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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 558)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS			
	For the year ended 31 March		Change
	2024	2023	
	HK\$'000	HK\$'000	%
Operating results:			
Revenue	5,837,373	5,896,349	-1.0%
Gross profit	1,588,260	1,596,687	-0.5%
Gross profit margin	27.2%	27.1%	0.1%
Operating profit	658,751	677,474	-2.8%
Operating profit margin	11.3%	11.5%	-0.2%
Profit for the year	517,739	532,235	-2.7%
Net profit margin	8.9%	9.0%	-0.1%
Return on equity	12.9%	13.8%	-0.9%
	HK cents	HK cents	
Basic and diluted earnings per share	35.3	38.7	-8.8%
	At 31 March		
	2024	2023	Change
	HK\$'000	HK\$'000	%
Financial position:			
Total assets	10,905,823	8,539,878	27.7%
Net assets	4,016,099	3,855,716	4.2%
Net current assets	3,475,338	1,275,782	172.4%
Cash and cash equivalents	2,375,176	605,365	292.4%
Total borrowings	1,792,919	1,641,046	9.3%

The board (the “Board”) of directors (the “Directors”) of L.K. Technology Holdings Limited (the “Company”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2024 together with the comparative figures for the previous year.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	5,837,373	5,896,349
Cost of sales	3	(4,249,113)	(4,299,662)
Gross profit		1,588,260	1,596,687
Other income	4	185,082	140,342
Other (losses)/gains – net	5	(1,827)	58
Selling and distribution expenses	3	(446,805)	(544,592)
General and administrative expenses	3	(660,404)	(519,675)
(Provision for)/reversal of provision for impairment of trade receivables – net	3	(5,555)	4,654
Operating profit		658,751	677,474
Finance income	6	16,923	6,760
Finance costs	6	(76,411)	(53,936)
Finance costs – net	6	(59,488)	(47,176)
Share of losses of associates		(265)	(61)
Profit before income tax		598,998	630,237
Income tax expenses	7	(81,259)	(98,002)
Profit for the year		517,739	532,235
		<i>HK cents</i> <i>per share</i>	<i>HK cents</i> <i>per share</i>
Earnings per share for profit attributable to owners of the Company during the year			
– Basic	9(a)	35.3	38.7
– Diluted	9(b)	35.3	38.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year	517,739	532,235
Other comprehensive loss for the year		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<u>(115,482)</u>	<u>(269,906)</u>
Total comprehensive income attributable to owners of the Company, net of tax	<u><u>402,257</u></u>	<u><u>262,329</u></u>
Profit attributable to:		
Equity holders of the Company	484,118	532,235
Non-controlling interests	<u>33,621</u>	<u>–</u>
	<u><u>517,739</u></u>	<u><u>532,235</u></u>
Total comprehensive income for the year attributable to:		
Equity holders of the Company	368,636	262,329
Non-controlling interests	<u>33,621</u>	<u>–</u>
	<u><u>402,257</u></u>	<u><u>262,329</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Intangible assets		14,377	15,191
Property, plant and equipment		2,159,300	1,818,955
Investment properties		414,000	514,690
Right-of-use assets		450,493	387,996
Interests in joint ventures		–	–
Interests in associates		14,942	15,725
Other receivables and deposits		77,236	123,970
Deferred income tax assets		112,006	92,511
Trade and bills receivables	10	27,051	19,948
Financial asset at fair value through other comprehensive income		5,495	5,682
Total non-current assets		3,274,900	2,994,668
Current assets			
Inventories		1,801,043	1,851,882
Trade and bills receivables	10	2,956,548	2,520,720
Other receivables, prepayments and deposits		346,816	349,611
Restricted bank balances		151,340	217,632
Cash and cash equivalents		2,375,176	605,365
Total current assets		7,630,923	5,545,210
Total assets		10,905,823	8,539,878
Equity			
Share capital		137,640	137,640
Reserves		(688,749)	1,513,723
Retained earnings		2,470,434	2,204,353
		1,919,325	3,855,716
Non-controlling interests		2,096,774	–
Total equity		4,016,099	3,855,716

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Deferred income tax liabilities		76,909	86,254
Borrowings		235,061	253,514
Lease liabilities		63,863	4,462
Other payables	11	4,681	5,358
Redemption liabilities	11	2,353,625	65,146
		<u>2,734,139</u>	<u>414,734</u>
Total non-current liabilities			
Current liabilities			
Trade and bills payables	11	1,604,840	1,810,562
Other payables and contract liabilities	11	915,478	1,021,585
Borrowings		1,557,858	1,387,532
Lease liabilities		10,103	7,616
Current income tax liabilities		67,306	42,133
		<u>4,155,585</u>	<u>4,269,428</u>
Total current liabilities			
Total liabilities			
		<u>6,889,724</u>	<u>4,684,162</u>
Total equity and liabilities			
		<u>10,905,823</u>	<u>8,539,878</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024	2023
	HK\$'000	HK\$'000
Net cash generated from operating activities	65,939	99,375
Net cash used in investing activities	(505,103)	(540,635)
Net cash generated from financing activities	2,225,304	502,526
Net increase in cash and cash equivalents	1,786,140	61,266
Cash and cash equivalents at beginning of year	605,365	576,790
Exchange difference on cash and cash equivalents	(16,329)	(32,691)
Cash and cash equivalents at end of year	2,375,176	605,365

NOTES:

1 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) 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”) and investment properties, which are carried at fair value.

a. Amendments to existing standards adopted by the Group

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 April 2023:

HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies (amendments)
HKAS 8	Definition of Accounting Estimates (amendments)
HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (amendments)
HKAS 12	International Tax Reform – Pillar Two Model Rules (amendments)
HKFRS 17	Insurance Contracts (new standard)
HKFRS 17	Amendments to HKFRS 17
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

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.

b. New standards, amendments to existing standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 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 expense, finance income, finance costs, forfeited deposit in relation to Urban Renewal Project, share of losses of associates 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 2024 are as follows:

	Die-casting machine <i>HK\$'000</i>	Plastic injection moulding machine <i>HK\$'000</i>	CNC machining centre <i>HK\$'000</i>	Total segments <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
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)	–
	<u>4,289,040</u>	<u>1,425,401</u>	<u>175,640</u>	<u>5,890,081</u>	<u>(52,708)</u>	<u>5,837,373</u>
Results						
Segment results	<u>541,180</u>	<u>85,747</u>	<u>13,899</u>	<u>640,826</u>	<u>–</u>	<u>640,826</u>
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						<u>(265)</u>
Profit before income tax						<u>598,998</u>

The segment results for the year ended 31 March 2023 are as follows:

	Die-casting machine <i>HK\$'000</i>	Plastic injection moulding machine <i>HK\$'000</i>	CNC machining centre <i>HK\$'000</i>	Total segments <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue						
External sales	4,427,861	1,191,013	277,475	5,896,349	–	5,896,349
Inter-segments sales	95,419	–	27,700	123,119	(123,119)	–
	<u>4,523,280</u>	<u>1,191,013</u>	<u>305,175</u>	<u>6,019,468</u>	<u>(123,119)</u>	<u>5,896,349</u>
Results						
Segment results	<u>685,671</u>	<u>1,737</u>	<u>25,030</u>	<u>712,438</u>	<u>–</u>	<u>712,438</u>
Corporate expenses						(34,964)
Finance income						6,760
Finance costs						(53,936)
Share of losses of associates						<u>(61)</u>
Profit before income tax						<u>630,237</u>

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 2024			
	Die-casting machine <i>HK\$'000</i>	Plastic injection moulding machine <i>HK\$'000</i>	CNC machining centre <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets				
Segment assets	7,201,559	1,693,190	1,991,379	10,886,128
Unallocated assets				19,695
Consolidated total assets				<u>10,905,823</u>
Liabilities				
Segment liabilities	5,555,385	1,096,546	227,764	6,879,695
Unallocated liabilities				10,029
Consolidated total liabilities				<u>6,889,724</u>
	As at 31 March 2023			
	Die-casting machine <i>HK\$'000</i>	Plastic injection moulding machine <i>HK\$'000</i>	CNC machining centre <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets				
Segment assets	6,059,037	1,454,059	996,242	8,509,338
Unallocated assets				30,540
Consolidated total assets				<u>8,539,878</u>
Liabilities				
Segment liabilities	3,513,134	914,118	247,208	4,674,460
Unallocated liabilities				9,702
Consolidated total liabilities				<u>4,684,162</u>

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

- all assets are allocated to reportable segments other than corporate assets and financial asset at FVOCI.
- 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.

Other segment information

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

	For the year ended 31 March 2024				
	Die-casting machine <i>HK\$'000</i>	Plastic injection moulding machine <i>HK\$'000</i>	CNC machining centre <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets (<i>Note</i>)	526,355	35,225	66,828	800	629,208
Depreciation and amortisation	155,843	50,253	25,606	13	231,715
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
	<u>526,355</u>	<u>35,225</u>	<u>66,828</u>	<u>800</u>	<u>629,208</u>

	For the year ended 31 March 2023				
	Die-casting machine <i>HK\$'000</i>	Plastic injection moulding machine <i>HK\$'000</i>	CNC machining centre <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets (<i>Note</i>)	407,616	77,721	75,198	172	560,707
Depreciation and amortisation	118,784	51,418	14,627	653	185,482
Provision for/(reversal of provision for) inventories write-down	8,772	(2,727)	(2,606)	–	3,439
(Reversal of provision for)/provision for impairment of trade receivables – net	(3,252)	1,069	(2,471)	–	(4,654)
	<u>407,616</u>	<u>77,721</u>	<u>75,198</u>	<u>172</u>	<u>560,707</u>

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.

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 2024 and 2023.

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 (<i>Note (i)</i>)	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	4,501,755	4,800,915	2,942,993	2,743,323
Hong Kong	–	–	18,124	18,694
Europe	265,461	350,785	81,684	30,466
North America	428,078	390,889	14,470	14,430
Central America and South America	250,534	126,715	–	–
Other countries	391,545	227,045	58,135	53,889
	<u>5,837,373</u>	<u>5,896,349</u>	<u>3,115,406</u>	<u>2,860,802</u>

Note:

- (i) 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.

3 EXPENSES BY NATURE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Amortisation of intangible assets	5,763	5,419
Depreciation of property, plant and equipment	206,656	160,687
Depreciation of right-of-use assets	19,296	19,376
Provision for impairment of/(reversal of provision for) trade receivables – net	5,555	(4,654)
(Reversal of provision)/provision for inventories write-down	(43,808)	3,439
Staff costs (<i>Note</i>)	967,907	960,485
Research costs	<u>89,859</u>	<u>27,958</u>

Note: For the year ended 31 March 2024, the staff costs related to research and development activities were HK\$115,261,000 (2023: HK\$99,345,000).

4 REVENUE AND OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue for sales of goods recognised under HKFRS 15		
Die-casting machine	4,243,537	4,427,861
Plastic injection moulding machine	1,425,401	1,191,013
CNC machining centre	168,435	277,475
	<u>5,837,373</u>	<u>5,896,349</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income		
Value added tax refund	63,194	35,652
Forfeited deposit in relation to Urban Renewal Project (<i>Note i</i>)	38,462	–
Other subsidies from government (<i>Note ii</i>)	35,884	56,116
Rental income	33,799	33,279
Sundry income	13,743	15,295
	<u>185,082</u>	<u>140,342</u>

Notes:

- i. Forfeited deposit in relation to Urban Renewal Project – On 12 January 2021, L.K. Machinery (Shenzhen) Co., Ltd. (“L.K. (Shenzhen)”), a wholly-owned subsidiary of the Group, entered into a cooperation agreement (“Cooperation Agreement”) with Shenzhen Wanjin Investment Co., Ltd. (“Shenzhen Wanjin”/the “Purchaser”), pursuant to which L.K. (Shenzhen) agreed to sell, and Shenzhen Wanjin agreed to purchase, primarily the land use rights of certain industrial lands and properties located in Shenzhen Longhua, the PRC, for a total consideration comprising monetary consideration of RMB350 million and certain resettlement properties. The Purchaser was responsible for obtaining approval from relevant government authorities for the redevelopment and reconstruction works contemplated under the Urban Renewal Project (“Urban Renewal Approval”). As stipulated by the terms of the Cooperation Agreement, the Urban Renewal Approval shall be obtained by the Purchaser within two years after the Company’s shareholders’ approval (i.e., on or before 17 January 2023). As at 18 January 2023, such Urban Renewal Approval 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, L.K. (Shenzhen) may unilaterally terminate the Cooperation Agreement, and upon which L.K. (Shenzhen) shall return 50% of the paid deposit (i.e. RMB35 million) to the Purchaser.

On 26 July 2023, L.K. (Shenzhen) and the Purchaser entered into a termination agreement. 50% of the paid deposit returned to the Purchaser without interest. The remaining balance had been recognised as an “other income” during the year ended 31 March 2024.

- ii. 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 People’s Republic of China (“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.

5 OTHER (LOSSES)/GAINS – NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Increase in fair value of investment properties	213	11,667
Net foreign exchange loss	(545)	(11,891)
Net (loss)/gain on disposals of property, plant and equipment	(1,495)	163
Others	–	119
	<u>(1,827)</u>	<u>58</u>

6 FINANCE COSTS – NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Finance income:		
Interest income on short-term bank deposits	<u>(16,923)</u>	<u>(6,760)</u>
Finance costs:		
Interest on bank borrowings	71,422	59,082
Interest on employees' incentive plan of subsidiaries	2,908	3,033
Charges on bills receivables discounted without recourse	4,449	3,907
Interest on lease liabilities	674	748
Less: Capitalised in property, plant and equipment (<i>Note (i)</i>)	<u>(3,042)</u>	<u>(12,834)</u>
	<u>76,411</u>	<u>53,936</u>
	<u>59,488</u>	<u>47,176</u>

Note:

- (i) Borrowing costs capitalised during the year arose from general borrowing pool and were calculated by applying a capitalisation rate of 3.7% (2023: 3.7%) to expenditure on qualifying assets.

7 INCOME TAX EXPENSES

The tax charge for the year comprises:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
– PRC income tax	66,649	85,965
– Hong Kong profits tax	633	–
– Overseas tax	39,262	11,684
– Withholding income tax on dividends	<u>3,846</u>	<u>9,000</u>
	110,390	106,649
Deferred income tax	<u>(29,131)</u>	<u>(8,647)</u>
Tax charge	<u>81,259</u>	<u>98,002</u>

In accordance with the applicable Corporate Income Tax Law of the PRC, the Company's subsidiaries are taxed at the statutory rate of 25% (2023: same).

Certain subsidiaries in Shenzhen, Zhongshan, Ningbo, Shanghai, Kunshan, Chongqing 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% (2023: same) on the estimated assessable profits for the year. Hong Kong profits tax of HK\$633,000 has been provided for the year ended 31 March 2024 as the subsidiaries established in Hong Kong have assessable profits for the current year (2023: Nil).

For the year ended 31 March 2024, 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 (2023: same).

8 DIVIDENDS

The dividend paid and declared during the year ended 31 March 2024 and 2023:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend for the year ended 31 March 2022 (HK4 cents per ordinary share)	–	55,056
Interim dividend for the six months ended 30 September 2022 (HK4 cents per ordinary share)	–	55,056
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	–
	<u>123,876</u>	<u>110,112</u>

A final dividend in respect of the year ended 31 March 2024 of HK5 cents per ordinary share, amounting to a total dividend of HK\$68,819,000, is to be proposed at the forthcoming annual general meeting on 6 September 2024. These consolidated financial statements do not reflect these dividends payables.

9 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\$484,118,000 (2023: HK\$532,235,000) and on the weighted average number of approximately 1,373,211,000 (2023: 1,376,392,000) ordinary shares in issue.

	2024	2023
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>484,118</u>	<u>532,235</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>1,373,211</u>	<u>1,376,392</u>
Basic earnings per share (<i>HK cents</i>)	<u>35.3</u>	<u>38.7</u>

(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 2024, 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 2024 (2023: 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 (2023: same).

10 TRADE AND BILLS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	2,602,204	2,136,075
Less: Provision for impairment	<u>(126,422)</u>	<u>(125,642)</u>
	2,475,782	2,010,433
Bills receivables	<u>507,817</u>	530,235
	2,983,599	2,540,668
Less: Balance due after one year shown as non-current assets	<u>(27,051)</u>	<u>(19,948)</u>
Trade and bills receivables, net	<u>2,956,548</u>	<u>2,520,720</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	1,464,301	1,201,343
91–180 days	422,756	320,501
181–365 days	342,516	317,134
Over one year	372,631	297,097
	<u>2,602,204</u>	<u>2,136,075</u>

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.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current portion		
Trade payables	1,021,152	1,192,733
Bills payables	583,688	617,829
	<u>1,604,840</u>	<u>1,810,562</u>
Trade and bills payables		
Contract liabilities (<i>Note (i)</i>)	346,117	432,348
Other deposits (<i>Note (ii)</i>)	9,181	89,119
Accrued salaries, bonuses and staff benefits	136,769	114,912
Accrued sales commission	106,917	144,019
Value added tax payable	18,773	20,763
Provision for warranty and installation	152,423	84,095
Others	145,298	136,329
	<u>915,478</u>	<u>1,021,585</u>
Other payables and contract liabilities		
Non-current portion		
Redemption liabilities (<i>Note (iii)</i>)	2,353,625	65,146
Other payables	4,681	5,358
	<u>4,681</u>	<u>5,358</u>

Notes:

- (i) The revenue recognised in the current reporting period is HK\$410,559,000 (2023: HK\$426,110,000) 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.

- (ii) As at 31 March 2023, the balance included the deposits of RMB70,000,000 (equivalent to approximately HK\$79,545,000) received in relation to the Urban Renewal Project located in the PRC. The balance was settled as at 31 March 2024.
- (iii) The balance represents the Group's obligation to repurchase, if certain repurchase events occur, the equity interest of non-controlling interests in Shenzhen L.K. Technology Co., Ltd ("Shenzhen L.K.") of HK\$2,121,213,000 and all restricted shares of LK Injection Molding Machine Co., Ltd. and Shenzhen L.K., PRC subsidiaries of the Group in connection with its employees' incentive plan of HK\$66,076,000 and HK\$166,336,000, respectively (2023: HK\$65,146,000 and nil). No repurchase events were occurred as at 31 March 2024.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	864,700	992,550
91–180 days	99,119	158,174
181–365 days	29,062	15,061
Over one year	28,271	26,948
	<u>1,021,152</u>	<u>1,192,733</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. GLOBAL MACROECONOMIC AND INDUSTRY TRENDS

Amidst a relatively complicated and uncertain international macroeconomic landscape over the past year, the domestic economy slowed down in the first half of 2023 due to factors such as decelerated export growth, sluggish domestic consumption and curtailed investments. However, in the second half of 2023, driven by government policies of expanding domestic demand and boosting consumption, certain industries showed signs of recovery in demand, leading to a gradual improvement in the economy. On the international front, the global economy faced certain challenges and fluctuations due to the combined effects of multiple factors. Geopolitical factors affected the stability of global economic development to some extent, with ongoing fluctuations in the supply chain. By leveraging our solid business foundation, flexible strategic adjustment and relentless effort, the Company managed to maintain stable performance despite the challenging environment.

(1) As a New Driver for Global Growth, New Energy Vehicles Boost the Positive Trend of Integrated Die-Casting

In 2023, China ranked first in the world for 14 consecutive years in terms of the overall scale of the manufacturing industry. The new energy vehicle industry in China emerged as a rising force, demonstrating rapid growth. The sales volume of new energy vehicles in China amounted to approximately 9.495 million units, representing a year-on-year increase of 37.9% and a market penetration rate of 31.6%, while China's export of new energy vehicles amounted to 1.203 million units, representing a year-on-year increase of 77.6%.

According to the "Global EV Outlook 2023" released by the International Energy Agency (IEA), it is projected that the global sales and ownership of electric vehicles exceed 70 million units and 380 million units by 2030, respectively. Furthermore, the global market anticipates an annual penetration rate of new vehicles reaching 60%. China, Europe and the United States are the top three regions driving such growth, as the global sales of electric vehicles in 2023 is expected to reach 14 million units, representing a year-on-year increase of 35% and a penetration rate of new vehicles exceeding 18%, particularly with a penetration rate of new vehicles approaching 35% in China.

As a global leading die-casting machine manufacturer, the Company's business is closely linked to the demand from the new energy vehicle industry. The integrated die-casting technology consolidates multiple steel parts into a single integrated aluminum or magnesium alloy component, reducing the number of parts and assembly time, while improving production efficiency, thereby bringing about the revolutionary change to the development of the automotive industry.

(2) As New Momentum in the Industry, Demand is Expanding in China's Plastic Products and Plastic Injection Moulding Machine Market

According to the National Bureau of Statistic, the aggregated production volume completed by enterprises in China's plastic products industry amounted to 74.885 million tons in 2023, representing a year-on-year increase of 3.0%. The plastic products industry as a whole has demonstrated a positive development trend towards five major innovation directions, namely functionalization, lightweighting, precision, ecologization and intelligentization.

In 2023, China's export of plastic injection moulding machines hit a new high at US\$1.714 billion, representing a year-on-year increase of 5.7%, with a trade surplus of US\$1.266 billion. In the first quarter of 2024, the export of plastic injection moulding machines continued its high-growth trend, with the export value and volume increasing by 7.16% and 42.33% year-on-year, respectively.

As one of the top five plastic injection moulding machine manufacturers in China, the Company has been firmly entrenched in the plastic injection moulding machine industry for years, with its products and solutions well recognized across the world. In addition to holding a significant position in the domestic market, our global sales and service network covers numerous countries and regions, including Vietnam, Japan, India, Russia, Southeast Asia, North America and Europe. The Company will continue to strive for our extensive coverage in the global plastic injection moulding machine market in the future.

2. RESULTS AND MAIN BUSINESS OPERATIONS OF THE COMPANY

In FY2024, the Company maintained stable annual results, demonstrating strong risk resilience and market adaptability. The revenue amounted to HK\$5,837,373,000, fully reflecting the Company's robust operation and sustained development capabilities in a complicated economic environment.

In FY2024, the profit for the year amounted to HK\$517,739,000, with the gross profit margin of 27.2%, the operating profit margin of 11.3%, and the net profit margin of 8.9%. Notably, net profit in the second half of FY2024 showed a significant period-to-period growth as a positive trend, representing a growth of 52.3% as compared to the first half of FY2024, which curbed and reversed the declining trend to achieve robust profitability throughout FY2024. During the Reporting Period, the Company's financial performance was stable and its total asset increased to HK\$10,905,823,000, representing a year-on-year increase of 27.7%. The Company has sufficient cash reserves, and the cash and cash equivalents as at the end of the period amounted to HK\$2,375,176,000 in FY2024.

During the Reporting Period, the revenue generated from the die-casting machine business amounted to HK\$4,243,537,000, representing a year-on-year decrease of 4.2%. The revenue generated from the plastic injection moulding machine business amounted to HK\$1,425,401,000, representing a year-on-year increase of 19.7%. The revenue generated from the CNC machining centre amounted to HK\$168,435,000, representing a year-on-year decrease of 39.3%.

Despite the challenges posed by macroeconomic conditions and market fluctuations to the results of the Company in FY2024 to a certain extent, the plastic injection moulding machine business of the Company demonstrated a remarkably strong growth momentum, serving as a conspicuous highlight in the fiscal year. Against the backdrop of steady growth in the demand in the plastic products industry, the plastic injection moulding machine products of the Company have gained widespread market recognition by virtue of their high efficiency, high precision, and intelligent features. The revenue generated from the automotive and consumer goods sectors experienced steady increases, representing a year-on-year increase of 12.6% and 11.9%, respectively. Significant business growth materialized in the medical supplies and stationery sectors, with a strong year-on-year surge of 183.1% and 113.5% in their revenue, respectively.

In the field of die-casting machines, the Company is of the view that the integrated die-casting technology continues with a strong growth momentum. In FY2024, the application of integrated die-castings for automobile chassis has expanded beyond the vehicle rear body chassis with significant breakthroughs and developments, which has achieved sophisticated welding and forming of the front, middle, and rear large die-castings. It is noteworthy that the Company's integrated moulding of A00-grade vehicle chassis, a new chassis application scenario, has been innovatively introduced in FY2024. All these indications strongly attest that the revolution of integrated die-casting automobile chassis steadily advances at an accelerated pace. Despite a slight decrease in sales revenue in FY2024, which is mainly due to the comparatively complicated macroeconomic environment last year, die-casting customers remain cautious in considering financial stability and the competitive market conditions, resulting in limited expansion for large-scale production.

3. TECHNICAL INNOVATION AND INVESTMENT ON R&D

In FY2024, the Company's investment on R&D significantly increased to HK\$214 million, representing a year-on-year growth of 58.3%, which highlights the Company's solid commitment to innovation and technological development. In line with the increased capital for R&D, the R&D team has also expanded to a number of 678 staff, representing a year-on-year growth of 23.95%.

The Company's continuing investment on R&D, accompanied by an expanding team, is key to achieving technological breakthroughs and product innovation. Such strategic investment ensures that R&D outcomes can be swiftly translated into market competitiveness and implemented for the purposes of orders and product designs, bringing both immediate and long-term economic benefits to the Company.

(1) Achieving a Breakthrough in Super-smart Die-Casting Machines: Our Leadership in Industry Development

The Company has successfully introduced a 16,000-ton super-smart die-casting unit that adopts a novel direct-press structure, significantly reducing lubrication points and lubricant consumption. Meanwhile, such unit optimizes the casting process and the mould structure, enhancing production efficiency and energy utilization. Furthermore, equipped with the advanced mould locking structure and smart control system, and supported by the LK-NET cloud die-casting network management system, such unit projects a broad application prospect in manufacturing larger integrated die-casting automotive components. This breakthrough will guide the industry towards more efficient and intelligent development.

(2) Iterating Super-large Die-casting Machines: Meeting Market Demands

The Company has embarked on the collaboration with emerging original equipment manufacturers to launch the first 20000T super-large die-casting machine at the global scale, which intends to achieve integrated die-casting moulding of the automobile chassis for Class B and larger size models. This iteration will meet the market demand for larger super-large tonnage die-casting machines, establishing more application scenarios for integrated die-castings.

(3) Introducing the Dual Injection Process with a Tonnage of over 10,000 tons: Our Efforts in Technological Advancement

During the Reporting Period, the Group introduced the world's first dual injection process with a tonnage of over 10,000 tons, which is an innovative process comprised of "a single mould locking mechanism + two parallel injection systems". This process successfully resolves a series of issues caused by the maximum filling distance limitation. In line with continuing breakthroughs in the tonnage of die casting, super-large integrated die casting becomes increasingly integrated with the size of die-castings growing larger, which constantly highlights the limitations of single injection systems. The unveiling of the Company's dual injection process with a tonnage over 10,000 tons will be more effective in meeting the market demand for integrated die-casting moulding of the automobile chassis and requirements for advanced concepts including skateboard chassis.

(4) Opening of the Technology Testing Center: Our Provision of Comprehensive Support

Successfully launched with a total site area of 4,239 square meters, the Company's technology testing center is the only largest facility with over a tonnage of 10,000 tons in the world, equipped with a variety of different tonnage testing equipment, including 3000T and 5000T die-casting machines, 9000T smart die-casting cells, and 13000T dual-injection die-casting cells. Furthermore, in possession of a 700T extrusion machines, low-pressure machines, and a rich array of peripheral automation equipment, the center is well positioned to offer global clients various aluminum alloy testing, mould trial, and small-batch trial production services. As a result, the technology testing center provides more comprehensive technical support to our clients, promoting the collaborative development of the industry.

(5) Super Large Two-Platen Injection Moulding Machines: Boosting Production Efficiency

During the Reporting Period, the Company launched and distributed 6000T super large two-platen injection moulding machines in the overseas market. As part of the Company's FA series, this injection mould machine is a custom-made product, which features a super-large moulding capacity and super-large mould stroke with a theoretical injection volume of 83 kilograms, and is suitable for the production of super-large deep-cavity plastic products. Employing advanced mould-locking and injection systems, the injection moulding machine offers higher precision, lower friction, greater stability, and enhanced production efficiency. The successful launch of this product not only upscales the Company's technical strength and innovation capacity in the field of injection moulding machines but also represents a solid step in the Company's internationalisation strategy.

4. MARKET STRATEGY AND OUTLOOK

(1) Implementing Global 2.0 Strategy to Expand Our Overseas Market Footprint and Driving Performance Growth

In FY2024, the Company saw initial success in its Global 2.0 Strategy, with revenue from overseas markets reaching HK\$1,335,618,000, representing a year-on-year increase of 21.9%. Of which, revenue from the North American market amounted to HK\$428,078,000, representing a year-on-year increase of 9.5%, and revenue from Central and South America amounted to HK\$250,534,000, representing a year-on-year increase of 97.7%.

Building on the established global network that is comprised of more than 60 sales offices and service centers spanning over 20 countries, the Company currently continues to further expand its international footprint by setting up new production bases and sales service centers in strategic regions such as Mexico, India and North America. This will ensure that we are able to respond to and meet the growing supply demands of overseas markets in a timely manner, thereby enhancing our global service capabilities and international brand influence. In addition, we have established a strategic R&D center in Europe, penetrating into the heartland of precision manufacturing to further consolidate the Company's competitiveness in the international market.

While continuing to cultivate traditional markets, the Company also actively expands into emerging markets such as Thailand, Vietnam and Latin America, with an aim to achieve close integration with local markets by establishing sales networks in such regions.

In constantly advancing our global business footprint, the Company becomes deeply conscientious of the unique requirements across different countries and markets. Therefore, we are committed to not only strengthening our local team development but also providing customized product designs and services based on the specific requirements in each separate market, thereby enhancing customer satisfaction.

Meanwhile, the Company will continue to integrate global resources and optimize supply chain processes to ensure efficient delivery of products and services. Through the dual drive of localized strategies and global resource integration, we aim to achieve sustainable business development and improve profitability.

(2) Diversified Revenue Structure: Expanding Business Areas and Enhancing Profitability

The Company consistently upholds the philosophy of expanding business areas to enhance its market adaptability. Currently, we have successfully ventured into two emerging areas, namely Engineering, Procurement and Construction (EPC) model and customized production simulation, in an effort to enhance our overall revenue scale and profitability.

EPC model: The Company boasts a robust technology R&D team capable of transforming technological advantages into practical products and services, which enables the provision of comprehensive services to customers, ranging from whole plant planning, intelligent integration of water, electricity and gas supplies, centralized feeding to automation solution design.

Under the EPC model, the Company is able to provide customers with whole plant virtual simulation services, which utilizes the 3D visualization technology to provide customers with a more intuitive understanding of data and production processes, so that decision-making processes are optimized and risks are mitigated.

The Company's EPC model can effectively enhance customers' production efficiency at lower operating costs by optimizing production processes, increasing space utilization and reducing materials handling and spatial waste. For example, the centralized feeding system allows an enterprise to save energy consumption and labor costs, and its intelligent water, electricity and gas layout and automation solution is engineered to further improve work efficiency, reduce equipment energy consumption and enhance the enterprise's market competitiveness.

The intelligent solutions provided by the Company's EPC model include the provision of MES systems and mechanical robot arm products and scheduling solutions, which ensure the stability of the production process and product quality with their high precision and efficiency, thereby further shortening production cycles and enhancing production efficiency.

Customized production simulation: As an innovative business model, it is becoming a key channel for the Company to realize future revenue growth and advance the integrated die-casting process. The customized production simulation service can intuitively demonstrate the implementation effects of production plans, and help customers clearly foresee production outcomes. This simulation not only boosts customers' confidence in new production lines and equipment but also effectively eradicates concerns about investing in new technologies, as it provides a clear and efficient production rehearsal platform to ensure the successful implementation of customers' production plans and realization of expected commercial value.

(3) **New Journey: Policy-Driven and New Energy Opportunities**

The equipment trade-in policy, namely 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 by the Ministry of Industry and Information Technology (MIIT) of the People's Republic of China is expected to stimulate a new wave of equipment renewal demand in the industrial manufacturing sector. This policy aims to encourage and guide a new round of large-scale equipment renewal and consumer goods trade-ins to promote technological advancement, drive effective investment, enhance development quality and efficiency, and advance the manufacturing industry towards higher-end, intelligent and green development.

In line with the implementation of the trade-in action plan, the demand in the home appliance market is expected to increase in the future, driving the demand for plastic injection moulding machines in the PRC, which will subsequently boost the revenue from the Company's plastic injection moulding machine business. Meanwhile, the MIIT's deployment to turbocharge the green and low-carbon transformation and upgrading of traditional industries, as well as its policy on promoting green, low-carbon and advantaged development of emerging industries, will prompt the die-casting and plastic injection moulding sectors to adopt more environmental and energy-efficient technologies and equipment. As an industry-specific leader, the Company will capitalize on this trend to launch new products that meet green and low-carbon standards, fulfilling policy requirements and market demand. This also presents more development opportunities for the Company in emerging areas, such as die-casting and plastic injection moulding machines related to new energy vehicles and energy storage.

In overseas markets, the Company also actively promotes trade-in plans to facilitate the recycling and reuse of old equipment, which is in line with global sustainable development trends. Currently, this form of trade-in is relatively novel in overseas markets. Under such strategy in combination with product advantages and technological innovation, the Company will actively explore international markets and enhance the global competitiveness of its brands.

LIQUIDITY AND FINANCIAL RESOURCES

The working capital of the Group was generally financed by internal cash flows generated from its operation and existing banking facilities. As at 31 March 2024, the Group's cash and cash equivalents amounted to HK\$2,375,176,000 (31 March 2023: HK\$605,365,000).

As at 31 March 2024, the capital structure of the Company was constituted exclusively of 1,376,391,500 ordinary shares of HK\$0.1 each. The total amount of outstanding borrowings was HK\$1,792,919,000 (31 March 2023: HK\$1,641,046,000), approximately 86.9% (31 March 2023: 84.6%) of which being short-term loans. Approximately 36.1% (31 March 2023: 41.3%) of the total borrowing was subject to interest payable at fixed rates.

FINANCIAL GUARANTEES

The Group provided guarantees to banks in respect of banking facilities granted to certain customers of the Group to purchase its products. As at 31 March 2024, no outstanding loans granted by banks to customers for which guarantees have been given by the Group (31 March 2023: HK\$21,991,000).

PLEDGE OF ASSETS

As at 31 March 2024, the Group's banking facilities and financial guarantee contracts were secured by the assets of the Group, including restricted bank balances, right-of-use assets, investment properties, property, plant and equipment, bills receivables and other receivables (31 March 2023: restricted bank balances, right-of-use assets, investment properties, property, plant and equipment and bills receivables), with aggregate carrying amounts of HK\$888,316,000 (31 March 2023: HK\$827,339,000).

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments in respect of acquisition of property, plant and equipment contracted but not provided in the consolidated financial information amounting to HK\$399,353,000 (31 March 2023: HK\$178,850,000).

STAFF AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed approximately 5,377 full time staff. The staff costs for the current year amounted to HK\$967,907,000 (2023: HK\$960,485,000). 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 benefit such as mandatory provident fund, state-managed social welfare scheme, share option scheme, share award scheme and share incentive scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2024, the Company repurchased a total of 12,000,000 shares of the Company (the “Share”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for an aggregate consideration (excluding commission and other expenses) of HK\$56,659,300 and funded by the Company’s existing available cash reserves and free cash flow. The repurchased Shares were cancelled eventually. Details of the Shares repurchased during the year ended 31 March 2024 are as follows:

Month/Year of Share(s) repurchased	Number of Shares repurchased	Highest price per Share (HK\$)	Lowest price per Share (HK\$)	Aggregate consideration (excluding commission and other expenses) (HK\$)
December 2023	9,217,500	5.05	4.51	44,131,925
January 2024	<u>2,782,500</u>	5.00	3.94	<u>12,527,375</u>
	<u>12,000,000</u>			<u>56,659,300</u>

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 March 2024.

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 eligible persons under the Share Option Scheme. As at 31 March 2024, there was no share option had been exercised by the eligible persons.

DIVIDENDS

An interim dividend of HK4.5 cents per ordinary Share in respect of the period ended 30 September 2023 was paid on 9 January 2024. The Board recommended a payment of final dividend of HK5 cents per ordinary Share for the year ended 31 March 2024 (2023: HK4.5 cents), subject to shareholders’ approval at the forthcoming annual general meeting to be held on Friday, 6 September 2024 and payable to the shareholders whose names appear on the register of members of the Company on Monday, 16 September 2024. The dividend will be paid on or about Wednesday, 2 October 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on Friday, 6 September 2024, the register of members of the Company will be closed from Tuesday, 3 September 2024 to Friday, 6 September 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attendance and voting at the annual general meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 2 September 2024.

For determining the entitlement to the final dividend, the register of members of the Company will be closed from Monday, 16 September 2024 to Thursday, 19 September 2024, (both days inclusive) during which no transfer of Shares will be registered. In order to qualify for the final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 September 2024.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of the Appendix C1 (formerly known as Appendix 14) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the year ended 31 March 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 (formerly known as Appendix 10) of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31 March 2024.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee consists of four independent non-executive Directors, namely Dr. Low Seow Chay, Dr. Lui Ming Wah, Mr. Tsang Yiu Keung, Paul and Mr. Look Andrew.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2024.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

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

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 6 September 2024. The notice of the annual general meeting, which constitutes part of the circular to the shareholders, will be published on the aforesaid websites and despatched to the shareholders together with the Company's annual report 2023/24 in due course.

On behalf of the Board
L.K. Technology Holdings Limited
Chong Siw Yin
Chairperson

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Directors are Ms. Chong Siw Yin, Mr. Liu Zhuo Ming and Mr. Tse Siu Sze; and the independent non-executive Directors are Dr. Low Seow Chay, Dr. Lui Ming Wah, SBS, JP, Mr. Tsang Yiu Keung, Paul and Mr. Look Andrew.