In-Tech

中國智能科技有限公司

CHINA IN-TECH LIMITED

(incorporated in Cayman Islands with limited liability)

(Stock Code: 00464)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the "**Board**") of directors (the "**Directors**") of China In-Tech Limited (the "**Company**") is pleased to announce the audited financial results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2025 (the "**Year**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Revenue	*4*	**105,797**	180,995
Cost of sales		**(111,277)**	(145,304)
Gross (loss)/profit		**(5,480)**	35,691
Other gains, net	*6*	**4,332**	1,397
Distribution costs		**(3,304)**	(2,558)
Administrative expenses		**(49,521)**	(37,166)
Loss from operations		**(53,973)**	(2,636)

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Finance costs		**(1,765)**	(1,418)
Loss before tax		**(55,738)**	(4,054)
Income tax credit/(expense)	*7*	**1,529**	(3,786)
Loss for the year	*8*	**(54,209)**	(7,840)
Other comprehensive income/(expenses) after tax:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**2,724**	(2,007)
Other comprehensive income/(expenses) for the year, net		**2,724**	(2,007)
Total comprehensive expenses for the year		**(51,485)**	(9,847)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(49,739)**	(15,507)
Non-controlling interests		**(4,470)**	7,667
		(54,209)	(7,840)
Total comprehensive (expenses)/income for the year attributable to:			
Owners of the Company		**(46,723)**	(17,640)
Non-controlling interests		**(4,762)**	7,793
		(51,485)	(9,847)
Loss per share			
Basic and diluted *(HK cents)*	*9*	**(8.96)**	(3.16)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment		–	1,649
Right-of-use assets		–	13,986
Deposits, prepayments and other receivables		**1,470**	1,410
Deferred tax assets		–	1,484
		1,470	18,529
Current assets			
Inventories		**5,789**	11,544
Trade receivables	*11*	**36,086**	38,997
Contract costs		**919**	5,868
Deposits, prepayments and other receivables		**23,813**	34,299
Bank and cash balances		**11,399**	39,942
		78,006	130,650
Current liabilities			
Trade payables	*12*	**14,928**	26,137
Accruals and other payables		**16,244**	13,440
Contract liabilities		**11,769**	10,372
Loans from a related party	*13*	**6,328**	6,085
Lease liabilities		**3,594**	5,454
Bank borrowings		**28,677**	35,277
Tax liabilities		**90**	3,134
		81,630	99,899
Net current (liabilities)/assets		**(3,624)**	30,751
Total assets less current liabilities		**(2,154)**	49,280
Non-current liabilities			
Lease liabilities		**3,283**	9,202
NET (LIABILITIES)/ASSETS		**(5,437)**	40,078
Capital and reserves			
Share capital		**593**	533
Reserves		**(9,099)**	31,714
Equity attributable to owners of the Company		**(8,506)**	32,247
Non-controlling interests		**3,069**	7,831
TOTAL EQUITY		**(5,437)**	40,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China In-Tech Limited (the "**Company**") is 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**"). The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 506, 5/F, New World Tower 1, 18 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) design, manufacture and sales of electrical haircare products; and (ii) provision of information technology system platform development service in the People's Republic of China (the "**PRC**").

To the best knowledge of the directors of the Company (the "**Directors**"), as at 31 March 2025, China Yuen Capital Limited ("**CYC**"), a company incorporated in the British Virgin Islands, is the immediate holding company of the Company; Luckever Holdings Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately HK$49,739,000 for the year ended 31 March 2025 and, as at 31 March 2025, the Group had net current liabilities and net liabilities of HK$3,624,000 and HK$5,437,000 respectively. Besides, the Group had a net operating cash outflow of approximately HK$18,709,000 for the year ended 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

(i) The Group is actively negotiating with banks and financial institutions for extension or refinancing of the borrowings.

(ii) The Group will actively negotiate with various financial institutions and potential investors or lenders to secure new financing arrangement to meet the Group's working capital and financial requirements in the near future. The Group will also actively seek opportunities to carry out fund raising activities including but not limited to the placing of new shares of the Company or rights issue as alternative sources of funding; and

(iii) The Group has been endeavouring to improve the Group's operating performance and cash flows through cost control measures and working capital management to maintain sufficient liquidity.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the Directors are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements. The Directors believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group.

However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE

Revenue represents amounts received and receivable from (i) sales of electrical haircare appliances and (ii) provision of information technology services.

5. SEGMENT INFORMATION

The Group has two reportable segments as follows:

(i) Electrical haircare appliance segment: manufacturing and selling electrical haircare appliances; and

(ii) Information technology service segment: provision of information technology services in the PRC.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include finance costs and corporate and other unallocated expenses. Segment assets do not include corporate and other unallocated assets. Segment liabilities do not include loans from a related party and corporate and other unallocated liabilities.

For the year ended 31 March 2025/as at 31 March 2025

	Sales of electrical haircare appliances *HK$'000*	Information technology services *HK$'000*	Total *HK$'000*
Segment revenue			
Sales to external customers	**75,246**	**30,551**	**105,797**
Segment results	**(35,719)**	**(8,993)**	**(44,712)**
Reconciliation:			
Unallocated loss			**(2)**
Finance costs			**(1,765)**
Corporate and other unallocated expenses			**(7,730)**
			(54,209)
Segment assets	**41,365**	**36,945**	**78,310**
Reconciliation:			
Corporate and other unallocated assets			**1,166**
Total assets			**79,476**
Segment liabilities	**62,695**	**6,737**	**69,432**
Reconciliation:			
Corporate and other unallocated liabilities			**15,481**
Total liabilities			**84,913**
Other Segment Information			
Interest revenue	**18**	**1**	**19**
Additions to property, plant and equipment	**1,108**	**–**	**1,108**
Depreciation and amortisation	**3,739**	**814**	**4,553**
Loss allowance provision for trade receivables	**635**	**3,089**	**3,724**
Impairment loss on property, plant and equipment	**2,365**	**–**	**2,365**
Impairment loss on right-of-use assets	**6,257**	**–**	**6,257**
Impairment loss on prepayments	**373**	**–**	**373**

For the year ended 31 March 2024/as at 31 March 2024

	Sales of electrical haircare appliances *HK$'000*	Information technology services *HK$'000*	Total *HK$'000*
Segment revenue			
Sales to external customers	115,060	65,935	180,995
Segment results	(16,336)	15,597	(739)
Reconciliation:			
Unallocated gains			6
Finance costs			(1,418)
Corporate and other unallocated expenses			(5,689)
			(7,840)
Segment assets	90,764	58,171	148,935
Reconciliation:			
Corporate and other unallocated assets			244
Total assets			149,179
Segment liabilities	78,088	18,255	96,343
Reconciliation:			
Corporate and other unallocated liabilities			12,758
Total liabilities			109,101
Other Segment Information			
Interest revenue	53	3	56
Additions to property, plant and equipment	920	–	920
Depreciation and amortisation	3,303	1,362	4,665
Loss allowance provision for trade receivables	646	21	667
Impairment loss on prepayments	200	–	200
Impairment loss on goodwill	–	142	142

Geographical information

The Group's information about its non-current assets by geographical location of the assets are detailed below:

	Non-current assets	
	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**936**	3,766
The PRC	**–**	12,736
	936	16,502

Information about major customers

Revenue from major customers individually accounting for 10% or more of total revenue are as follows:

	2025	2024
	HK$'000	*HK$'000*
Electrical haircare appliances segment		
Customer A	**27,507**	30,376
Customer B	**24,769**	24,043
Customer C	**7,410***	29,701
Information technology service segment		
Customer D	**–***	20,517

* Revenue from this customer did not exceed 10% of total revenue in the respective year. These amounts were shown for comparative purpose.

6. OTHER GAINS, NET

	2025	2024
	HK$'000	*HK$'000*
Bank interest income	**19**	56
Income from sale of mould	**1,420**	1,868
Sales of samples	**–**	790
Compensation received in respect of cancelled orders and late payment from customers	**197**	–
Penalty from vendors for bad quality or late delivery	**–**	53
Net foreign exchange gain/(loss)	**2,067**	(3,245)
Sales of raw materials	**99**	359
Sub-contracting income	**522**	647
Loss on lease termination	**(235)**	–
Sundry income	**243**	869
	4,332	1,397

7. INCOME TAX CREDIT/(EXPENSE)

	2025	2024
	HK$'000	*HK$'000*
Deferred tax	**(1,484)**	(472)
Current tax — PRC enterprise income tax		
Provision for the year	**–**	(3,314)
Over-provision in prior years	**3,013**	–
	1,529	(3,786)

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

The income tax provision of the Group in respect of operations in the PRC which qualified as "Small Low-Profit Enterprise" for the year ended 31 March 2025 and 2024 were entitled to a preferential income tax rate. From 1 January 2023 to 31 December 2027, the profits of no more than RMB3 million are taxed at 5%.

The income tax provision of the Group in respect of operations in the PRC which obtained "High and New Technology Enterprise" qualification under EIT Law were entitled to a preferential income tax rate of 15%.

According to policies promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 200% of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year ("**Super Deduction**").

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax regime of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided in the consolidated financial statement as the subsidiaries of the Group operating in Hong Kong are either suffering from tax losses, or the assessable profits are wholly absorbed by tax losses brought forwards for both years.

The reconciliation between the income tax (credit)/expense and the product of loss before tax multiplied by the PRC enterprise income tax rate is as follows:

	2025	2024
	HK$'000	*HK$'000*
Loss before tax	**(55,738)**	(4,054)
Tax at the tax rate of 25% (2024: 25%)	**(13,935)**	(1,014)
Tax effect of expenses not deductible for tax purposes	**5,035**	1,311
Tax effect of income not taxable for tax purposes	**(5)**	(10)
Super Deduction	**(1,056)**	(359)
Tax effect of tax losses not recognised	**9,961**	5,893
Tax losses previously recognised and reversed	**1,484**	–
Tax effect of utilisation of tax losses not previously recognised	**–**	(610)
Effect of different tax rate of subsidiaries operating in other jurisdictions	**–**	(1,425)
Over-provision in prior years	**(3,013)**	–
Income tax (credit)/expense	**(1,529)**	3,786

8. LOSS FOR THE YEAR

The Group's loss for the year has been arrived at after charging the following:

	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration	**800**	800
Depreciation of right-of-use assets	**4,161**	4,480
Depreciation of property, plant and equipment	**392**	185
Write-down of inventories (included in cost of inventories sold)	**260**	99
Loss allowance provision for trade receivables	**3,724**	667
Impairment loss on property, plant and equipment	**2,365**	–
Impairment loss on right-of-use assets	**6,257**	–
Impairment loss on prepayments	**373**	200
Impairment loss on goodwill	**–**	142
Cost of inventories sold	**81,350**	103,516
Directors' remuneration		
As directors (independent non-executive Directors)	**372**	375
For management (executive Directors)	**885**	486
Retirement benefits contributions	**44**	25
	1,301	886
Staff costs (not including directors' emoluments)		
Salaries, bonus and allowances	**40,727**	37,568
Retirement benefits scheme contributions	**3,753**	5,097
	44,480	42,665
Total staff costs (including directors' emoluments)	**45,781**	43,551

Cost of inventories sold includes staff costs and depreciation of approximately HK$25,226,000 (2024: HK$24,745,000) which are included in the amounts disclosed separately above.

9. LOSS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
Loss:		
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	**(49,739)**	(15,507)
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**555,017**	490,356

No diluted loss per share for the current and prior years was presented as there were no potential ordinary shares in issue.

10. DIVIDENDS

The Directors did not recommend the payment of any dividend for the years ended 31 March 2025 and 2024.

11. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 14 to 180 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**41,661**	40,848
Less: loss allowance	**(5,575)**	(1,851)
	36,086	38,997

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 60 days	**10,167**	30,110
61 to 120 days	**12,024**	5,549
121 to 365 days	**6,266**	2,073
Over 1 year	**7,629**	1,265
	36,086	38,997

Reconciliation of loss allowance for trade receivables:

	2025	2024
	HK$'000	*HK$'000*
At the beginning of the year	**1,851**	1,184
Allowance for the year	**3,724**	667
At the end of the year	**5,575**	1,851

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	**1–90 days past due**	**91 days– 1 year past due**	**Over 1 year past due**	**Total**
At 31 March 2025					
Weighted average expected loss rate	**0%**	**2%**	**25%**	**49%**	
Receivable amount *(HK$'000)*	**28,235**	**1,476**	**1,378**	**10,572**	**41,661**
Loss allowance *(HK$'000)*	**25**	**25**	**338**	**5,187**	**5,575**
At 31 March 2024					
Weighted average expected loss rate	0%	4%	24%	49%	
Receivable amount *(HK$'000)*	32,875	3,531	1,974	2,468	40,848
Loss allowance *(HK$'000)*	30	135	483	1,203	1,851

12. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 60 days	**8,410**	19,528
61 to 120 days	**2,988**	1,699
121 to 365 days	**336**	1,464
Over 1 year	**3,194**	3,446
	14,928	26,137

The credit periods on purchases of goods range from 30 to 120 days.

13. LOANS FROM A RELATED PARTY

		2025	2024
	Note	***HK$'000***	*HK$'000*
CYC	*(a)*	**6,328**	6,085

(a) CYC is the Company's immediate holding company. The amounts are unsecured, interest-free and repayable within one year from the drawn down date.

14. EVENT AFTER THE REPORTING PERIOD

On 14 April 2025, the Company, as the issuer, entered into six subscription agreements with six subscribers pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 46,000,000 subscription shares in aggregate at the subscription price of HK$0.22 per subscription share. The subscriptions were completed on 30 April 2025 and the premium on the issue of shares, amounting to approximately HK$10,100,000, net of share issue expenses of HK$100,000, was credited to the Company's share premium account. For details, please refer to the announcements of the Company dated 14 April 2025 and 30 April 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

	For the year ended 31 March				
	2025		2024		Change
	HK$ million	***% of revenue***	*HK$ million*	*% of revenue*	*%*
Electrical haircare appliance	**75.2**	**71.1%**	115.1	63.6%	-34.6%
Information technology service	**30.6**	**28.9%**	65.9	36.4%	-53.7%
Total	**105.8**	**100%**	181.0	100%	-41.5%

During the Year, the Group recorded a revenue of approximately HK$105,797,000 (2024: HK$180,995,000), representing a decrease of approximately 41.5% from the last financial year. The revenue from both electrical haircare appliance segment and information technology service segment decreased comparing with the last financial year.

The decrease in revenue from the electrical haircare appliance segment was mainly due to the low consumer sentiment resulting from the worldwide economic uncertainties and the geopolitical tensions. It has adversely affected the orders from our major geographical revenue contributors, namely, European and Asian markets, for the Year.

The decrease in revenue from the information technology service segment was mainly due to the low volume of orders confirmation during the Year. In the early stage of business, the order confirmation probability is inevitably unstable. Customers prefer suppliers with proven track records.

Cost of Sales

	For the year ended 31 March				
	2025		2024		Change
	HK$ million	***% of revenue***	*HK$ million*	*% of revenue*	*%*
Electrical haircare appliance	**81.4**	**76.9%**	103.5	57.2%	-21.4%
Information technology service	**29.9**	**28.3%**	41.8	23.1%	-28.5%
Total	**111.3**	**105.2%**	145.3	80.3%	-23.4%

Gross (Loss)/Profit

	For the year ended 31 March 2025 HK$ million	2024 HK$ million	Change HK$ million	Change %
Electrical haircare appliance	**(6.2)**	11.6	-17.8	-153.4%
Information technology service	**0.7**	24.1	-23.4	-97.1%
Total	**(5.5)**	35.7	-41.2	-115.4%

Gross (Loss)/Profit Margin

	For the year ended 31 March 2025 %	2024 %	Change
Electrical haircare appliance	**(8.2%)**	10.0%	-18.2pp
Information technology service	**2.3%**	36.7%	-34.4pp
The Group	**(5.2%)**	19.7%	-24.9pp

During the Year, the Group reported a gross loss of approximately HK$5,480,000 (2024: gross profit of HK$35,691,000), representing a gross loss margin of approximately 5.2% (2024: gross profit margin 19.7%).

The increase in gross loss from the electrical haircare appliance segment was mainly caused by the increase in the production cost of the segment: (i) the increase in the overall prices of raw materials, especially electrical and metal materials, such as electrical assemblies and copper, due to the increase in demand in the manufacturing industries; and (ii) the increase in labour cost per product in the Year.

The low gross profit margin of the information technology service segment was mainly caused by the low demand due to the economic uncertainties in the PRC, customers' preference on choosing suppliers with established reputation and the increase in the cost of sales. In order to maintain the customers' loyalty, we had to keep our service fee at a market competitive level. In the meantime, retaining our technical staff to provide high standard of services to our customers is important to the business operation. Those factors above led to a low gross profit margin of this segment for the Year.

Net Loss

	For the year ended 31 March 2025 *HK$ million*	2024 *HK$ million*	Change *HK$ million*	Change *%*
Electrical haircare appliance	**(35.7)**	(16.3)	-19.4	-119.0%
Information technology service	**(9.0)**	15.6	-24.6	-157.7%
Unallocated	**(9.5)**	(7.1)	-2.4	-33.8%
Total	**(54.2)**	(7.8)	-46.4	-594.9%

The Group recorded loss for the years ended 31 March 2025 and 2024. The management of the Group concluded that there was impairment indication and conducted a review of the recoverable amounts of the property, plant and equipment, right-of-use assets and prepayments and determined the recoverable amounts of these assets. Based on the result of the assessment, the management of the Group determined that the recoverable amounts of the property, plant and equipment, right-of-use assets and prepayments (2024: prepayments) were lower than their carrying amounts. Impairment losses of approximately HK$2,365,000, HK$6,257,000 and HK$373,000 (2024: HK$200,000 on prepayments) on the property, plant and equipment, right-of-use assets and prepayments respectively had been recognised.

A provision for expected credit losses on trade receivables under HKFRS9 "Financial Instruments" of approximately HK$3,724,000 (2024: HK$667,000) had been recognised. The increase in provision for expected credit losses on trade receivables was mainly due to the unsatisfactory trade receivables collection of the Group. The management has been actively negotiating with the customers to collect the receivables.

The Group has assessed the net realisable value of the inventories and recognised a provision of approximately of HK$260,000 (2024: HK$99,000) for the inventories. It was mainly the slow-moving inventories of aged over 1 year mainly due to customers' discontinued projects.

As a result of the above factors, loss before taxation for the Year was approximately HK$55,738,000 (2024: HK$4,054,000), representing an increase of 12.7 times against the last financial year. The significant increase in loss for the Year was the combined effect of (i) the decrease in revenue and (ii) the increases in cost of sales and impairment losses on assets for the Year.

Loss for the Year was approximately HK$54,209,000, representing an increase of approximately HK$46,369,000 when compared to the loss of approximately HK$7,840,000 for the last financial year.

Basic loss per share for the Year amounted to HK8.96 cents, representing an increase of approximately 183.4% when compared to the loss of HK3.16 cents for the last financial year.

During the Year, no dividend was declared and paid (2024: Nil).

BUSINESS REVIEW

Market Review

Electrical Haircare Appliance

The products of the electrical haircare appliance segment are mainly sold on Original Design Manufacturing ("**ODM**") and Original Equipment Manufacturing ("**OEM**") basis. Its customers are mainly leading brand owners and importers who then resell the products to beauty supply retailers and wholesalers, chain stores, mass merchandisers, warehouse clubs, catalogues and grocery stores.

During the Year, the Group continued to face challenging and adverse business environment. The recovery of global economy was procrastinated by the uncertainties such as high inflation, high interest rate and geopolitical conflicts such as the Russia-Ukraine conflict, the Israeli-Palestinian conflict and US tariffs on imported Chinese products. It led to sluggish demand and weak consumer sentiment. In addition, market competition within the manufacturing industry has been very intense and the Group has been facing strong pressure on the price of the products. The Group will closely communicate with the customers to understand and accommodate their requests and provide appropriate solutions to overcome this challenge.

Most of the Group's customers are renowned global brands. The five major customers of the electrical haircare appliance segment have accounted for approximately 64.0% and 54.8% of the total revenue of the Group during the Year and the last financial year, respectively. The Group believes that the European and Asian markets will remain the major geographical revenue contributors in the coming years even the orders from those markets reduced during the Year.

Information Technology Service

The Group commenced the business of provision of tailor-made information technology system platform (the "**Platform**") development services in the PRC to the customers in the second half of 2023 with a business partner (the "**Business Partner**") which holds 49% of the equity interest of Xiamen Tianyang Digital Technology Company Limited* (廈門天洋數字科技有限公司) ("**Xiamen Tianyang**"), an indirect non wholly-owned subsidiary of the Company.

In the recent years, the government of the PRC has actively promoted digital management of cities and used data to carry out urban governance and provide various services. They require the operations of different industries to carry out information management to improve urban governance standards and the quality of public services and thus accelerate economic development. With the promulgation of new policies for digital city, data elements and big data, the implementation of major projects in the PRC and the need for economic recovery after the pandemic, enterprises are also digitising their operations to meet their needs. They use services provided by different Platforms that combine data collection and analysis and utilise the value of data to (i) improve their business performance and (ii) plan, execute, control and optimise their business processes. Therefore, the standard requirements of service Platforms for different enterprises have been raised and there are further demands for data Platform development and related data information collection and analysis services.

The Business Partner, equipped with a development team, has extensive experience in information technology support and system development in the PRC. Although the customers' orders confirmation was unstable in the early stage of business and led to a decrease in revenue comparing with the last financial year, the Group still believes that the information technology service segment has good prospects for development under the current plan of the government in the PRC.

In the Year, the five major customers of the information technology service segment accounted for approximately 74.2% and 21.4% of the revenue of this segment and the Group, respectively.

* *For identification purposes only*

Operation Review

Electrical Haircare Appliance

Mainland China remains as the Group's major production center. Similar to other manufacturers in Mainland China, the Group has faced a series of operating challenges, such as the slow recovery in the export markets, the difficulties in recruiting skilled production line operators and the increase in other manufacturing expenses. However, the Group's continued efforts to optimise its product mix, focus on high margin products and expansion in economies of scale have mitigated the negative effects of the intensified market competition.

As always, the Group has endeavoured on improving the competitiveness of its high quality products together with bolstering its research and development capabilities with an aim to enhancing its market share and achieving the long-term relationship with its customers.

Information Technology Service

Xiamen Tianyang provides tailor-made Platform development services to both stated-owned and private enterprises in, among others, sales of motor vehicles, retail and internet media businesses in the PRC. The systems mainly include retail systems, supply chain management systems and digital city systems. An experienced development team bases on the scenario of our customers and our standardised procedures to integrate upstream and downstream work processes and develop the systems and provide supporting services.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had approximately HK$11,399,000 bank and cash balances (2024: HK$39,942,000). The decrease in bank and cash balances was mainly attributable to the increase in cost and expenses, decrease in proceeds from the share subscriptions and decrease in borrowings.

As at 31 March 2025, the Group had total borrowings of approximately HK$35,005,000 (2024: HK$41,362,000), comprising trade finance of approximately HK$1,781,000 (2024: HK$2,700,000), bank borrowings of approximately HK$26,896,000 (2024: HK$32,577,000) and loans from a related party of approximately HK$6,328,000 (2024: HK$6,085,000). The trade finance and bank borrowings carried interest rates ranging from HIBOR/LIBOR plus 1.8% to 2.0% (2024: 1.8% to 2.0%) or 1% (2024: 1%) below Prime Rate and 8% (2024: 8%) over Prime Rate, respectively.

The net current liabilities as at 31 March 2025 amounted to approximately HK$3,624,000 (2024: net current assets of approximately HK$30,751,000). Current ratio of the Group as at 31 March 2025 was approximately 0.96 (2024: 1.31). If excluding the loans from a related party, a substantial shareholder of the Company, the current ratio of the Group as at 31 March 2025 was approximately 1.04 (2024: 1.39).

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies and thus maintained a sufficient liquidity position throughout the Year. To manage liquidity risk, the Board closely monitors the Group's liquidity position and actively explores fund raising opportunities to ensure that sufficient financial resources are available to meet its funding requirements and commitment in a timely manner.

CHARGES ON ASSETS

The Group had no charges on its assets as at 31 March 2025 (2024: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group's consolidated financial statements are presented in Hong Kong dollars. The Group conducts business transactions mainly in Hong Kong dollars, United States dollars and Renminbi. As the Hong Kong dollar remains pegged to the United States dollar, there has been no material exchange risk in this respect. To manage fluctuation of the Renminbi, the Group has been able to hedge Renminbi receipts and Renminbi payments on an ongoing basis with revenue generated in Mainland China. All of the Group's bank loan facilities are denominated in Hong Kong dollars and carry interest at floating rates.

CONTRACTUAL AND CAPITAL COMMITMENTS

As at 31 March 2025, the Group had capital commitments of approximately HK$912,000 (2024: HK$774,000).

CONTINGENT LIABILITIES

As at 31 March 2025, the Group had no material contingent liabilities (2024: Nil).

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2025, the Group had a total workforce of 344 (2024: 481) including 22 employees (2024: 21) in Hong Kong. Employee costs, including directors' emoluments, amounted to approximately HK$45,781,000 for the Year (2024: HK$43,551,000). The Group's remuneration policy is underscored by the principle of awarding equitable packages to employees, incentive-based where applicable, with remunerations being performance-oriented and market-competitive. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, the Group offers other staff benefits including share options, performance-based bonuses, provident fund contributions and medical insurance coverage.

DIVIDENDS

The Directors do not recommend the declaration of a final dividend for the Year.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Friday, 22 August 2025 (the "**2025 AGM**"). A notice convening the 2025 AGM will be published and despatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 19 August 2025 to Friday, 22 August 2025 (both days inclusive) for the purpose of determining the entitlement to attend and vote at the 2025 AGM. During such period, no transfer of shares of the Company (the "**Shares**") will be registered and no Shares will be allotted and issued. In order to be eligible to attend and vote at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 August 2025.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

Issue of 60,000,000 new Shares

On 4 November 2024, the Company, as the issuer, entered into a subscription agreement with Ms. Chen Huiru ("**Ms. Chen**") pursuant to which Ms. Chen had conditionally agreed to subscribe for, and the Company had conditionally agreed to allot and issue, 60,000,000 new ordinary Shares at the subscription price of HK$0.100 per subscription Share. The subscription Shares were allotted and issued under the general mandate granted by the Shareholders at the annual general meeting of the Company held on 3 September 2024. The net issue price was approximately HK$0.100 per subscription Share. Ms. Chen, who is an individual investor with extensive experience in equity investment, principally engaged in, among others, apparel e-commerce business in the PRC. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Ms. Chen was independent of the Company and its connected persons. The closing price was HK$0.122 per Share as quoted on the Stock Exchange on the date of the subscription agreement. The aggregate nominal value of the subscription Shares was HK$60,000. The subscription was completed and 60,000,000 new Shares were allotted and issued to Ms. Chen on 19 November 2024. Immediately after the completion of the subscription, Ms. Chen was regarded as a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules.

The net proceeds from the subscription amounted to approximately HK$6.0 million, which were intended for general working capital and have been fully utilised for the same. The Directors considered that the subscription represented a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group and meet any future development and financial obligations at a reasonable cost. The Directors were of the view that, apart from debt financing, the subscription helps to broaden the Company's funding channels.

For the details of the subscription, please refer to the announcements of the Company dated 4 November 2024 and 19 November 2024.

Placing of 46,000,000 new Shares and lapse of the placing

On 20 January 2025, the Company, as the issuer, entered into a placing agreement with Ruisen Port Securities Limited and Asia Pacific Securities Limited (collectively, the "**Joint Placing Agents**"), pursuant to which the Joint Placing Agents (on a several basis) had conditionally agreed to place a maximum of 46,000,000 new Shares (the "**Placing Shares**") at the placing price of HK$0.225 on a best efforts basis and would receive a placing commission of 3% of the aggregate placing price of the Placing Shares being placed.

Up to 7 March 2025, the Company was not informed by the Joint Placing Agents that the conditions precedent as set out in the Placing Agreement had been satisfied, the Placing Agreement had lapsed and the Placing did not proceed.

For the details of the placing and lapse of the placing, please refer to the announcements of the Company dated 20 January 2025, 3 March 2025 and 7 March 2025.

PROSPECTS

For the electrical haircare appliance segment, the economy continues to negatively impact the consumers spending on haircare products and services. It leads to a low demand for electrical haircare appliances. The US tariffs on the goods made in the PRC further adversely affected the performance of this segment. The Group will continue to communicate with our customers about their needs and requests. Meanwhile, we will also explore the opportunities to secure new customers and improve our cost control measures to maintain the profit margin.

The fluctuation in the performance in the early stage of business of the information technology service segment is expected. The economic growth of the PRC was stable but fell short of initial expectations and customers remained prudence on expenses budgeting. These reduced the demand for information technology systems enhancement. The Group will keep eyes on the business segment to formulate business plan to meet the changing information technology needs from the market.

In addition, the Group will continue to explore possible investment opportunities, to expand and diversify its business and activities, with a view to create new sources of income and to maximize the return to the Company and its shareholders in the long run.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant investment, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

IMPORTANT EVENT AFTER THE REPORTING PERIOD

Issue of 46,000,000 new Shares

On 14 April 2025, the Company, as the issuer, entered into six subscription agreements with six subscribers (the "**Subscriber(s)**") pursuant to which the Subscribers had conditionally agreed to subscribe for, and the Company had conditionally agreed to allot and issue, 46,000,000 new ordinary Shares in aggregate at the subscription price of HK$0.22 per subscription Share. The subscription Shares were allotted and issued under the general mandate granted by the Shareholders at the annual general meeting of the Company held on 3 September 2024. The net issue price was approximately HK$0.22 per subscription Share. The table below sets out the background of the Subscribers:

Subscribers	**Background of the Subscribers**
Subscriber A	An individual investor with extensive experience in equity investment and is a merchant.
Subscriber B	An individual investor with extensive experience in equity investment and is a merchant.
Subscriber C	An individual investor with extensive experience in equity investment and engages in cloud computing business in the PRC.

Subscribers	Background of the Subscribers
Subscriber D	An individual investor with extensive experience in equity investment and engages in electronic commerce in the PRC.
Subscriber E	An individual investor with extensive experience in equity investment and engages in electronic commerce in the PRC.
Subscriber F	An individual investor with extensive experience in equity investment and a consultant for an energy company in the PRC.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers were independent of the Company and its connected persons.

The closing price was HK$0.27 per Share as quoted on the Stock Exchange on the date of the subscription agreements. The aggregate nominal value of the subscription Shares was HK$46,000. The subscriptions were completed and 46,000,000 new Shares in aggregate were allotted and issued to the Subscribers on 30 April 2025. Immediately after the completion of the subscriptions, no Subscriber was regarded as a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules.

The net proceeds from the subscriptions amounted to approximately HK$10.0 million. Approximately HK$5.0 million and HK$5.0 million were fully utilised for repayment of debts and general working capital as intended respectively. The Directors considered that the subscriptions represented a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group and meet any future development and financial obligations at a reasonable cost. The Directors were of the view that, apart from debt financing, the subscriptions help to broaden the Company's funding channels.

For the details of the subscriptions, please refer to the announcements of the Company dated 14 April 2025 and 30 April 2025.

Save as otherwise disclosed in this announcement, the Group has no other significant events after the Year up to the date of this announcement.

CORPORATE GOVERNANCE

To enhance accountability, transparency, independence, responsibility and fairness to the shareholders and stakeholders of the Company, the Company is dedicated to develop an appropriate framework of corporate governance for the Group. In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 of the Listing Rules throughout the Year.

The Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company were in line with the CG Code during the Year. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly stringent regulatory requirements and to meet the rising expectations of the shareholders and investors of the Company.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted procedures governing Directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules. Upon enquiry by the Company, all the Directors have confirmed that they fully complied with the required standards as set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee has reviewed and discussed with the management of the Company the accounting principles and practices, risk management and internal control systems adopted by the Group. The audit committee has also reviewed the consolidated financial statements of the Group for the Year and this announcement. The audit committee comprises three independent non-executive Directors and none of them is employed by or otherwise affiliated with former or existing auditors of the Company.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the consolidated financial statements of the Group for the Year:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the consolidated financial statements

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to owner of the Company of approximately HK$49,739,000 for the year ended 31 March 2025 and as at 31 March 2025, the Group had current liabilities and net liabilities of approximately HK$3,624,000 and HK$5,437,000, respectively. In addition, the Group had a net operating cash outflow of approximately HK$18,709,000 for the year ended 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The directors of the Company have been undertaking a number of plans and measures as described in note 2 to the consolidated financial statements to mitigate the liquidity pressure and improve its financial position and cash flows.

In respect of the Group has been actively negotiating with creditors and lenders for renewal and extension of borrowings, the management was unable to provide us with sufficient information about creditors' and lenders' intention to renew and extend the borrowings and no renewal and extension agreements have been reached, accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to renew or extend the borrowings.

In respect of seeking for new financing, the management was unable to provide us with sufficient information about the details of the fund-raising plan and no new financing agreements have been reached. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to have the new financing.

In respect of cost saving plan, the management was unable to provide us with sufficient information about the details of the plan, including the detailed measures and actions to be implemented. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to improve the operating efficiency.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinaintech464.com). The annual report for the Year will be published on the above websites and despatched to the relevant shareholders of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to the entire workforce for their diligence and commitment during the Year. Further, I would like to thank our shareholders for their confidence in the Group, our customers worldwide for their trust and support of our products and services, as well as our bankers and business partners for their ongoing support.

By Order of the Board
CHINA IN-TECH LIMITED
Zhang Huijun
Chairman

Hong Kong, 30 June 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhang Huijun, Ms. Cai Dongyan and Mr. Zhou Li Yang, and three independent non-executive Directors, namely Mr. Hu Zhigang, Mr. Zhang Jiayou and Mr. Ma Yu-heng.

Website: www.chinaintech464.com