placed in those banks which are independently rated with a high credit rating. Management does not expect any material losses from non-performance by these banks as they have no default history in the past.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with loan covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its requirements in the short and longer term. If breach of loan covenants is anticipated, the Group will communicate with the lenders to obtain waiver and/or rectify the breach in due course. The Group also monitors closely the cash flows of its subsidiaries. Generally, the Company's subsidiaries are required to obtain the Company's approval for activities such as raising of loans and investment of surplus cash.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The following table details the Group's contractual maturities of its financial liabilities at the end of reporting period. The table has been drawn up based on the undiscounted cash flows and the earliest date on which the Group can be required to pay:

	On demand HK$'000	Within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total HK$'000
As at 31 March 2025						
Non-derivative financial liabilities						
Bank borrowings subject to repayment on demand clause *(Note i)*	1,881,012	–	–	–	–	1,881,012
Other bank borrowings and interest payments	–	14,094	52,254	3,126	267,529	337,003
Trade and bills payables	–	1,838,182	–	–	–	1,838,182
Other payables	–	481,820	–	–	–	481,820
Redemption liabilities and interest payments	–	–	173,453	2,071,421	1,103,893	3,348,767
Lease liabilities and interest payments	–	13,858	12,571	29,573	20,976	76,978
	1,881,012	2,347,954	238,278	2,104,120	1,392,398	7,963,762

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand HK$'000	Within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total HK$'000
As at 31 March 2024						
Non-derivative financial liabilities						
Bank borrowings subject to repayment on demand clause *(Note i)*	1,505,435	–	–	–	–	1,505,435
Other bank borrowings and interest payments	–	52,496	19,820	3,190	295,183	370,689
Trade and bills payables	–	1,604,840	–	–	–	1,604,840
Other payables	–	306,902	–	–	–	306,902
Redemption liabilities and interest payments	–	–	174,676	1,052,506	2,159,036	3,386,218
Lease liabilities and interest payments	–	12,374	11,860	30,811	28,265	83,310
	1,505,435	1,976,612	206,356	1,086,507	2,482,484	7,257,394

Note:

(i) The balance includes interest payment which is calculated based on borrowings outstanding and the underlying terms as at 31 March 2025 and 2024, without taking into account any subsequent changes in the amount of borrowings. Floating rate interest is based on current interest rate as at 31 March 2025 (2024: same).

	Maturity Analysis – Bank borrowings subject to a repayment on demand clause based on scheduled repayments (including interest payable)				
	Within 1 year HK$'000	**More than 1 year but less than 2 years** HK$'000	**More than 2 years but less than 5 years** HK$'000	**More than 5 years** HK$'000	**Total outflows** HK$'000
At 31 March 2025	**1,395,532**	**313,592**	**231,800**	**–**	**1,940,924**
At 31 March 2024	1,125,599	365,816	63,637	–	1,555,052

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk 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 equity holders 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, issue new shares, or sell assets to reduce debt.

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

During the year ended 31 March 2025, the Group's strategy, which was unchanged from 2024, was to maintain the gearing ratio below 75%. The gearing ratio was as follows:

	2025 **HK$'000**	2024 HK$'000
Total borrowings *(Note 21)*	**2,148,860**	1,792,919
Less: cash and cash equivalents *(Note 18(a))*	**(1,560,253)**	(2,375,176)
Net debt	**588,607**	(582,257)
Total equity	**4,116,554**	4,016,099
Gearing ratio *(Note)*	**14.3%**	N/A

Note: The increase in gearing ratio was resulted mainly from the inceptions of new bank borrowings for increasing production efficiency and capacity during the year.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The different levels for analysis of financial instruments carried at fair value, by valuation method are defined 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 and liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's financial assets that are measured at fair value at 31 March 2025 and 2024.

As at 31 March 2025

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at fair value through other comprehensive income *(Note 16)*	–	–	**92,391**	**92,391**

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial liability				
Financial liability at fair value through profit or loss *(Note 16)*	–	–	**9,511**	**9,511**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

As at 31 March 2024

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial asset				
Financial asset at fair value through other comprehensive income *(Note 16)*	–	–	5,495	5,495

There were no transfers of financial assets and liabilities between all levels of the fair value hierarchy classifications.

Reconciliation of Level 3 fair value measurements of financial assets and financial liability:

	Financial asset at fair value through other comprehensive income Unlisted equity investments HK$'000
Financial assets	
Balance at 1 April 2024	**5,495**
Addition *(Note 16)*	**87,912**
Exchange difference	**(1,016)**
Balance at 31 March 2025	**92,391**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

	Financial asset at fair value through other comprehensive income Unlisted equity investment HK$'000
Financial asset	
Balance at 1 April 2023	5,682
Exchange difference	(187)
Balance at 31 March 2024	5,495

	Financial liability at fair value through profit or loss Contingent consideration payable HK$'000
Financial liability	
Balance at 1 April 2024	**–**
Addition *(Note 16)*	**9,398**
Fair value change	**113**
Balance at 31 March 2025	**9,511**
Total unrealised losses recognised in the consolidated income statement relating to those instruments held at the end of year	**113**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

Fair value measurements using significant unobservable inputs (level 3)

Quantitative information about fair value measurements using significant unobservable inputs (level 3):

(a) Financial assets at fair value through other comprehensive income – unlisted equity investments

The key unobservable assumptions used in the valuation of the unlisted equity investments as at 31 March 2025 are:

Valuation technique	Unobservable inputs	At 31 March 2025
Market approach (Calibration)	Price to sales multiple	**1.49**
	Discount for lack of marketability	**20.4%**

As at 31 March 2025, the price to sales multiple used to compute the fair value is 1.49. If the price to sales multiple shifted upward by 1%, the impact on other comprehensive income would be HK$795,000 higher. The higher the price to sales multiple, the higher the fair value.

As at 31 March 2025, the discount for lack of marketability used to compute the fair value is 20.4%. If the discount for lack of marketability shifted upward by 1%, the impact on other comprehensive income would be HK$3,000,000 lower. The higher the discount for lack of marketability, the lower the fair value.

There was no material financial asset at fair value through other comprehensive income as at 31 March 2024.

(b) Financial liability at fair value through profit or loss – contingent consideration payable

The key unobservable assumptions used in the valuation of contingent consideration payable as at 31 March 2025 are:

Valuation technique	Unobservable inputs	At 31 March 2025
Discounted cash flow analysis	Discount rate	**3.27%**

As at 31 March 2025, the discount rate used to compute the fair value is 3.27%. If the discount rate shifted upward by 1%, the impact on profit or loss would be HK$175,000 lower. The higher the discount rate, the lower the fair value.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The Group's "trade, bills and other receivables", "deposits", "short-term bank deposits", "restricted bank balances", "cash and cash equivalents", "trade, bills and other payables", "lease liabilities" and "redemption liabilities" are financial assets and liabilities not carried at fair value. As at 31 March 2025 and 2024, the carrying values of these financial assets and liabilities approximated their respective fair values. The carrying amounts of the Group's borrowings approximate their fair values as the impact of discounting of the loans with fixed interest rates was not significant or the loans carried floating interest rate.

3.4 Offsetting financial assets and financial liabilities

There are no material offsetting, enforceable master netting arrangements and similar agreements.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Financial instruments by category

	2025 HK$'000	2024 HK$'000
Financial assets at fair value through other comprehensive income		
– Unlisted equity investments	**92,391**	5,495
Financial liability at fair value through profit or loss		
– Contingent consideration payable	**9,511**	–
Financial assets at amortised cost		
– Other receivables and deposits	**197,749**	231,094
– Trade and bills receivables	**3,733,791**	2,983,599
– Restricted bank balances	**240,992**	151,340
– Short-term bank deposits	**108,696**	–
– Cash and cash equivalents	**1,560,253**	2,375,176
Total	**5,841,481**	5,741,209
Financial liabilities at amortised cost		
– Trade and bills payables	**1,838,182**	1,604,840
– Other payables	**481,820**	306,902
– Borrowings	**2,148,860**	1,792,919
– Lease liabilities	**69,844**	73,966
– Redemption liabilities	**2,482,868**	2,353,625
Total	**7,021,574**	6,132,252

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 discussed below.

(a) Provision for impairment of inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, management identifies, using their judgement, inventories that are obsolete, and considering their physical conditions, age, market conditions and historical experience in manufacturing and selling items of similar nature. Where the expectation is different from the original estimate, such difference will impact the carrying amount of inventories and the impairment losses on inventories in the period in which such estimate is changed.

(b) Provision for impairment of trade receivables

The provision is determined by grouping together trade debtors with similar risk characteristics and collectively or individually assessing them for likelihood of recovery. The provision reflects lifetime ECL, i.e. possible default events over the expected life of the trade receivables, weighted by the probability of that default occurring. Judgement has been applied in determining the level of provision for ECL, taking into account the credit risk characteristics of customers, the likelihood of recovery assessed on a combination of collective and individual basis as relevant and the forward-looking information on macroeconomic factors. While the provision is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of provision recorded and consequently on the charge or credit to consolidated income statement.

(c) Income taxes and deferred income tax

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Deferred income tax liabilities relating to undistributed profits of subsidiaries incorporated in Mainland China are recognised when management expects to recover investments in those subsidiaries through dividends, unless it is estimated that such dividends will not be distributed in the foreseeable future. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and deferred tax liabilities and income tax charges in the period in which such estimates are changed.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable such as declines in asset's market value and significant increase in interest rates that may affect the discount rate used in calculating the asset's recoverable amount.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continual use of the asset in the business; (iii) whether a decline in asset's market value, increase in interest rates or other market rates that may affect the discount rate used in calculating the asset's recoverable amount; (iv) whether any assets have become obsolete or any plan to discontinue or restructure; and (v) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

(e) Estimate of useful lives of property, plant and equipment

The Group has significant property, plant and equipment. The Group determines the estimated useful lives and residual values in order to ascertain the amount of depreciation charges for each reporting period. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives or residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(f) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 8.

(g) Valuation of the identifiable assets and liabilities through investment in a joint venture

The Group invested in a joint venture during the year. The purchase prices are allocated between the fair values of the identifiable assets acquired and the liabilities assumed which result in the recognition of notional goodwill. Management, assisted by the external appraiser, evaluated the fair values of identifiable assets acquired and liabilities assumed and completed the purchase price allocation. The fair value determination relied on significant management estimation in respect of fair value assessments.

5 SEGMENT INFORMATION

The Group determines its operating segments based upon the internal reports reviewed by the chief operating decision maker ("CODM") that are used to make strategic decisions. Segment results represent the profit from operations for the year before corporate expenses in each reportable segment. This is the measurement reported to the Group's management for the purpose of resource allocation and assessment of segment performance.

The measurement used for reporting segment results is "profit from operations", i.e. profit before corporate expenses, finance income, finance costs, share of losses of associates, share of losses of joint ventures and income tax expense. To arrive at results from operations, the Group's results are further adjusted for items not specifically attributed to individual segments.

The Group is organised into three main reportable segments.

(i) Die-casting machine ("DCM")

(ii) Plastic injection moulding machine

(iii) Computerised numerical controlled ("CNC") machining centre

The segment results for the year ended 31 March 2025 are as follows:

	Die-casting machine HK$'000	Plastic injection moulding machine HK$'000	CNC machining centre HK$'000	Total segments HK$'000	Eliminations HK$'000	Total HK$'000
Revenue						
External sales	**3,866,558**	**1,757,520**	**200,881**	**5,824,959**	**–**	**5,824,959**
Inter-segments sales	**33,717**	**–**	**–**	**33,717**	**(33,717)**	**–**
	3,900,275	**1,757,520**	**200,881**	**5,858,676**	**(33,717)**	**5,824,959**
Results						
Segment results	**475,060**	**90,614**	**(11,318)**	**554,356**	**–**	**554,356**
Corporate expenses						**(18,636)**
Finance income						**18,124**
Finance costs						**(65,923)**
Share of losses of associates						**(4,077)**
Share of losses of joint ventures						**(8,043)**
Profit before income tax						**475,801**

5 SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 March 2024 are as follows:

	Die-casting machine HK$'000	Plastic injection moulding machine HK$'000	CNC machining centre HK$'000	Total segments HK$'000	Eliminations HK$'000	Total HK$'000
Revenue						
External sales	4,243,537	1,425,401	168,435	5,837,373	–	5,837,373
Inter-segments sales	45,503	–	7,205	52,708	(52,708)	–
	4,289,040	1,425,401	175,640	5,890,081	(52,708)	5,837,373
Results						
Segment results	541,180	85,747	13,899	640,826	–	640,826
Corporate expenses						(20,537)
Finance income						16,923
Finance costs						(76,411)
Forfeited deposit in relation to Urban Renewal Project						38,462
Share of losses of associates						(265)
Profit before income tax						598,998

5 SEGMENT INFORMATION (CONTINUED)

Sales between segments are carried out at arm's length basis. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated income statement.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

As at 31 March 2025

	Die-casting machine HK$'000	Plastic injection moulding machine HK$'000	CNC machining centre HK$'000	Total HK$'000
Assets				
Segment assets	7,739,222	2,072,834	2,016,609	11,828,665
Unallocated assets				85,587
Consolidated total assets				11,914,252
Liabilities				
Segment liabilities	5,929,239	1,439,350	375,727	7,744,316
Unallocated liabilities				53,382
Consolidated total liabilities				7,797,698

5 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

As at 31 March 2024

	Die-casting machine HK$'000	Plastic injection moulding machine HK$'000	CNC machining centre HK$'000	Total HK$'000
Assets				
Segment assets	7,201,559	1,693,190	1,991,379	10,886,128
Unallocated assets				19,695
Consolidated total assets				10,905,823
Liabilities				
Segment liabilities	5,555,385	1,096,546	227,764	6,879,695
Unallocated liabilities				10,029
Consolidated total liabilities				6,889,724

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets.
- all liabilities are allocated to reportable segments other than corporate liabilities.
- liabilities for which segments are jointly liable are allocated in proportion to segment assets.

5 SEGMENT INFORMATION (CONTINUED)

The following amounts are included in the measure of segment results or assets:

For the year ended 31 March 2025

	Die-casting machine HK$'000	Plastic injection moulding machine HK$'000	CNC machining centre HK$'000	Unallocated HK$'000	Total HK$'000
Additions to non-current assets *(Note)*	**599,176**	**25,897**	**232,408**	**4**	**857,485**
Depreciation and amortisation	**180,222**	**51,806**	**27,073**	**160**	**259,261**
Raw materials and consumables used	**2,249,409**	**1,151,596**	**115,943**	**–**	**3,516,948**
Change in inventories of finished goods and work in progress	**(167,443)**	**5,839**	**10,670**	**–**	**(150,934)**
Staff costs	**737,272**	**238,418**	**32,840**	**–**	**1,008,530**
Write down/(reversal of) provision for inventories	**2,268**	**1,886**	**(4,214)**	**–**	**(60)**
Provision for/(reversal of) impairment of trade receivables – net	**27,501**	**(3,777)**	**6,335**	**–**	**30,059**

For the year ended 31 March 2024

	Die-casting machine HK$'000	Plastic injection moulding machine HK$'000	CNC machining centre HK$'000	Unallocated HK$'000	Total HK$'000
Additions to non-current assets *(Note)*	526,355	35,225	66,828	800	629,208
Depreciation and amortisation	155,843	50,253	25,606	13	231,715
Raw materials and consumables used	2,331,792	856,547	20,000	–	3,208,339
Change in inventories of finished goods and work in progress	41,511	72,917	(27,271)	–	87,157
Staff costs	760,051	176,614	31,242	–	967,907
Reversal of provision for inventories write-down	(22,084)	(4,510)	(17,214)	–	(43,808)
Provision for impairment of trade receivables – net	2,505	1,284	1,766	–	5,555

Note: Non-current assets exclude interests in joint ventures, interests in associates, financial asset at FVOCI, non-current portion of trade and bills receivables, and deferred income tax assets.

5 SEGMENT INFORMATION (CONTINUED)

None of the customers of the Group individually accounted for 10% or more of the Group's revenue for both of the years ended 31 March 2025 and 2024.

Geographical information

The Group's revenue by geographical location is determined by the final destination of delivery of the products and the geographical location of non-current assets is determined by where the assets are located and are detailed below:

	Revenue from external customers		Non-current assets *(Note i)*	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Mainland China	**4,920,513**	4,501,755	**3,461,829**	2,942,993
Hong Kong	**–**	–	**18,186**	18,124
Europe	**266,037**	265,461	**78,416**	81,684
North America	**229,653**	428,078	**13,459**	14,470
Central America and South America	**145,525**	250,534	**4,275**	–
Other countries	**263,231**	391,545	**67,299**	58,135
	5,824,959	5,837,373	**3,643,464**	3,115,406

Note:

(i) Non-current assets exclude interests in joint ventures, interests in associates, financial assets at FVOCI, non-current portion of trade and bills receivables, and deferred income tax assets.

6 INTANGIBLE ASSETS

	Goodwill HK$'000	Trademarks HK$'000	Patents HK$'000	Development costs and others HK$'000	Total HK$'000
At 1 April 2023					
Cost	2,800	5,461	3,634	75,000	86,895
Accumulated amortisation	–	(5,267)	(3,605)	(62,832)	(71,704)
Net book amount	2,800	194	29	12,168	15,191
Year ended 31 March 2024					
Opening net book amount	2,800	194	29	12,168	15,191
Additions	–	105	–	4,947	5,052
Amortisation	–	(37)	(4)	(5,722)	(5,763)
Exchange difference	–	(2)	(2)	(99)	(103)
Closing net book amount	2,800	260	23	11,294	14,377
At 31 March 2024					
Cost	**2,800**	**5,507**	**3,633**	**79,334**	**91,274**
Accumulated amortisation	**–**	**(5,247)**	**(3,610)**	**(68,040)**	**(76,897)**
Net book amount	**2,800**	**260**	**23**	**11,294**	**14,377**
Year ended 31 March 2025					
Opening net book amount	**2,800**	**260**	**23**	**11,294**	**14,377**
Additions	**–**	**116**	**–**	**1,075**	**1,191**
Amortisation	**–**	**(49)**	**(2)**	**(4,689)**	**(4,740)**
Exchange difference	**–**	**(2)**	**–**	**(106)**	**(108)**
Closing net book amount	**2,800**	**325**	**21**	**7,574**	**10,720**
At 31 March 2025					
Cost	**2,800**	**5,588**	**3,632**	**79,942**	**91,962**
Accumulated amortisation	**–**	**(5,263)**	**(3,611)**	**(72,368)**	**(81,242)**
Net book amount	**2,800**	**325**	**21**	**7,574**	**10,720**

Note: Goodwill is allocated to the Group's CGU identified according to operating segments.

6 INTANGIBLE ASSETS (CONTINUED)

An operating segment level summary of the goodwill allocation is presented below:

	2025	2024
	HK$'000	HK$'000
Die-casting machine	**2,800**	2,800

The recoverable amount of a CGU is determined based on a value-in-use calculation. The calculation uses pre-tax cash flow projection based on five-year financial budget approved by management using the estimated growth rate of 5% (2024: 5%). Cash flows beyond the five-year period are extrapolated assuming a terminal growth rate of 3% (2024: 3%) and no material change in the existing scope of business, business environment and market conditions. The discount rate applied to the cash flow projections is 14% (2024: 14%) and management believes it reflects specific risks relating to the segment. Management believes that any reasonably possible change in any of the key assumptions would not result in an impairment provision of goodwill (2024: same).

There was no impairment provision for intangible assets for the year ended 31 March 2025 (2024: Nil).

7 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Construction in progress HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2023							
Cost	1,536,155	168,786	80,917	1,408,546	153,757	36,442	3,384,603
Accumulated depreciation	(497,106)	–	(63,771)	(863,993)	(114,856)	(25,922)	(1,565,648)
Net book amount	1,039,049	168,786	17,146	544,553	38,901	10,520	1,818,955
Year ended 31 March 2024							
Opening net book amount	1,039,049	168,786	17,146	544,553	38,901	10,520	1,818,955
Additions	39,934	393,909	–	68,171	19,779	8,603	530,396
Disposals	(2,282)	–	(55)	(3,724)	(1,332)	(492)	(7,885)
Depreciation	(87,766)	–	(500)	(102,676)	(12,125)	(3,589)	(206,656)
Reclassification	48,957	(173,502)	(5,067)	128,750	879	(17)	–
Transfer of investment properties to property, plant and equipment *(Note 8)*	84,519	–	–	–	–	–	84,519
Exchange difference	(34,540)	(5,564)	(555)	(17,802)	(1,240)	(328)	(60,029)
Closing net book amount	1,087,871	383,629	10,969	617,272	44,862	14,697	2,159,300
At 31 March 2024							
Cost	1,656,101	383,629	74,697	1,533,986	164,304	41,321	3,854,038
Accumulated depreciation	(568,230)	–	(63,728)	(916,714)	(119,442)	(26,624)	(1,694,738)
Net book amount	1,087,871	383,629	10,969	617,272	44,862	14,697	2,159,300
Year ended 31 March 2025							
Opening net book amount	**1,087,871**	**383,629**	**10,969**	**617,272**	**44,862**	**14,697**	**2,159,300**
Additions	**2,255**	**655,417**	**1,343**	**89,605**	**28,401**	**5,511**	**782,532**
Disposals	**(965)**	**-**	**(41)**	**(4,989)**	**(383)**	**(1,044)**	**(7,422)**
Depreciation	**(88,033)**	**-**	**(2,575)**	**(118,769)**	**(16,525)**	**(5,350)**	**(231,252)**
Reclassification	**272,255**	**(400,535)**	**(88)**	**127,297**	**1,071**	**-**	**-**
Exchange difference	**(12,073)**	**(4,170)**	**(86)**	**(5,432)**	**(367)**	**(108)**	**(22,236)**
Closing net book amount	**1,261,310**	**634,341**	**9,522**	**704,984**	**57,059**	**13,706**	**2,680,922**
At 31 March 2025							
Cost	**1,908,378**	**634,341**	**75,049**	**1,717,721**	**190,418**	**43,118**	**4,569,025**
Accumulated depreciation	**(647,068)**	**-**	**(65,527)**	**(1,012,737)**	**(133,359)**	**(29,412)**	**(1,888,103)**
Net book amount	**1,261,310**	**634,341**	**9,522**	**704,984**	**57,059**	**13,706**	**2,680,922**

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation of HK$182,897,000 (2024: HK$168,590,000) has been charged in "cost of sales", HK$4,315,000 (2024: HK$2,406,000) in "selling and distribution expenses" and HK$44,040,000 (2024: HK$35,660,000) in "general and administrative expenses".

Certain property, plant and equipment are pledged to secure bank borrowings of the Group as detailed in Note 21.

8 INVESTMENT PROPERTIES

	HK$'000
At fair value	
At 1 April 2023	514,690
Increase in fair value during the year *(Note 24)*	213
Transfer of investment properties to property, plant and equipment *(Note 7)*	(84,519)
Exchange difference	(16,384)
At 31 March 2024 and 1 April 2024	**414,000**
Increase in fair value during the year *(Note 24)*	**10,024**
Exchange difference	**(4,424)**
At 31 March 2025	**419,600**

The following amounts have been recognised in the consolidated income statement for investment properties:

	2025 **HK$'000**	2024 HK$'000
Rental income	**33,997**	33,799
Direct operating expenses from properties that generated rental income	**(6,867)**	(6,394)
	27,130	27,405

Certain investment properties are pledged to secure bank borrowings of the Group as detailed in Note 21.

As at 31 March 2025, the Group had no unprovided contractual obligations for future repairs and maintenance (2024: Nil).

8 INVESTMENT PROPERTIES (CONTINUED)

The revaluation gain is included in "other gains/(losses) – net" in the consolidated income statement (Note 24). The following table analyses the investment properties carried at fair value, by level.

Fair value hierarchy

Description	Fair value measurements at 31 March 2025 using Quoted prices in active markets for identical assets (Level 1) HK$'000	Significant other observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000
Recurring fair value measurements:			
Investment properties	–	–	**419,600**

Description	Fair value measurements at 31 March 2024 using Quoted prices in active markets for identical assets (Level 1) HK$'000	Significant other observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000
Recurring fair value measurements:			
Investment properties	–	–	414,000

There were no transfers between Levels 1, 2 and 3 during the year.

8 INVESTMENT PROPERTIES (CONTINUED)

Fair value measurements using significant unobservable inputs (Level 3)

	Properties in Hong Kong HK$'000	Properties in PRC HK$'000	Total HK$'000
At 1 April 2023	17,690	497,000	514,690
(Decrease)/increase in fair value during the year	(790)	1,003	213
Transfer of investment properties to property, plant and equipment	–	(84,519)	(84,519)
Exchange difference	–	(16,384)	(16,384)
At 31 March 2024	16,900	397,100	414,000
Total unrealised (losses)/gains for the year included in the consolidated income statement for investment properties held at the end of the year, under "other gains/(losses) – net"	(790)	1,003	213
At 1 April 2024	**16,900**	**397,100**	**414,000**
Increase in fair value during the year	**100**	**9,924**	**10,024**
Exchange difference	**–**	**(4,424)**	**(4,424)**
At 31 March 2025	**17,000**	**402,600**	**419,600**
Total unrealised gains for the year included in the consolidated income statement for investment properties held at the end of the year, under "other gains/(losses) – net"	**100**	**9,924**	**10,024**

8 INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group

The fair values of the investment properties have been arrived at on the basis of valuations carried out by LCH (Asia-Pacific) Surveyors Limited ("LCH"), independent professional surveyor and valuer. LCH is member of the Hong Kong Institute of Surveyors ("HKIS"), and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the financial department and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the finance department:

- Verifies all major inputs to the independent valuation reports;

- Assesses property valuations movements when compared to the prior year valuation reports; and

- Holds discussions with the independent valuers.

Valuation technique

The valuations, which conform to the HKIS valuation standards, were based on the income approach and market approach which largely used unobservable inputs (e.g. unit rate, discount rate, etc.) and taking into account the significant adjustment on discount rate to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

There were no changes to the valuation technique during the year.

8 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 March 2025 HK$'000	Valuation technique	Unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Hong Kong properties	**17,000**	**Income approach**	**Unit rate**	**HK$4,101/sq.ft.**	**The higher the unit rate, the higher the fair value**
			Discount rate	**3% to 6%**	**The higher the discount rate, the lower the fair value**
PRC properties	**363,100**	**Income approach**	**Unit rate**	**HK$3,354/sq.m. to HK$18,370/sq.m.**	**The higher the unit rate, the higher the fair value**
			Discount rate	**3% to 15%**	**The higher the discount rate, the lower the fair value**
PRC property under development	**39,500**	**Market approach**	**Unit rate**	**HK$11,957/sq.m.**	**The higher the unit rate, the higher the fair value**
			Discount rate	**4.75%**	**The higher the discount rate, the lower the fair value**

Description	Fair value at 31 March 2024 HK$'000	Valuation technique	Unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Hong Kong properties	16,900	Income approach	Unit rate	HK$4,305/sq.ft.	The higher the unit rate, the higher the fair value
			Discount rate	3% to 5%	The higher the discount rate, the lower the fair value
PRC properties	355,300	Income approach	Unit rate	HK$3,232/sq.m. to HK$19,121/sq.m.	The higher the unit rate, the higher the fair value
			Discount rate	4% to 13%	The higher the discount rate, the lower the fair value
PRC property under development	41,800	Market approach	Unit rate	HK$13,253/sq.m.	The higher the unit rate, the higher the fair value
			Discount rate	4.75%	The higher the discount rate, the lower the fair value

9 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

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

	2025 **HK$'000**	2024 HK$'000
Right-of-use assets		
Land use rights	**428,439**	377,074
Premises	**59,837**	69,096
Motor vehicles	**7,005**	4,323
	495,281	450,493
Lease liabilities		
Current	**12,214**	10,103
Non-current	**57,630**	63,863
	69,844	73,966

Additions to the right-of-use assets during the year were HK$73,762,000 (2024: HK$93,760,000).

Certain land use rights are pledged to secure bank borrowings of the Group as detailed in Note 21.

(ii) Amounts recognised in the consolidated income statement

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

	2025 **HK$'000**	2024 HK$'000
Depreciation charge of right-of-use assets		
Land use rights	**10,692**	8,576
Premises	**10,801**	9,019
Motor vehicles	**1,776**	1,701
	23,269	19,296
Interest expense (included in finance cost)	**2,105**	674
Expenses relating to leases of short-term leases	**9,623**	8,184

The total cash outflow for leases (including short-term leases) during the year ended 31 March 2025 was HK$22,285,000 (2024: HK$19,453,000).

9 LEASES (CONTINUED)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties, lands and motor vehicles. Rental contracts are typically made for fixed periods of 1 to 50 years.

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, except land use rights, may not be used as security for borrowing purposes.

10 INTERESTS IN JOINT VENTURES

	2025 HK$'000
At 1 April	–
Addition	72,585
Share of losses	(8,043)
At 31 March	64,542

Particulars of joint ventures, which are unlisted and not significant to the Group, are as follows:

Name	Form of business structure	Place of issued shares held	Issued and fully paid up share capital	Interest held 2025	Interest held 2024	Principal activities and place of operations	Measurement method
Charm Energy Limited	Limited liability	Hong Kong	HK$1,000,000	50%	50%	Research and development in Hong Kong	Equity
Thixotropic Piston Injection Technology GmbH ("TPI") *(Note)*	Corporation	Austria	EUR59,306	64%	24%	Manufacture and sales of peripheral equipment in Austria	Equity

Note: As at 31 March 2024, TPI was held by the Group and another party, with ownership interests of 24% and 76%, respectively. During the year ended 31 March 2025, the Group increased its interest in TPI from 24% to 64% for a total consideration of EUR8,600,000 (approximately HK$72,585,000), including contingent consideration of EUR1,114,000 (approximately HK$9,398,000) (Note 16). As at 31 March 2025, EUR3,232,000 (equivalent to approximately HK$26,643,000) has been settled. The remaining balance of EUR4,254,000 (equivalent to approximately HK$36,545,000) was recognised in other payables (Note 22) as at 31 March 2025. The investment in TPI is classified as a joint venture because decisions about its relevant activities require the unanimous consent of both the Group and the other party.

Charm Energy Limited and TPI are private companies, and no quoted market price is available for their shares. There are no contingent liabilities or commitments to provide funding related to the Group's interest in the joint venture.

11 INTERESTS IN ASSOCIATES

	2025 HK$'000	2024 HK$'000
At 1 April	**14,942**	15,725
Addition	**5,435**	–
Share of losses	**(4,077)**	(265)
Exchange difference	**(119)**	(518)
At 31 March	**16,181**	14,942

Particulars of the associate, which is unlisted and in the opinion of the directors is not significant to the Group, as at 31 March 2025 and 2024, are as follows:

Name	**Place of issued shares held**	**Principal activities and place of operations**	**Particulars of registered share capital**	**Interest held 2025**	**Interest held** 2024
深圳市精工小額貸款有限公司 Shenzhen Jinggong Microcredit Limited[1]	PRC	Microcredit business in the PRC	RMB101,000,000	**20.0%**	20.0%
寧波因諾智能科技有限公司 Ningbo Inno Intelligent Technology Co., Ltd[1]	PRC	Research and experimental development	RMB10,000,000	**42.5%**	N/A

[1] The English name is made for identification purpose only.

Note: Shenzhen Jinggong Microcredit Limited and Ningbo Inno Intelligent Technology Co., Ltd are private companies and there are no quoted market price available for their shares. There are no contingent liabilities relating to the Group's interest in the associates.

12 PRINCIPAL SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 March 2025 and 2024:

Name of subsidiary	Form of business structure	Place of incorporation and kind of legal entity	Particulars of issued/ registered share capital	Attributable equity interest held by the Group 2025	2024	Principal activities and place of operation
Subsidiaries directly held by the Company						
Best Prospect Limited (formerly known as "Best Truth Enterprises Limited")	Limited liability	British Virgin Islands, limited liability company	US$2	**100%**	100%	Investment holding in Hong Kong
Subsidiaries indirectly held by the Company						
重慶力勁機械有限公司 Chongqing L.K. Machinery Co. Ltd.[1]	Wholly Foreign-owned Enterprise ("WFOE")	PRC, limited liability company	US$8,800,000	**85.41%**	85.41%	Sale of die-casting machines in PRC
阜新力勁北方機械有限公司 Fu Xin L.K. Northern Machinery Co. Ltd.[1]	WFOE	PRC, limited liability company	HK$270,000,000	**85.41%**	85.41%	Manufacture and sale of steel casting in PRC
Good Millennium Limited (formerly known as "Gold Millennium Ltd.")	Limited liability	British Virgin Islands, limited liability company	US$1	**100%**	100%	Investment holding in Hong Kong
Gold Progress Limited	Limited liability	Hong Kong, limited liability company	HK$1	**100%**	100%	Investment holding in Hong Kong
L.K. Machinery Company Limited	Limited liability	Hong Kong, limited liability company	HK$60,835,418	**100%**	100%	Investment holding in Hong Kong
L.K. Machinery International Limited	Limited liability	Hong Kong, limited liability company	HK$151,417,696	**100%**	100%	Sale of die-casting machines in Hong Kong
力勁機械股份有限公司 L.K. Machinery Corp.	Limited liability	Taiwan, limited liability company	Taiwan New Dollar ("TWD") 211,000,000	**100%**	100%	Manufacture and sale of CNC machines in Taiwan
力勁機械(深圳)有限公司 L.K. Machinery (Shenzhen) Co. Ltd.[1]	WFOE	PRC, limited liability company	HK$69,500,000	**100%**	100%	Manufacture and sale of die-casting machines in PRC
力勁精密機械(昆山)有限公司 L.K. Precision Machinery (Kunshan) Co. Ltd.[1]	WFOE	PRC, limited liability company	US$20,000,000	**100%**	100%	Manufacture and sale of CNC machines in PRC

12 PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiary	Form of business structure	Place of incorporation and kind of legal entity	Particulars of issued/ registered share capital	Attributable equity interest held by the Group 2025	2024	Principal activities and place of operation
Lucky Prosper Limited	Limited liability	Hong Kong, limited liability company	HK$1	**100%**	100%	Investment holding in Hong Kong
寧波力勁塑機智造有限公司 Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.[1]	WFOE	PRC, limited liability company	RMB211,365,007	**100%**	100%	Manufacture and sale of plastic injection moulding machines in PRC
寧波力勁科技有限公司 Ningbo L.K. Technology Co. Ltd.[1]	WFOE	PRC, limited liability company	RMB257,732,700	**85.41%**	85.41%	Manufacture and sale of die-casting machines in PRC
Power Excel International Limited	Limited liability	Hong Kong, limited liability company	HK$448,047,235	**100%**	100%	Investment holding in Hong Kong
上海一達機械有限公司 Shanghai Atech Machinery Co. Ltd.[1]	WFOE	PRC, limited liability company	US$4,900,000	**85.41%**	85.41%	Manufacture and sale of die-casting machines in PRC
深圳領威科技有限公司 Shenzhen Leadwell Technology Co. Ltd.[1]	Sino-foreign equity joint venture	PRC, limited liability company	RMB152,400,000	**85.41%**	85.41%	Manufacture and sale of die-casting machines in PRC
深圳市深汕特別合作區力勁科技有限公司 Shenshan Special Cooperation Zone L.K Technology Ltd.[1]	WFOE	PRC, limited liability company	RMB100,000,000	**85.41%**	85.41%	Manufacture and sale of die-casting machines in PRC
廣東力勁塑機智造股份有限公司 LK Injection Molding Machine Co., Ltd.[1]	WFOE	PRC, limited liability company	RMB229,033,536	**100%**	100%	Manufacture and sale of plastic injection moulding machines in PRC

12 PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiary	Form of business structure	Place of incorporation and kind of legal entity	Particulars of issued/ registered share capital	Attributable equity interest held by the Group 2025	2024	Principal activities and place of operation
阜新力達鋼鐵鑄造有限公司 Fuxin Lida Steel Casting Co. Ltd.[1]	WFOE	PRC, limited liability company	HK$405,000,000	**85.41%**	85.41%	Steel casting in PRC
Idra S.r.l	Limited liability	Italy, limited liability company	EUR5,032,661	**85.41%**	85.41%	Design, manufacture and sale of die-casting machines and equipment in Italy
深圳力勁科技有限公司 Shenzhen L.K. Technology Co. Ltd[1] *(Note)*	Sino-foreign equity joint venture	PRC, limited liability company	RMB613,169,184	**85.41%**	85.41%	Investment holding in PRC
L.K. Japan Co. Limited	Corporation	Japan, limited liability company	Japanese Yen ("JPY") 40,000,000	**59.79%**	59.79%	Manufacture and sales of peripheral equipment
L.K. Machinery, Inc.	Corporation	USA, limited liability company	US$10,000	**100%**	100%	Technical services and sales of machines
L.K. MACHINERY MEXICO, S.DE R.L. DE C.V.	Corporation	Mexico, limited liability company	MXN30,000	**85.41%**	85.41%	Technical services and sales of machines
L.K. Machinery India Private Limited	Corporation	India, limited liability company	INR47,412,300	**100%**	100%	Technical services and sales of machines
L.K. International Die-Casting Limited	Limited liability	Hong Kong, limited liability company	HK$117,973,818	**85.41%**	85.41%	Sales of die-casting machines in Hong Kong
LK Injection Moulding Machine International Limited (formerly known as "Rise Link Limited")	Limited liability	Hong Kong, limited liability company	HK$3,024,001	**100%**	100%	Sales of plastic injection moulding machines in Hong Kong

1 The English name is made for identification purpose only.

12 PRINCIPAL SUBSIDIARIES (CONTINUED)

Note: During the year ended 31 March 2024, the Future Industry Investment Fund II and other investors (the "Investors") subscribed to approximately 15.22% of the enlarged registered capital of Shenzhen L.K. Technology Co., Ltd ("Shenzhen L.K.") through cash contributions of RMB1,880,000,000 in total (equivalent to approximately HK$2,065,934,000) (the "Consideration"). Following the completion of the capital injection (the "Completion"), Shenzhen L.K. remained a subsidiary of the Company, and its financial results continued to be consolidated in the Company's financial statements.

A repurchase option (the "Repurchase Option") has been granted by Shenzhen L.K., its subsidiaries, and the Company (the "Repurchase Obligor") to the Investors. In the event of specified repurchase events occur when the Investors hold equity interest in Shenzhen L.K., the Investors can require the Repurchase Obligor to repurchase all or part of their equity interest in Shenzhen L.K. at the agreed repurchase price.

Under the Repurchase Option, the Repurchase Obligor is required to pay the Investors the repurchase price, which is equal to the Consideration plus 7% interest per annum in cash, within 3 years in instalments if any specified repurchase events occur. A redemption liability of RMB1,880,000,000 (equivalent to approximately HK$2,065,934,000) has been recognised in the consolidated statement of financial position on the date of Completion. As at 31 March 2025, the redemption liability was HK$2,241,800,000 (2024: HK$2,121,213,000) (Note 22), being the Consideration plus accumulated interest of HK$198,322,000 (2024: HK$55,279,000).

Management has assessed the risks and rewards of ownership associating to the equity interests held by the Investors were substantially remain with the Investors in accordance with HKFRS 10. Hence, equity interests held by the Investors were recognised as non-controlling interests as at 31 March 2025 and 2024.

13 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	2025 **HK$'000**	2024 HK$'000
Deferred income tax assets	**114,447**	112,006
Deferred income tax liabilities	**(73,086)**	(76,909)
Deferred income tax assets, net	**41,361**	35,097

13 DEFERRED INCOME TAX (CONTINUED)

The gross movement on the deferred income tax account is as follows:

	2025 **HK$'000**	2024 HK$'000
At the beginning of the year	**35,097**	6,257
Credited to the consolidated income statement *(Note 28)*	**6,521**	29,131
Charged to other comprehensive income	**–**	(28)
Exchange difference	**(257)**	(263)
At the end of the year	**41,361**	35,097

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred income tax assets		
	Impairment allowances and others HK$'000	**Decelerated tax depreciation** HK$'000	**Total** HK$'000
At 1 April 2023	92,003	19,155	111,158
Credited/(charged) to the consolidated income statement	21,951	(1,336)	20,615
Exchange difference	(2,043)	(526)	(2,569)
At 31 March 2024	111,911	17,293	129,204
Set-off with deferred tax liabilities			(17,198)
			112,006
At 1 April 2024	**111,911**	**17,293**	**129,204**
Credited to the consolidated income statement	**955**	**1,424**	**2,379**
Exchange difference	**(847)**	**(169)**	**(1,016)**
At 31 March 2025	**112,019**	**18,548**	**130,567**
Set-off with deferred tax liabilities			**(16,120)**
			114,447

13 DEFERRED INCOME TAX (CONTINUED)

	Deferred income tax liabilities			
	Revaluation of investment properties HK$'000	Dividend withholding tax HK$'000	Others HK$'000	Total HK$'000
At 1 April 2023	(70,251)	(34,650)	–	(104,901)
(Charged)/credited to the consolidated income statement	(44)	8,560	–	8,516
Charged to other comprehensive income	(28)	–	–	(28)
Exchange difference	2,306	–	–	2,306
At 31 March 2024	(68,017)	(26,090)	–	(94,107)
Set-off with deferred tax assets				17,198
				(76,909)
At 1 April 2024	**(68,017)**	**(26,090)**	**–**	**(94,107)**
(Charged)/credited to the consolidated income statement	**(2,185)**	**6,300**	**27**	**4,142**
Exchange difference	**759**	**–**	**–**	**759**
At 31 March 2025	**(69,443)**	**(19,790)**	**27**	**(89,206)**
Set-off with deferred tax assets				**16,120**
				(73,086)

Deferred income tax asset is recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

13 DEFERRED INCOME TAX (CONTINUED)

At the end of the reporting period, the Group has the following unutilised tax losses available for offsetting against future taxable profits for which no deferred tax asset is recognised:

	2025 **HK$'000**	2024 HK$'000
Tax losses expiring:		
Within 5 years	**238,183**	216,684
Over 5 years	**199,324**	185,474
Without expiry date	**169,485**	121,649
	606,992	523,807

Dividends out of profits earned on or after 1 January 2008 for the PRC subsidiaries distributed to the Group will be subject to dividend withholding tax.

Deferred income tax liabilities of HK$40,276,000 (2024: HK$34,814,000) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain PRC subsidiaries. Unremitted earnings of these PRC subsidiaries that are subject to withholding tax totalled HK$805,520,000 at 31 March 2025 (2024: HK$696,270,000). Such amounts are not intended to be distributed in the foreseeable future to the Group companies outside of the Mainland China. For those subsidiaries that the Group have an intention to distribute their respective retained earnings, the Group has recognised deferred tax liabilities of HK$19,790,000 (2024: HK$26,090,000) for the withholding tax as at 31 March 2025 that would be payable upon such distribution.

14 TRADE AND BILLS RECEIVABLES

	2025 **HK$'000**	2024 HK$'000
Trade receivables	**3,202,052**	2,602,204
Less: Provision for impairment	**(155,558)**	(126,422)
	3,046,494	2,475,782
Bills receivables	**687,297**	507,817
	3,733,791	2,983,599
Less: Balance due after one year shown as non-current assets	**(14,911)**	(27,051)
Trade and bills receivables, net	**3,718,880**	2,956,548

14 TRADE AND BILLS RECEIVABLES (CONTINUED)

The ageing analysis of gross trade receivables based on invoice date at the end of reporting date is as follows:

	2025 **HK$'000**	2024 HK$'000
Within 90 days	**1,693,567**	1,464,301
91–180 days	**551,648**	422,756
181–365 days	**410,735**	342,516
Over one year	**546,102**	372,631
	3,202,052	2,602,204

The maturity date of the bills receivables is generally between one to six months.

Goods sold to customers are either made on cash on delivery or on credit basis. Customers in general are required to pay deposits upon placing purchase orders, the remaining balances will be payable upon goods delivery to customers. Majority of customers are granted with credit terms ranging from one to six months. The Group also sells goods to certain customers with sales proceeds payable by installments which normally range from six to twelve months.

The carrying amounts of the trade and bills receivables are denominated in the following currencies:

	2025 **HK$'000**	2024 HK$'000
RMB	**3,243,678**	2,512,068
US$	**264,277**	196,046
EUR	**183,665**	256,428
Other currencies	**42,171**	19,057
Trade and bills receivables, net	**3,733,791**	2,983,599

Certain bills receivables are pledged to secure bank borrowings of the Group as detailed in Note 21.

15 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 HK$'000	2024 HK$'000
Non-current		
Deposits for purchases of property, plant and equipment	**32,403**	46,522
Deposit for land use rights	**2,598**	30,714
Other deposits	**1,940**	–
	36,941	77,236
Current		
Value added tax refund receivable from government	**3,665**	1,953
Value added tax receivable	**164,720**	115,907
Trade deposits	**73,263**	113,472
Prepayments	**69,438**	59,671
Advances to staff for business purpose	**12,767**	15,427
Sundry, rental and utility deposits	**3,264**	2,644
Others deposits and receivables	**84,281**	37,742
	411,398	346,816
Total	**448,339**	424,052

Certain other receivables are pledged to secure bank borrowings of the Group as detailed in Note 21.

16 FINANCIAL ASSETS AND LIABILITY MEASURED AT FAIR VALUE

	2025 **HK$'000**	2024 HK$'000
Financial assets at fair value through other comprehensive income		
– Unlisted equity investments *(Note a)*	**92,391**	5,495

	2025 **HK$'000**	2024 HK$'000
Financial liability at fair value through profit or loss		
– Contingent consideration payable *(Note b)*	**9,511**	–

Financial assets at FVOCI is unlisted equity investment which is denominated in RMB.

Financial liability at FVPL is contingent consideration payable which is denominated in EUR.

(a) Financial assets at FVOCI

Movement of the financial assets at FVOCI is as follows:

	2025 **HK$'000**	2024 HK$'000
At beginning of the year	**5,495**	5,682
Addition	**87,912**	–
Exchange difference	**(1,016)**	(187)
End of the year	**92,391**	5,495

During the year ended 31 March 2025, the Group entered into an investment agreement for subscribing 7.4% of equity interests in 浙江顥屹汽車技術有限公司, an unlisted company incorporated in the PRC for a consideration of RMB80,000,000 (equivalent to approximately HK$87,912,000). As at 31 March 2025, RMB20,000,000 (equivalent to approximately HK$21,740,000 has been settled. The remaining balance of RMB60,000,000 (equivalent to approximately HK$65,217,000) was recognised in other payables (Note 22) as at 31 March 2025. The investment was classified as FVOCI as at 31 March 2025.

The fair value of the unlisted equity investment has been arrived at on the basis of valuation carried out by Valor Appraisal & Advisory Limited, an independent valuer, using market approach.

16 FINANCIAL ASSETS AND LIABILITY MEASURED AT FAIR VALUE (CONTINUED)

(b) Financial liability at FVPL

Movement of the financial liability at FVPL is as follows:

	2025 HK$'000	2024 HK$'000
At beginning of the year	–	–
Addition	9,398	–
Fair value change	113	–
End of the year	9,511	–

The contingent consideration payable mainly represents the amount payable to the original shareholders of TPI upon fulfillment of certain targets. The maximum amount payable under this arrangement is EUR1,200,000 (equivalent to approximately HK$10,127,000).

The fair value of the contingent consideration payable has been arrived at on the basis of valuation carried out by Valor Appraisal & Advisory Limited, an independent valuer, using discounted cash flow analysis.

17 INVENTORIES

	2025 HK$'000	2024 HK$'000
Raw materials	771,054	795,947
Work in progress	610,426	570,494
Finished goods	622,086	511,084
	2,003,566	1,877,525
Less: Provision for impairment of inventories	(75,469)	(76,482)
	1,928,097	1,801,043

The cost of inventories recognised as an expense and included in cost of sales amounted to HK$3,366,014,000 (2024: HK$3,295,496,000).

For the year ended 31 March 2025, the Group reversed provision for inventories write-down of HK$60,000 (2024: reversed provision for inventories write-down of HK$43,808,000).

The provision for/(reversal of provision) inventories write-down has been included in "cost of sales" in the consolidated income statement.

18 CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND RESTRICTED BANK BALANCES

(a) Cash and cash equivalents and short-term bank deposits

	2025 HK$'000	2024 HK$'000
Cash at banks and on hand	**1,509,342**	1,956,661
Deposits at banks with original maturities less than 3 months	**50,911**	418,515
	1,560,253	2,375,176
Deposits with original maturity over 3 months	**108,696**	–
Deposits and cash and cash equivalents as stated in balance sheet	**1,668,949**	2,375,176

The Group's cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
US$	**162,340**	74,582
HK$	**74,668**	169,177
RMB	**1,282,201**	2,018,380
EUR	**131,512**	107,015
Other currencies	**18,228**	6,022
	1,668,949	2,375,176

As at 31 March 2025, the Group's cash and bank balances of approximately HK$1,093,830,000 (2024: HK$1,730,749,000) were denominated in RMB and kept in banks in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange restrictions imposed by the PRC government.

18 CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND RESTRICTED BANK BALANCES (CONTINUED)

(b) Restricted bank balances

Restricted bank balances of the Group mainly represent deposits placed in banks to secure banking facilities granted by banks to certain customers, and the finance facilities for issuing letters of credit and acceptance bill by banks.

As the end of reporting period, the restricted bank balances carried interest at market rates which ranged from 0.1% to 1.6% (2024: 0.2% to 1.65%) per annum. The Group's restricted bank balances are denominated in RMB.

19 SHARE CAPITAL

	2025		2024	
	Number of ordinary shares of HK$0.1 each	**Amount** HK$'000	Number of ordinary shares of HK$0.1 each	Amount HK$'000
Issued and fully paid:				
At 1 April	**1,376,391,500**	**137,640**	1,376,391,500	137,640
Repurchase of the Company's shares	**(12,000,000)**	**(1,200)**	–	–
At 31 March	**1,364,391,500**	**136,440**	1,376,391,500	137,640

Note: During the year ended 31 March 2024, the Company repurchased a total of 12,000,000 ordinary shares on the Stock Exchange at approximately HK$56,874,000 (including commissions and other expenses). The price range of the share repurchase was between the lowest price of HK$3.94 and the highest price of HK$5.05. All 12,000,000 shares have been cancelled on 30 April 2024. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to the capital redemption reserve.

19 SHARE CAPITAL (CONTINUED)

(a) Share option scheme

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 8 September 2016, the Company adopted a share option scheme (the "Share Option Scheme"). The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. The Share Option Scheme is valid and effective for a period of 10 years commencing on 8 September 2016. The Share Option Scheme was classified as an equity-settled share-based payment arrangement.

On 24 September 2021, 27,540,000 share options have been granted to certain directors and employees (the "Grantees") of the Group under the Share Option Scheme.

The vesting of the share options is mainly subject to fulfilment of certain performance targets, the Grantees remaining at all times after the offer date and on each vesting date as an employee of the Group, as well as the Grantees achieving a specified level in annual personal performance evaluations. Fulfilment of the performance and service conditions is subject to the review of the Administration Committee of the Share Option Scheme. The Administration Committee of the Share Option Scheme has absolute discretion in approving the exercise of the share options and sale of shares request from the Grantees.

The fair value of the share options of equity-settled share-based payment transactions is expensed over the vesting period with a corresponding increase in equity, taking into account the best available estimate by management of the number of shares expected to vest under the service and performance conditions at the end of each reporting period.

19 SHARE CAPITAL (CONTINUED)

(a) Share option scheme (Continued)

Set out below are summaries of options granted under the plan:

Name	Date of grant	Exercise price	Exercisable period	Number of share options held as at 1 April 2024	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Number of share options held as at 31 March 2025
Directors (in aggregate)	24 September 2021	HK$19.86	25 September 2023 to 23 September 2031	**520,000**	-	-	-	-	**520,000**
		HK$19.86	25 September 2024 to 23 September 2031	**390,000**	-	-	-	-	**390,000**
		HK$19.86	25 September 2025 to 23 September 2031	**390,000**	-	-	-	-	**390,000**
Employees (in aggregate)	24 September 2021	HK$19.86	25 September 2023 to 23 September 2031	**9,420,000**	-	-	-	**(766,000)**	**8,654,000**
		HK$19.86	25 September 2024 to 23 September 2031	**7,065,000**	-	-	-	**(574,500)**	**6,490,500**
		HK$19.86	25 September 2025 to 23 September 2031	**7,065,000**	-	-	-	**(574,500)**	**6,490,500**
Total				**24,850,000**	-	-	-	**(1,915,000)**	**22,935,000**

19 SHARE CAPITAL (CONTINUED)

(a) Share option scheme (Continued)

Name	Date of grant	Exercise price	Exercisable period	Number of share options held as at 1 April 2023	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Number of share options held as at 31 March 2024
Directors (in aggregate)	24 September 2021	HK$19.86	25 September 2023 to 23 September 2031	520,000	–	–	–	–	520,000
		HK$19.86	25 September 2024 to 23 September 2031	390,000	–	–	–	–	390,000
		HK$19.86	25 September 2025 to 23 September 2031	390,000	–	–	–	–	390,000
Employees (in aggregate)	24 September 2021	HK$19.86	25 September 2023 to 23 September 2031	9,688,000	–	–	–	(268,000)	9,420,000
		HK$19.86	25 September 2024 to 23 September 2031	7,266,000	–	–	–	(201,000)	7,065,000
		HK$19.86	25 September 2025 to 23 September 2031	7,266,000	–	–	–	(201,000)	7,065,000
Total				25,520,000	–	–	–	(670,000)	24,850,000

(b) Employees' incentive plan of a subsidiary

(i) LK Injection Molding Machine Co., Ltd.

On 29 July 2021, the Company approved the Employees' Incentive Plan of 廣東力勁塑機智造股份有限公司 LK Injection Molding Machine Co., Ltd. ("LK Injection") (formerly known as 中山力勁機械有限公司 Zhongshan LK Machinery Co. Ltd.), a PRC subsidiary of the Group (the "LK Injection Employees' Incentive Plan"). Following the Board approval on 29 July 2021, LK Injection entered into five subscription agreements with three individuals, being Mr. Tse Siu Sze, an executive director of the Company, Mr. Huang Xi, an employee of LK Injection and Ms. Liu Ying Ying, daughter of Ms. Chong Siw Yin (an executive director and the Chairperson of the Company) and Mr. Liu Siong Song (a controlling shareholder of the Company) and two limited liability partnerships ("LLP"), namely 中山市睿力企業管理合夥企業（有限合夥） Zhongshan City Ruili Corporate Management Partnership (Limited Partnership) ("Zhongshan Ruili") and 寧波市鑄力企業管理合夥企業（有限合夥） Ningbo City Zhuli Corporate Management Partnership (Limited Partnership) ("Ningbo Zhuli") in connection with the LK Injection Employees' Incentive Plan. The general partner of Zhongshan Ruili is Ms. Ke Ai Rong (an employee of LK Injection); the general partner of Ningbo Zhuli is Mr. Tan Ying Shi (an employee of 寧波力勁塑機智造有限公司 Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.). The LLP were established in the PRC solely for the purpose of holding the equity interests in LK Injection in connection with the LK Injection Employees' Incentive Plan.

19 SHARE CAPITAL (CONTINUED)

(b) Employees' incentive plan of a subsidiary (Continued)

(i) LK Injection Molding Machine Co., Ltd. (Continued)

The qualified employees participating the LK Injection Employees' Incentive Plan contribute the capital at the specified grant price and become the limited partners of the LLP. Pursuant to the subscription agreements, LK Injection transferred 8.69% of enlarged registered capital in LK Injection to the abovementioned three qualified individuals and two LLPs at a consideration of RMB2.75 per share.

Each participating employee in the LK Injection Employees' Incentive Plan shall remain in service with LK Injection or any of its subsidiaries for six years from the date of granting the restricted shares (the "6-year Service Period"). The restricted shares granted pursuant to the LK Injection Employees' Incentive Plan are personal to each participating employee, and are not transferrable during the 6-year Service Period, unless otherwise approved as stipulated under the subscription agreements. If any of the participating employees resigns from LK Injection or any of its subsidiaries before the end of the 6-year Service Period or if LK Injection failed to be listed in any qualified Stock Exchange by 29 July 2027 (i.e. six years from the date of granting the restricted shares), the participating employees have the right to request Power Excel International Limited, the immediate holding company of LK Injection, to repurchase all of the restricted shares of LK Injection held by the participating employees at a consideration of the initial investment cost plus 5% interest per annum.

The Group received capital contribution for the participating employees and recognised a repurchase obligation in the liability. As at 31 March 2025, the repurchase obligation was HK$68,314,000 (2024: HK$66,076,000) (Note 22).

(ii) Shenzhen L.K. Technology Co., Ltd

On 22 December 2023, the Company approved the Employees' Incentive Plan of 深圳力勁科技有限公司 Shenzhen L.K., a PRC subsidiary of the Group (the "Shenzhen L.K. Employees' Incentive Plan"). Following the Board approval on 22 December 2023, Shenzhen L.K. entered into two subscription agreements with two Employee Stock Ownership Platforms (the "Shenzhen L.K. ESOPs"), namely Win Step Limited ("Win Step") and 深圳市力昌投資合夥企業（有限合夥）Shenzhen Lichang Investment Partnership (Limited Partnership) ("Shenzhen Lichang") in connection with the Shenzhen L.K. Employees' Incentive Plan. Win Step is a company with limited liability incorporated in Hong Kong which is held by as to 50% by Mr. Liu Zhuo Ming, son of Ms. Chong Siw Yin, and 50% by Miss. Liu Ying Ying. Shenzhen Lichang is limited partnership established in the PRC of which the general partner is Shenzhen Lichuang Financial Consulting Co., Ltd. which is ultimately owned by the employees of Shenzhen L.K.. The Shenzhen L.K. ESOPs were established solely for the purpose of holding the equity interests in Shenzhen L.K. in connection with the Shenzhen L.K. Employees' Incentive Plan.

19 SHARE CAPITAL (CONTINUED)

(b) Employees' incentive plan of a subsidiary (Continued)

(ii) Shenzhen L.K. Technology Co., Ltd (Continued)

The qualified employees participating the Shenzhen L.K. Employees' Incentive Plan contribute the capital at the specified grant price through the Shenzhen L.K. ESOPs. Pursuant to the subscription agreements, Shenzhen L.K. transferred 4.07% of enlarged registered capital in Shenzhen L.K. to the abovementioned Shenzhen L.K. ESOPs at a consideration of RMB6.07 per share.

Each participating employee in the Shenzhen L.K. Employees' Incentive Plan shall remain in service with Shenzhen L.K. or any of its subsidiaries for five years from the date of granting the restricted shares (the "5-year Service Period"). The restricted shares granted pursuant to the Shenzhen L.K. Employees' Incentive Plan are personal to each participating employee, and are not transferrable under any circumstances, unless otherwise approved as stipulated under the subscription agreements. If any of the participating employees resigns from Shenzhen L.K. or any of its subsidiaries before the end of the 5-year Service Period or before Shenzhen L.K. having listed its shares on a stock exchange for one year (whichever comes later), the Shenzhen L.K. ESOPs shall repurchase all of the restricted shares of Shenzhen L.K. held by the participating employees at a consideration of the initial investment cost plus 5% interest per annum.

The Group received capital contribution form the participating employees and recognised a repurchase obligation in the liability. As at 31 March 2025, the repurchase obligation was HK$172,754,000 (2024: HK$166,336,000) (Note 22).

20 RESERVES

	Share premium HK$'000	Share reserve HK$'000 *(Note i)*	Treasury shares HK$'000	Capital redemption reserves HK$'000 *(Note iii)*	Exchange translation reserve HK$'000	Other reserve HK$'000	Statutory reserve HK$'000 *(Note ii)*	Property revaluation reserve HK$'000	Financial asset at fair value through other comprehensive income reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2024	1,123,842	12,418	(56,874)	-	(201,419)	(2,104,156)	407,639	129,433	368	2,470,434	1,781,685
Profit for the year	-	-	-	-	-	-	-	-	-	350,094	350,094
Currency translation difference	-	-	-	-	(25,423)	-	-	-	-	-	(25,423)
Capital redemption reserves arising from repurchase of shares	-	-	-	1,200	-	-	-	-	-	(1,200)	-
Transfer to statutory reserve	-	-	-	-	-	-	27,006	-	-	(27,006)	-
Repurchase of the Company's shares	(55,674)	-	56,874	-	-	-	-	-	-	-	1,200
Dividends paid	-	-	-	-	-	-	-	-	-	(109,152)	(109,152)
Interest accretion of redemption liability in relation to a put option exercisable by non-controlling interests	-	-	-	-	-	(144,614)	-	-	-	-	(144,614)
Appropriation to Safety fund *(Note iv)*	-	-	-	-	-	2,615	-	-	-	(2,615)	-
At 31 March 2025	1,068,168	12,418	-	1,200	(226,842)	(2,246,155)	434,645	129,433	368	2,680,555	1,853,790

20 RESERVES (CONTINUED)

	Share premium HK$'000	Share reserve HK$'000 *(Note i)*	Treasury shares HK$'000	Exchange translation reserve HK$'000	Other reserve HK$'000	Statutory reserve HK$'000 *(Note ii)*	Property revaluation reserve HK$'000	Financial asset at fair value through other comprehensive income reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2023	1,123,842	13,771	–	(85,937)	18,837	313,409	129,433	368	2,204,353	3,718,076
Profit for the year	–	–	–	–	–	–	–	–	484,118	484,118
Employees' incentive plans	–	–	–	–	(1,780)	–	–	–	–	(1,780)
Currency translation difference	–	–	–	(115,482)	–	–	–	–	–	(115,482)
Transfer to statutory reserve	–	–	–	–	–	94,295	–	–	(94,295)	–
Capitalisation of share reserve	–	(1,353)	–	–	–	(65)	–	–	134	(1,284)
Repurchase of the Company's shares	–	–	(56,874)	–	–	–	–	–	–	(56,874)
Dividends paid	–	–	–	–	–	–	–	–	(123,876)	(123,876)
Redemption liability in relation to a put option exercisable by non-controlling interests	–	–	–	–	(2,065,934)	–	–	–	–	(2,065,934)
Interest accretion of redemption liability in relation to a put option exercisable by non-controlling interests	–	–	–	–	(55,279)	–	–	–	–	(55,279)
At 31 March 2024	1,123,842	12,418	(56,874)	(201,419)	(2,104,156)	407,639	129,433	368	2,470,434	1,781,685

Notes:

(i) Share reserve represents the difference between the share capital and reserves of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition of subsidiaries at the time of corporate reorganisation in 2006.

(ii) The statutory reserve is the reserve of the Company's subsidiaries operating as foreign investment enterprises in the PRC. The use of this reserve is governed by relevant regulations of the PRC and the articles of association of these subsidiaries.

(iii) The capital redemption reserve resulted from repurchase of the Company's own shares on The Stock Exchange of Hong Kong Limited. The repurchased shares were cancelled during the year ended 31 March 2025. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to capital redemption reserve.

(iv) Pursuant to certain regulations issued by the Ministry of Finance ("財政部") and the Ministry of Emergency Management ("應急管理部") of the PRC, the subsidiaries of the Company which are engaged in mechanical manufacturing are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from safety fund to retained earnings.

21 BORROWINGS

The borrowings of the Group comprise:

	2025 HK$'000	2024 HK$'000
Non-current		
Bank borrowings	**253,829**	235,061
Current		
Bank borrowings	**1,889,710**	1,550,233
Trust receipt loans	**5,321**	7,625
	1,895,031	1,557,858
	2,148,860	1,792,919
Secured:		
Bank borrowings	**348,489**	236,181
Unsecured:		
Bank borrowings	**1,795,050**	1,549,113
Trust receipt loans	**5,321**	7,625
	1,800,371	1,556,738
	2,148,860	1,792,919

21 BORROWINGS (CONTINUED)

At 31 March 2025 and 2024, the Group's borrowings were repayable as follows:

	Trust receipt loans		Bank borrowings		Total	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Within 1 year	**5,321**	7,625	**1,382,367**	1,157,198	**1,387,688**	1,164,823
Bank borrowings due for repayment after one year *(Note)*:						
After 1 year but within 2 years	**–**	–	**352,927**	356,589	**352,927**	356,589
After 2 years but within 5 years	**–**	–	**209,634**	59,243	**209,634**	59,243
After 5 years	**–**	–	**198,611**	212,264	**198,611**	212,264
	–	–	**761,172**	628,096	**761,172**	628,096
	5,321	7,625	**2,143,539**	1,785,294	**2,148,860**	1,792,919

Note: The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

The carrying amounts of the borrowings are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
RMB	**1,948,784**	1,693,639
EUR	**160,714**	68,080
TWD	**31,737**	22,374
JPY	**7,625**	8,826
	2,148,860	1,792,919

21 BORROWINGS (CONTINUED)

As at 31 March 2025, the borrowings of approximately HK$1,948,783,000 (2024: HK$1,523,590,000) were borrowed from banks in the PRC by PRC subsidiaries of the Group.

	2025				2024				
	RMB	**EUR**	**TWD**	**JPY**	HKD	RMB	EUR	TWD	JPY
Bank borrowings	**3.14%**	**3.79%**	**3.18%**	**0.91%**	6.15%	3.55%	4.20%	3.23%	0.04%
Trust receipt bank loans	**N/A**	**N/A**	**3.90%**	**N/A**	N/A	N/A	N/A	3.90%	N/A

The carrying amount of the assets of the Group pledged to secure its borrowings, bills payable and financial guarantees are as follows:

	2025 **HK$'000**	2024 HK$'000
Restricted bank balances	**178,798**	151,340
Right-of-use assets	**213,614**	203,914
Investment properties	**338,900**	88,000
Property, plant and equipment	**241,827**	268,180
Bills receivables	**145,130**	175,382
Other receivables	**1,404**	1,500
	1,119,673	888,316

22 TRADE AND BILLS PAYABLES, OTHER PAYABLES, CONTRACT LIABILITIES AND REDEMPTION LIABILITIES

	2025 HK$'000	2024 HK$'000
Current portion		
Trade payables *(Note i)*	**1,226,667**	1,021,152
Bills payables	**611,515**	583,688
Trade and bills payables	**1,838,182**	1,604,840
Contract liabilities *(Note ii)*	**412,885**	346,117
Other deposits	**10,708**	9,181
Accrued salaries, bonuses and staff benefits	**126,148**	136,769
Accrued sales commission	**80,996**	106,917
Value added tax payable	**27,243**	18,773
Provision for warranty and installation	**61,960**	152,423
Accrued payment for construction in progress	**137,286**	37,515
Consideration payable for acquisition of a financial asset at FVOCI *(Note 16)*	**65,217**	–
Consideration payable for acquisition of a joint venture *(Note 10)*	**36,545**	–
Others	**170,104**	107,783
Other payables and contract liabilities	**1,129,092**	915,478
Non-current portion		
Redemption liabilities *(Note iii)*	**2,482,868**	2,353,625
Other payables	**4,460**	4,681

22 TRADE AND BILLS PAYABLES, OTHER PAYABLES, CONTRACT LIABILITIES AND REDEMPTION LIABILITIES (CONTINUED)

Notes:

(i) The following is the ageing analysis of the trade payables based on invoice date:

	2025 **HK$'000**	2024 HK$'000
Within 90 days	**1,076,926**	864,700
91–180 days	**77,145**	99,119
181–365 days	**28,552**	29,062
Over one year	**44,044**	28,271
	1,226,667	1,021,152

The maturity dates of the bills payables are generally between one to six months.

The carrying amounts of the Group's trade and bills payables are denominated in the following currencies:

	2025 **HK$'000**	2024 HK$'000
RMB	**1,772,466**	1,509,651
EUR	**54,636**	79,899
TWD	**5,324**	11,566
HK$	**63**	91
US$	**538**	1,854
Other currencies	**5,155**	1,779
	1,838,182	1,604,840

(ii) The revenue recognised in the current reporting period is HK$318,933,000 (2024: HK$410,559,000) related to carried forward contract liabilities.

The Group applied the practical expedient and does not disclose the information relating to the remaining performance obligations that have original expected durations of one year or less.

22 TRADE AND BILLS PAYABLES, OTHER PAYABLES, CONTRACT LIABILITIES AND REDEMPTION LIABILITIES (CONTINUED)

Notes: (Continued)

(iii) The balance represents the Group's obligation to repurchase:

	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
Equity interests of non-controlling interests in Shenzhen L.K. *(Note 12)*	**2,241,800**	2,121,213
Employee's incentive plan of LK Injection *(Note a)*	**68,314**	66,076
Employee's incentive plan of Shenzhen L.K. *(Note a)*	**172,754**	166,336
	2,482,868	2,353,625

Note:

a. These balances represent the Group's obligation to repurchase, if certain repurchase events occur, all restricted shares of LK Injection and Shenzhen L.K., PRC subsidiaries of the Group in connection with their Employees' Incentive Plan's (Note 19). These balances are denominated in RMB.

23 REVENUE AND OTHER INCOME

	2025 HK$'000	2024 HK$'000
Revenue for sales of goods recognised under HKFRS 15		
Sales of die-casting machine	**3,866,558**	4,243,537
Sales of plastic injection moulding machine	**1,757,520**	1,425,401
Sales of CNC machining centre	**200,881**	168,435
	5,824,959	5,837,373

23 REVENUE AND OTHER INCOME (CONTINUED)

The Group derived revenue from the sales of goods at a point in time.

	2025 HK$'000	2024 HK$'000
Other income		
Value added tax refund	**73,248**	63,194
Forfeited deposit in relation to Urban Renewal Project	**–**	38,462
Other subsidies from government *(Note)*	**49,362**	35,884
Rental income	**33,997**	33,799
Sundry income	**10,753**	13,743
	167,360	185,082

Note: Other subsidies from government recognised was related to grant from government in relation to sales and research and development of self-developed products in the PRC and employment support scheme in the PRC and Hong Kong. There were no unfulfilled condition and other contingencies attached to the receipts of those subsidies.

24 OTHER GAINS/(LOSSES) – NET

	2025 HK$'000	2024 HK$'000
Increase in fair value of investment properties *(Note 8)*	**10,024**	213
Net foreign exchange losses	**(563)**	(545)
Net losses on disposals of property, plant and equipment	**(2,910)**	(1,495)
Gain on disposal of other receivable previously impaired *(Note)*	**17,482**	–
Fair value loss on contingent consideration payable	**(113)**	–
	23,920	(1,827)

Note: During the year ended 31 March 2025, Fuxin Lida Steel Casting Co. Ltd. ("Fuxin Lida"), a wholly owned subsidiary of the Group, recovered RMB15,908,000 out of the total RMB50,908,000 previously impaired outstanding consideration receivable from 阜新金達鋼鐵鑄造有限公司 ("阜新金達"), the purchaser of a transaction, in connection with the disposal of 35% equity interest in 阜新力昌鋼鐵鑄造有限公司 ("阜新力昌") completed during the year ended 31 March 2012. As stipulated in a tri-partite agreement entered into between 阜新金達, Fuxin Lida and Fuxin County government, 阜新金達 agreed to pay RMB15,908,000 approximately (equivalent to approximately HK$17,482,000) on behalf of Fuxin Lida to a local contractor for construction of a factory site of Fuxin Lida in lieu of settlement of the outstanding consideration receivable. RMB35,000,000 was recovered during the year ended 31 March 2021. As at 31 March 2025, no outstanding consideration receivable was unsettled by 阜新金達.

25 EXPENSES BY NATURE

	2025 **HK$'000**	2024 HK$'000
Raw materials and consumables used	**3,516,948**	3,208,339
Changes in inventories of finished goods and work in progress	**(150,934)**	87,157
Staff costs *(Note 26) (Note)*	**1,008,530**	967,907
Research costs	**113,337**	89,859
Amortisation of intangible assets *(Note 6)*	**4,740**	5,763
Depreciation of property, plant and equipment *(Note 7)*	**231,252**	206,656
Depreciation of right-of-use assets *(Note 9)*	**23,269**	19,296
Utilities	**88,850**	74,877
Transportation expenses	**32,765**	42,880
Auditor's remuneration		
– Audit services	**3,200**	4,850
– Non-audit services	**1,030**	1,535
Provision for impairment of trade receivables – net *(Note 3.1(b)(ii))*	**30,059**	5,555
Reversal of provision for inventories write-down *(Note 17)*	**(60)**	(43,808)
Reversal of provision for financial guarantee contracts	**(928)**	(779)
Other expenses	**578,461**	691,790
	5,480,519	5,361,877
Represented by:		
Cost of sales	**4,227,752**	4,249,113
Selling and distribution expenses	**468,354**	446,805
General and administrative expenses	**754,354**	660,404
Provision for impairment of trade receivables – net *(Note 3.1(b)(ii))*	**30,059**	5,555
	5,480,519	5,361,877

Note: For the year ended 31 March 2025, the staff costs related to research and development activities were HK$131,076,000 (2024: HK$115,261,000).

26 EMPLOYEES BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK$'000	2024 HK$'000
Wages and salaries	**897,804**	856,402
Retirement scheme contributions *(Note i)*	**69,336**	71,920
Other allowances and benefits	**41,390**	41,365
Employees' incentive plans	**–**	(1,780)
	1,008,530	967,907

Note:

(i) There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 March 2025

Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Share-based payments HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive Directors						
Chong Siw Yin	–	5,200	–	–	18	5,218
Liu Zhuo Ming	–	2,465	–	–	18	2,483
Tse Siu Sze	–	1,915	–	–	18	1,933
	–	9,580	–	–	54	9,634
Independent Non-executive Directors						
Low Seow Chay	250	–	–	–	–	250
Lui Ming Wah	310	–	–	–	–	310
Tsang Yiu Keung	207	–	–	–	–	207
Look Andrew	310	–	–	–	–	310
	1,077	–	–	–	–	1,077
Total	1,077	9,580	–	–	54	10,711

26 EMPLOYEES BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 March 2024

Name	Fees	Salary	Discretionary bonuses	Share-based payments	Employer's contribution to a retirement benefit scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive Directors						
Chong Siw Yin	–	5,200	–	–	18	5,218
Liu Zhuo Ming	–	2,225	–	–	18	2,243
Tse Siu Sze	–	1,915	–	–	18	1,933
	–	9,340	–	–	54	9,394
Independent Non-executive Directors						
Low Seow Chay	220	–	–	–	–	220
Lui Ming Wah	310	–	–	–	–	310
Tsang Yiu Keung	310	–	–	–	–	310
Look Andrew	310	–	–	–	–	310
	1,150	–	–	–	–	1,150
Total	1,150	9,340	–	–	54	10,544

Salary paid to a director is generally an emolument paid or receivable by directors in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

During the year ended 31 March 2025, there was no allowances and benefits in kind, or other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertakings (2024: Nil).

26 EMPLOYEES BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

	2025 HK$'000	2024 HK$'000
Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiary undertakings	**1,070**	1,150
Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertakings	**9,634**	9,394
Total	**10,704**	10,544

(b) Directors' termination benefits

None of the directors received or will receive any termination benefits during the financial year ended 31 March 2025 and 2024.

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

During the year ended 31 March 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

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

During the year ended 31 March 2025, there was no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2024: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to 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 (2024: Nil).

26 EMPLOYEES BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(f) Five highest paid individuals

During the year ended 31 March 2025, the five highest paid individuals included two (2024: two) directors. The emoluments of the remaining three (2024: three) individuals were as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and other allowances	**9,113**	10,070
Retirement scheme contributions	**411**	1,383
	9,524	11,453

The emoluments fell within the following bands:

	2025	2024
HK$1,500,001–HK$2,000,000	**1**	–
HK$2,000,001–HK$2,500,000	**1**	–
HK$2,500,001–HK$3,000,000	**–**	1
HK$3,500,001–HK$4,000,000	**–**	1
HK$4,000,001–HK$4,500,000	**–**	1
HK$5,000,001–HK$5,500,000	**1**	–

27 FINANCE COSTS – NET

	2025 HK$'000	2024 HK$'000
Finance income:		
Interest income on short-term bank deposits	**(18,124)**	(16,923)
Finance costs:		
Interest on bank borrowings	**57,899**	71,422
Interest on employees' incentive plan of subsidiaries	**11,185**	2,908
Charges on bills receivables discounted without recourse	**2,122**	4,449
Interest on lease liabilities	**2,105**	674
Less: Capitalised in property, plant and equipment *(Note i)*	**(7,388)**	(3,042)
	65,923	76,411
	47,799	59,488

Note:

(i) Borrowing costs capitalised during the year are arose from borrowing pool which were calculated by applying a capitalisation rate of 3.2% (2024: 3.7%) to expenditure on qualifying assets.

28 INCOME TAX EXPENSES

	2025 HK$'000	2024 HK$'000
The tax charge for the year comprises:		
Current income tax		
– PRC income tax	**70,092**	66,649
– Hong Kong profits tax	**410**	633
– Overseas tax	**3,053**	39,262
– Withholding income tax on dividends	**5,726**	3,846
	79,281	110,390
Deferred income tax *(Note 13)*	**(6,521)**	(29,131)
Tax charge	**72,760**	81,259

28 INCOME TAX EXPENSE (CONTINUED)

In accordance with the applicable Corporate Income Tax Law of the PRC, the Company's subsidiaries are taxed at the statutory rate of 25% (2024: same).

Certain subsidiaries in Shenzhen, Zhongshan, Ningbo, Shanghai, Kunshan and Fuxin were certified as High and New Technology Enterprises and are entitled to a concessionary tax rate of 15% for three years. They are entitled to re-apply for the preferential tax treatment when the preferential tax period expires.

Under the Corporate Income Tax Law of the PRC, dividends out of profits earned on or after 1 January 2008 from the subsidiaries in the PRC distributed to the Group will be subject to withholding income tax. Pursuant to the implementation rules of the Corporate Income Tax Law of the PRC and a double tax arrangement between the PRC and Hong Kong, Hong Kong tax resident companies could enjoy a lower withholding tax rate of 5% on dividends received from China. Provision for such withholding tax is included in deferred taxation.

Subsidiaries established in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% (2024: same) on the estimated assessable profits for the year. Hong Kong profits tax of HK$410,000 has been provided for the year ended 31 March 2025 as the subsidiaries established in Hong Kong have assessable profits for the current year (2024: HK$633,000).

For the year ended 31 March 2025, taxation on overseas profits had been calculated on the estimated assessable profits for the year at the rate of taxation prevailing in the jurisdiction in which the Group operates (2024: same).

A reconciliation of the tax charge applicable to profit before income tax using the applicable tax rates for relevant tax jurisdictions to the income tax expenses is as follows:

	2025 **HK$'000**	2024 HK$'000
Profit before income tax	**475,801**	598,998
Tax calculated at applicable tax rates in the respective jurisdictions	**126,096**	173,499
Effect of preferential tax rates applicable to relevant jurisdictions	**(49,011)**	(84,460)
Tax effects of:		
– Super-deduction of research and development costs	**(28,175)**	(25,262)
– Income not subject to tax	**(5,194)**	(659)
– Expenses not deductible for tax purposes	**14,733**	7,047
– PRC withholding tax	**(574)**	(4,714)
Tax effect of unrecognised tax losses	**14,885**	15,808
Income tax expenses	**72,760**	81,259

29 EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share is based on the consolidated profit attributable to owners of the Company of HK$350,094,000 (2024: HK$484,118,000) and on the weighted average number of approximately 1,364,392,000 (2024: 1,373,211,000) ordinary shares in issue.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**350,094**	484,118
Weighted average number of ordinary shares in issue (thousands)	**1,364,392**	1,373,211
Basic earnings per share (HK cents)	**25.7**	35.3

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31 March 2025, the Group has two categories of potentially dilutive ordinary share: share option issued by the Company and two share-based payment schemes of subsidiaries of the Group.

The conversion features of the share option issued by the Company and one of the share-based payment schemes of subsidiaries are considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur for the year ended 31 March 2025 (2024: same), therefore the conversion feature of these potential ordinary shares has no dilutive effect on earnings per share calculation. The unvested potentially dilutive ordinary shares for another share-based payment scheme of subsidiaries were not included in the calculation of diluted earnings per share as they would have an antidilutive impact to the basic earnings per share (2024: same).

30 DIVIDENDS

The dividend paid and declared during the year ended 31 March 2025 and 2024:

	2025 HK$'000	2024 HK$'000
Final dividend for the year ended 31 March 2023 (HK4.5 cents per ordinary share)	–	61,938
Interim dividend for the six months ended 30 September 2023 (HK4.5 cents per ordinary share)	–	61,938
Final dividend for the year ended 31 March 2024 (HK5 cents per ordinary share)	68,220	–
Interim dividend for the six months ended 30 September 2024 (HK3 cents per ordinary share)	40,932	–
	109,152	123,876

A final dividend in respect of the year ended 31 March 2025 of HK4.5 cents per ordinary share, amounting to a total dividend of HK$61,398,000, is to be proposed at the forthcoming annual general meeting on 5 September 2025. These consolidated financial statements do not reflect these dividends payables.

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash (used in)/generated from operations

	2025 HK$'000	2024 HK$'000
Profit before income tax	475,801	598,998
Adjustments for:		
Depreciation and amortisation	259,261	231,715
Increase in fair value of investment properties	(10,024)	(213)
Finance income	(18,124)	(16,923)
Finance costs	65,923	76,411
Forfeited deposit in relation to Urban Renewal Project	–	(38,462)
Provision for impairment of trade receivables – net	30,059	5,555
Reversal of provision for inventories write-down	(60)	(43,808)
Net losses on disposals of property, plant and equipment	2,910	1,495
An employees' incentive plan	–	(1,780)
Reversal of provision for financial guarantee contracts	(928)	(779)
Share of losses of associates and joint ventures	12,120	265
Fair value loss on contingent consideration payable	113	–
Operating profit before changes in working capital	817,051	812,474
Changes in working capital:		
Inventories	(147,549)	45,715
Trade and bills receivables	(668,131)	(691,604)
Other receivables, prepayments and deposits	(97,993)	(3,251)
Trade and bills payables, other payables and contract liabilities	129,187	3,913
Restricted bank balances	(90,457)	59,118
Cash (used in)/generated from operations	(57,892)	226,365

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

	2025 **HK$'000**	2024 HK$'000
Net book amount *(Note 7)*	**7,422**	7,885
Net losses on disposals of property, plant and equipment *(Note 24)*	**(2,910)**	(1,495)
Proceeds from disposals of property, plant and equipment	**4,512**	6,390

(c) Liabilities from financing activities

	Borrowings HK$'000	**Lease liabilities** HK$'000	**Total** HK$'000
As at 1 April 2023	1,641,046	12,078	1,653,124
Additions	–	72,022	72,022
Finance costs	71,422	674	72,096
Cash flows	112,957	(11,269)	101,688
Exchange difference	(32,506)	461	(32,045)
As at 31 March 2024	**1,792,919**	**73,966**	**1,866,885**
Additions	**–**	**7,113**	**7,113**
Finance costs	**57,899**	**2,105**	**60,004**
Cash flows	**315,925**	**(12,662)**	**303,263**
Exchange difference	**(17,883)**	**(678)**	**(18,561)**
As at 31 March 2025	**2,148,860**	**69,844**	**2,218,704**

32 COMMITMENTS

(a) Capital commitments

	2025 **HK$'000**	2024 HK$'000
Capital expenditure contracted for at the end of the reporting period but not yet incurred are as follows:		
Property, plant and equipment	**778,946**	399,353

(b) Operating lease commitments

The Group as lessor

The Group leases out the investment properties and certain machineries under operating leases. The leases generally run for an initial period of one to five years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

As at 31 March 2025 and 2024, the Group had contracted with lessees under non-cancellable operating leases in respect of buildings and machinery for the following future minimum leases receivable:

	2025 **HK$'000**	2024 HK$'000
Leases receivable:		
Within one year	**24,038**	24,295
In the second to fifth year inclusive	**15,468**	21,169
More than five year	**1,131**	–
	40,637	45,464

33 FINANCIAL GUARANTEES

The Company has provided guarantees in respect of banking facilities of its subsidiaries of approximately HK$753,140,000 (2024: HK$1,211,076,000). The facilities utilised by the subsidiaries as at 31 March 2025 was HK$28,721,000 (2024: HK$192,423,000).

34 CONTINGENT LIABILITIES

During the year ended 31 March 2023, a wholly owned subsidiary of the Group received a product-related claim from a customer. The relevant legal process is in the preliminary stages and management do not presently have sufficient information to assess the validity and the potential exposure of the claim. Accordingly, no further information has been disclosed concerning estimates of financial impact and the contingent liabilities in relation to this legal case. This is so as to not compromise the results of the possible proceedings or the interests of the Company. By taking account of all available evidence, management considered there were no present obligation as at 31 March 2024 and 2025, and disclosed the claim as a contingent liability.

35 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Except for those disclosed below and other than those disclosed elsewhere in the consolidated financial statements, the Group has no other significant transaction with related parties during the year ended 31 March 2025 (2024: same).

	2025 **HK$'000**	2024 HK$'000
Consultancy fee *(Note i)*	**3,000**	5,000
Purchases from a joint venture *(Note ii)*	**191**	–
Sales to a joint venture *(Note ii)*	**550**	–

Notes:

(i) On 1 December 2020, the Company entered into a consultancy agreement with Mr. Liu Siong Song to appoint him as the strategic and technical consultant of the Company for the term from 1 December 2020 to 30 November 2023. On 1 December 2023, the Company entered into a renewed consultancy agreement with Mr. Liu Siong Song to appoint him as the strategic and technical consultant of the Company for the term from 1 December 2023 to 30 November 2026. This related party transaction is also the continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(ii) The sales to and purchase from a joint venture were made at a mutually agreed price.

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related party

	2025 HK$'000	2024 HK$'000
Amount due from a joint venture *(Note i)*	**7,118**	–
Amount due to a joint venture *(Note i)*	**126**	–
Loan to a joint venture *(Note ii)*	**5,780**	–

Notes:

(i) Balances with related party are unsecured, non-interest bearing and are repayable on demand. The carrying amounts of these balances approximate their fair values due to their short maturities.

(ii) As at 31 March 2025, the Group had an outstanding loan to a joint venture totaling EUR703,000 (equivalent to approximately HK$5,780,000). The loan is unsecured, bears interest at 2.5% per annum, and is repayable on demand.

(c) Key management compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

	2025 HK$'000	2024 HK$'000
Wages and salaries, other allowances and benefits	**20,881**	22,528
Retirement scheme contributions	**889**	1,537
	21,770	24,065

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	Note	2025 HK$'000	2024 HK$'000
Non-current asset			
Investments in subsidiaries		**65,000**	65,000
Current assets			
Other receivables, prepayments and deposits		**288**	589
Amounts due from subsidiaries		**1,227,648**	1,235,742
Cash and cash equivalents		**609**	342
Total current assets		**1,228,545**	1,236,673
Total assets		**1,293,545**	1,301,673
Equity			
Share capital		**136,440**	137,640
Reserves	*(a)*	**1,151,791**	1,158,550
Total equity		**1,288,231**	1,296,190
Current liability			
Other payables		**5,314**	5,483
		5,314	5,483
Total equity and liability		**1,293,545**	1,301,673

The statement of financial position of the Company was approved by the Board of Directors on 27 June 2025 and was signed on its behalf.

Chong Siw Yin
Director

Liu Zhuo Ming
Director

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

Note:

(a) Reserve movement of the Company

	Treasury shares HK$'000	Capital redemption reserves HK$'000	Share premium HK$'000	Other reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2023	–	–	1,123,842	11,116	83,549	1,218,507
Repurchase of the Company's share	(56,874)	–	–	–	–	(56,874)
Profit for the year	–	–	–	–	120,793	120,793
Dividends paid	–	–	–	–	(123,876)	(123,876)
At 31 March 2024 and 1 April 2024	**(56,874)**	**–**	**1,123,842**	**11,116**	**80,466**	**1,158,550**
Repurchase of the Company's share	**56,874**	**–**	**(55,674)**	**–**	**–**	**1,200**
Capital redemption reserves arising from repurchase of shares	**–**	**1,200**	**–**	**–**	**(1,200)**	**–**
Profit for the year	**–**	**–**	**–**	**–**	**101,193**	**101,193**
Dividends paid	**–**	**–**	**–**	**–**	**(109,152)**	**(109,152)**
At 31 March 2025	**–**	**1,200**	**1,068,168**	**11,116**	**71,307**	**1,151,791**

	Location	Lease Expiry	Total Gross Floor Area
HONG KONG			
Factory	Unit Nos. 1102 and 1104 on 11th Floor, Tsuen Wan Industrial Centre, Nos. 220–248 Texaco Road, Tsuen Wan, New Territories, Hong Kong	2047	4,377 (sq.ft.)
PRC			
Factory	Level 1 and portion of Level 2 of No. 4 Factory Building and 9 Apartment Units of No. 1 Dormitory Building, Jihua Industrial Area, Buji Town, Longgang District, Shenzhen City, Guangdong Province, the PRC	2049	3,252 (sq.m.)
Factory	Factory No. 3, Songnan Road, Qiandeng Town, Kunshan City, Suzhou City, Jiangsu Province, the PRC	2057	17,368 (sq.m.)
Factory	Factory No. 5–10, No. 168 Xinhong Road, Qiandeng Town, Kunshan City, Suzhou City, Jiangsu Province, the PRC	2057	46,883 (sq.m.)
Offices	Units 2301–2306 and 2308–2310 on Level 23 Zhenyuan Building, No. 2052 Zhongshan Road North, Putuo District, Shanghai, the PRC	2045	812 (sq.m.)

FIVE-YEAR FINANCIAL SUMMARY

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**5,824,959**	5,837,373	5,896,349	5,362,474	4,021,206
Profit before income tax	**475,801**	598,998	630,237	765,707	457,952
Income tax expense	**(72,760)**	(81,259)	(98,002)	(140,198)	(114,285)
Profit for the year	**403,041**	517,739	532,235	625,509	343,667
Profit attributable to:					
Owners of the Company	**350,094**	484,118	532,235	625,509	343,667
Non-controlling interests	**52,947**	33,621	–	–	–
	403,041	517,739	532,235	625,509	343,667

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Total assets	**11,914,252**	10,905,823	8,539,878	7,599,524	5,478,376
Total liabilities	**(7,797,698)**	(6,889,724)	(4,684,162)	(3,896,525)	(3,017,104)
	4,116,554	4,016,099	3,855,716	3,702,999	2,461,272
Equity attributable to owners of the Company	**1,990,230**	1,919,325	3,855,716	3,702,999	2,461,272
Non-controlling interests	**2,126,324**	2,096,774	–	–	–
	4,116,554	4,016,099	3,855,716	3,702,999	2,461,272