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Metaspacex Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Review Year amounted to approximately HK\$263.9 million (FY2024: approximately HK\$460.3 million).
- Gross profit margin of the Group for the Review Year was at approximately 2.1% (FY2024: approximately 4.4%).
- Loss before income tax of the Group for the Review Year was approximately HK\$32.2 million (FY2024: approximately HK\$4.4 million).
- Loss and total comprehensive expense attributable to equity holders of the Company for the Review Year was approximately HK\$32.2 million (FY2024: approximately HK\$4.4 million).
- Basic and diluted loss per share attributable to equity holders of the Company for the Review Year was approximately HK6.70 cents (FY2024: approximately HK0.92 cents).
- The Board has resolved not to declare any dividend for the Review Year (FY2024: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Metaspacex Limited (the “**Company**”) is pleased to present the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025 (the “**Review Year**”), together with the comparative figures for the corresponding year ended 31 March 2024 (the “**FY2024**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

| | | For the year ended 31 March | |
|---|-------|-----------------------------|------------------|
| | | 2025 | 2024 |
| | Notes | HK\$'000 | HK\$'000 |
| Revenue | 4 | 263,927 | 460,270 |
| Direct costs | | <u>(258,405)</u> | <u>(440,021)</u> |
| Gross profit | | 5,522 | 20,249 |
| Other gains | 5 | 6 | 290 |
| Administrative and other operating expenses | | (19,028) | (16,670) |
| Provision for expected credit losses (“ ECL ”) allowance on trade and other receivables and contract assets, net | | (13,627) | (2,468) |
| Finance costs | 6 | <u>(5,056)</u> | <u>(5,840)</u> |
| Loss before income tax | 7 | (32,183) | (4,439) |
| Income tax | 8 | <u>–</u> | <u>–</u> |
| Loss and total comprehensive expense for the year attributable to equity holders of the Company | | <u>(32,183)</u> | <u>(4,439)</u> |
| Loss per share attributable to equity holders of the Company | | <i>HK cents</i> | <i>HK cents</i> |
| – Basic and diluted | 10 | <u>(6.70)</u> | <u>(0.92)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

| | | As at 31 March | |
|--|-------|------------------|------------------|
| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | | – | 7 |
| Right-of-use assets | | <u>1,625</u> | <u>927</u> |
| | | <u>1,625</u> | <u>934</u> |
| Current assets | | | |
| Trade and other receivables | 11 | 25,541 | 28,918 |
| Contract assets | | 94,819 | 123,211 |
| Cash and bank balances | | 43,089 | 49,527 |
| Restricted cash | 12 | <u>–</u> | <u>3,046</u> |
| | | <u>163,449</u> | <u>204,702</u> |
| Current liabilities | | | |
| Trade and other payables | 13 | 15,128 | 33,035 |
| Contract liabilities | | 9,094 | 4,036 |
| Borrowings | | – | 48,000 |
| Interest payables | | – | 10,873 |
| Amount due to a director | | 71 | 1 |
| Lease liabilities | | <u>908</u> | <u>902</u> |
| | | <u>25,201</u> | <u>96,847</u> |
| Net current assets | | <u>138,248</u> | <u>107,855</u> |
| Total assets less current liabilities | | <u>139,873</u> | <u>108,789</u> |
| Non-current liabilities | | | |
| Lease liabilities | | 724 | 46 |
| Borrowings | | 50,897 | – |
| Interest payables | | 10,797 | – |
| Long service payment obligations (“LSP”) | | <u>895</u> | <u>–</u> |
| | | <u>63,313</u> | <u>46</u> |
| Net assets | | <u>76,560</u> | <u>108,743</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 14 | 4,800 | 4,800 |
| Reserves | | <u>71,760</u> | <u>103,943</u> |
| Total equity | | <u>76,560</u> | <u>108,743</u> |

NOTES

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”) with effect from 31 December 2018. The addresses of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in fitting-out services and supply of fitting-out materials.

As at 31 March 2025, to the best knowledge of the directors, the Company’s immediate and ultimate holding company is China Sports Assets Management Co., Limited (“**China Sports**”) (formerly known as Yuan Feng Ventures Limited), a company incorporated in Hong Kong and controlled by Ms. Huang Hou.

The consolidated financial statements for the year ended 31 March 2025 were approved for issue by the Board of Directors on 27 June 2025.

2. BASIS OF PREPARATION

The annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations (“**HKFRS Accounting Standards**”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands (“**HK\$’000**”), except when otherwise indicated.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

3.1 Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards as issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

| | |
|----------------------------------|---|
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

| | |
|--|--|
| HKFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures ³ |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to HKAS 21 | Lack of Exchangeability ¹ |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 ² |
| Amendments to Hong Kong Interpretation 5 | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³ |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity ² |

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The directors anticipate that all of the new and amended HKFRS Accounting Standards will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “**operating profits**” and “**profits before financing and income tax**”), and classifying items into five newly defined categories (namely “**operating**”, “**investing**”, “**financing**”, “**income tax**” and “**discontinued operation**”), depending on the reporting entity’s main business activities, in the statement of profit or loss;
- Disclosure of management-defined performance measures (“**MPMs**”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as “other”.

4. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue recognised during the years ended 31 March 2025 and 2024 are as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Revenue from contracts with customers | | |
| By timing of revenue recognition: | | |
| Control transferred over time | <u>263,927</u> | <u>460,270</u> |
| By type of services: | | |
| Fitting-out services | <u>263,927</u> | <u>460,270</u> |

The chief operating decision-maker (the "CODM") has been identified as the board of directors of the Company. The board of directors regards the Group's fitting-out services as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------|-------------------------|-------------------------|
| Customer A ¹ | <u>263,518</u> | <u>444,097</u> |

¹ The customer represents a collection of companies within a group.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2025 and 2024.

2025
HK\$'000

**Remaining performance obligations expected to be satisfied during
the year ending:**

31 March 2026

101,187

2024
HK\$'000

**Remaining performance obligations expected to be satisfied during
the year ending:**

31 March 2025

104,360

31 March 2026

18,600

122,960

5. OTHER GAINS

2025
HK\$'000

2024
HK\$'000

Bank interest income

2

2

Sundry income

4

288

6

290

6. FINANCE COSTS

2025
HK\$'000

2024
HK\$'000

Interest on borrowings

5,021

5,776

Finance charges on lease liabilities

35

64

5,056

5,840

7. LOSS BEFORE INCOME TAX

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss before income tax is arrived at after charging/(crediting): | | |
| (a) Staff costs (including directors' remuneration) (note (i)) | | |
| Salaries, wages and other benefits (note (ii)) | 21,855 | 24,394 |
| Contributions to defined contribution retirement plans | 834 | 896 |
| Expenses arising from LSP obligations | 895 | – |
| | <u>23,584</u> | <u>25,290</u> |
| (b) Other items | | |
| Depreciation, included in: | | |
| Direct costs | | |
| – Owned assets | 3 | 23 |
| Administrative expenses | | |
| – Owned assets | 4 | 160 |
| – Right-of-use assets | 980 | 952 |
| | <u>987</u> | <u>1,135</u> |
| Subcontracting charges (included in direct costs) | 175,467 | 309,725 |
| Cost of materials and finished goods | 61,367 | 109,798 |
| Auditors' remuneration | 750 | 850 |
| Written off of retention receivable | 6,395 | 1,000 |
| Provision/(Reversal) for ECL allowance on trade and other receivables – net | 1,388 | (83) |
| Provision for ECL allowance on contract assets – net | 12,239 | 2,551 |

Notes:

- (i) Staff costs (including directors' remuneration) included in:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------|-------------------------|-------------------------|
| Direct costs | 16,468 | 17,448 |
| Administrative expenses | 7,116 | 7,842 |
| | <u>23,584</u> | <u>25,290</u> |

- (ii) During the year ended 31 March 2025, one director's quarter has been recognised as lease liability and corresponding right-of-use asset. The depreciation and lease payments in respect of the relevant right-of-use asset and lease liability amounted to approximately HK\$451,000 and HK\$473,000 (2024: HK\$434,000 and HK\$456,000), respectively.

8. INCOME TAX

No provision for the Hong Kong profits tax has been made for the year ended 31 March 2025 as the Group incurred loss for tax purpose for the year (2024: nil).

9. DIVIDEND

The Board did not recommend the payment of dividend for the year ended 31 March 2025 (2024: nil).

10. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

| | 2025 | 2024 |
|---|-------------|-------------|
| Loss attributable to equity holders of the Company (<i>HK\$'000</i>) | 32,183 | 4,439 |
| Weighted average number of ordinary shares in issue (<i>in thousands</i>) | 480,000 | 480,000 |
| Basic loss per share (<i>HK cents</i>) | <u>6.70</u> | <u>0.92</u> |

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2025 and 2024.

11. TRADE AND OTHER RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables | 18,182 | 12,540 |
| Less: ECL allowance | – | – |
| Trade receivables – net (<i>note (a)</i>) | 18,182 | 12,540 |
| Retention receivables (<i>note (b)</i>) | 4,401 | 13,766 |
| Other receivables, deposits and prepayments (<i>note (c)</i>) | 2,958 | 2,612 |
| | <u>25,541</u> | <u>28,918</u> |

Notes:

(a) Trade receivables – net

The credit period granted to customers are 30 days generally. The ageing analysis of the trade receivables based on invoice date is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-----------|-------------------------|-------------------------|
| 0–30 days | <u>18,182</u> | <u>12,540</u> |

During the year ended 31 March 2025, reversal of ECL allowance of approximately HK\$Nil (2024: reversal of ECL allowance of approximately HK\$3,000) were made against the gross amount of trade receivables.

(b) Retention receivables

Retention receivables were not past due as at 31 March 2025, and were due for settlement in accordance with the terms of respective contract (2024: nil).

The Group generally allows 5% to 10% of total contract price of its contracts as retention, which are unsecured, interest-free and recoverable at the completion of the defects liability period of individual contracts which range from 16 months to 18 months from the date of the completion of the respective contract.

The due date for settlement of the Group's retention receivables based on the completion of defects liability period as at 31 March 2025 and 2024 as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------------|-------------------------|-------------------------|
| Due within one year | <u>4,401</u> | <u>13,766</u> |

During the year ended 31 March 2025, write-off of retention receivables amounted to HK\$6,395,000 (31 March 2024: HK\$1,000,000) and additional provision of ECL allowance of approximately HK\$1,374,000 (2024: reversal of ECL allowance of approximately HK\$8,000) were made.

(c) Other receivables, deposits and prepayments

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Other receivables | 1,530 | 1,038 |
| Deposits | 213 | 200 |
| Prepayments (<i>note (i)</i>) | <u>1,260</u> | <u>1,405</u> |
| | 3,003 | 2,643 |
| Less: ECL allowance (<i>note (ii)</i>) | <u>(45)</u> | <u>(31)</u> |
| Balance at 31 March | <u><u>2,958</u></u> | <u><u>2,612</u></u> |

Notes:

- (i) Prepayment included payment in advance to suppliers approximately HK\$770,000 (2024: approximately HK\$933,000).
- (ii) During the year ended 31 March 2025, additional provision of ECL allowance of approximately HK\$14,000 (2024: reversal of ECL allowance of approximately HK\$72,000) were made.

12. RESTRICTED CASH

Restricted cash represents deposits held at an insurance company for faithful performance in accordance with the terms of the contract between the Group and the customer.

13. TRADE AND OTHER PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade payables (<i>note (a)</i>) | 9,018 | 28,050 |
| Accruals and other payables (<i>note (b)</i>) | 6,110 | 4,985 |
| | <u>15,128</u> | <u>33,035</u> |

Notes:

- (a) Payment terms granted by suppliers of materials and subcontractors are ranging from 0 to 30 days generally.

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------|-------------------------|-------------------------|
| 0–30 days | 8,178 | 21,974 |
| 31–60 days | – | 2,025 |
| 61–90 days | – | 3,152 |
| Over 90 days | 840 | 899 |
| | <u>9,018</u> | <u>28,050</u> |

- (b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK\$2,414,000 (2024: HK\$3,137,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK\$173,000 (2024: HK\$389,000); (iii) advance from subcontractors of approximately HK\$14,000 (2024: HK\$14,000) and (iv) accrued professional fees of approximately HK\$1,534,000 (2024: HK\$950,000).

14. SHARE CAPITAL

| | Number of ordinary shares | Share capital <i>HK\$'000</i> |
|----------------------------------|------------------------------|----------------------------------|
| Ordinary shares of HK\$0.01 each | | |
| Authorised: | | |
| At 31 March 2024 and 2025 | <u>1,000,000,000</u> | <u>10,000</u> |
| Issued and fully paid: | | |
| At 31 March 2024 and 2025 | <u>480,000,000</u> | <u>4,800</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

In 2024, the global economy exhibited a slow but steady recovery, marked by easing inflationary pressures. However, there was a clear divergence in the performance of different economies, leading to a further widening of the development gap. As a developed economy, Hong Kong did not experience significant breakthroughs during this year, but overall economic conditions remained stable. According to government data, the real GDP grew by 2.5% compared to 2023.

Economic performance varied widely across industries in Hong Kong. Both the import and export of goods and the financial market have shown improvement. In contrast, the property market, which is one of the economic pillars, remains weak, with poor land sale results causing the government's fiscal deficit to soar to billions of Hong Kong dollars.

In an effort to reignite the real estate sector, the Hong Kong government introduced and implemented multiple policies in 2024. For instance, the relaxation of property cooling measures aims to entice non-permanent residents to invest in housing. Although this policy initially generated substantial purchasing power, its impact waned over time and ultimately fell short of revitalizing the property market. Against this backdrop, activity in the renovation sector contracted further, leading to intensified competition and declining revenues across the industry.

Business Review

The Group is an established fitting-out contractor in Hong Kong with decades of experience since the establishment of one of its principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited (“**Hoi Sing Decoration**”), in 1995. The Group's fitting-out services cover both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works. Hoi Sing Decoration and Milieu Wooden Company Limited (“**Milieu**”), an indirect wholly-owned subsidiary of the Company, are registered under the voluntary Subcontractor Registration Scheme of the Construction Industry Council. Their services are mainly offered to residential and commercial properties in Hong Kong on a project basis.

The Group's sources of revenue are grouped into two categories: residential and non-residential fitting-out services. During the Review Year, the Group's revenue amounted to approximately HK\$263.9 million (FY2024: HK\$460.3 million). The decrease was primarily attributable to the declined number of projects in the market. Due to the current fierce industry competition, the Group's gross profit margin decreased 2.3 percentage points from 4.4% in FY2024 to 2.1% in the Review Year.

Outlook

In the 2025–26 Budget Speech, the Financial Secretary of Hong Kong acknowledged the city’s external uncertainties and highlighted the ongoing economic challenges. The current forecast indicates a moderate growth trajectory for the Hong Kong economy this year, with a projected real GDP growth ranging between 2% and 3% in 2025. The government anticipates a stable export performance this year, building upon last year’s policies and positive momentum. Moreover, the number of visitors to Hong Kong is expected to further increase, coupled with the anticipated recovery of other cross-border economic activities, which is forecasted to drive continued growth in service exports.

Regarding the real estate sector in Hong Kong, significant fluctuations are not anticipated in the near future, given the current subdued demand and absence of robust driving forces. The renovation industry is poised to remain under pressure. Nevertheless, prospects remain hopeful as the Hong Kong government’s effective talent acquisition strategies and its ambitious blueprint to establish a metropolis housing millions of residents may once again stimulate the real estate market and extend favourable impacts to adjacent industries.

The Group will vigilantly track market trends and adapt its strategies according to prevailing conditions to maintain stability in a complex market environment. Regardless of external fluctuations, the Group’s foundation will remain rooted in the careful and diligent execution of each project undertaken. At the same time, the Group will continue to keep a close watch on the global economic trend and market situations to capture new business opportunities that align with its strategic vision and core competencies.

Financial Review

Revenue

During the Review Year, the Group’s revenue decreased by approximately HK\$196.4 million or 42.7% to approximately HK\$263.9 million (FY2024: approximately HK\$460.3 million). Such decrease was primarily due to the decrease in the number of large-sized projects undertaken by the Company in the intense market competition during the Review year..

Gross profit and gross profit margin

During the Review Year, the Group’s gross profit decreased by approximately HK\$14.7 million to approximately HK\$5.5 million (FY2024: approximately HK\$20.2 million). The gross profit margin for the Review Year was approximately 2.1% (FY2024: approximately 4.4%). The drop in gross profit was due to the decrease in sizeable project undertaken during the Review Year. Meanwhile, the gross profit margin decreased by 2.3 percentage points resulted from the current fierce industry competition.

Other gains

During the Review Year, the Group recorded other gains of approximately HK\$6,000 (FY2024: approximately HK\$290,000).

Administrative and other operating expenses and provision for expected credit losses (“ECL”) allowance

During the Review Year, the Group’s administrative and other operating expenses and provision for expected credit losses (“ECL”) allowance increased by approximately HK\$13.6 million or 71.2% to approximately HK\$32.7 million (FY2024: approximately HK\$19.1 million). Such increase was primarily due to (i) increase in written off of retention receivables of approximately HK\$5.4 millions to approximately HK\$6.4 million (FY2024: approximately HK\$1.0 million); (ii) decrease in legal and professional fees and salaries of approximately HK\$2.7 million incurred during the Review Year; and (iii) the provision for ECL allowance increased by HK\$11.1 million to approximately HK\$13.6 million (FY2024: approximately HK\$2.5 million).

Finance costs

During the Review Year, the Group’s finance costs decreased by approximately HK\$0.7 million to approximately HK\$5.1 million (FY2024: approximately HK\$5.8 million). Such decrease was primarily due to the decrease in the average interest rate during the Review Year as compared to that of FY2024.

Net loss

During the Review Year, loss and total comprehensive expense attributable to equity holders of the Company increased by approximately HK\$27.8 million to appropriately HK\$32.2 million (FY2024: approximately HK\$4.4 million). Such increase was primarily due to (1) the decrease in the revenue and gross profit following the intense market competition as discussed above; and (2) the increase in administrative and other operating expenses during the Review Year as discussed above.

Liquidity, Financial Resources and Capital Structure

During the Review Year, there was no change in capital structure of the Group. The capital of the Company comprises only ordinary shares. As at 31 March 2025, the Company's issued capital was HK\$4.8 million and the number of issued ordinary shares of the Company (the "Shares") was 480,000,000 Shares of HK\$0.01 each.

As at 31 March 2025, the Group had total cash and bank balances of approximately HK\$43.1 million (FY2024: total cash and bank balances and restricted cash of approximately HK\$52.6 million). Such decrease was due to the net effect of net cash used in operating and financing activities of approximately HK\$9.5 million.

The Group's gearing ratio, calculated as total borrowings (including total interest-bearing liabilities) divided by the total equity, increased from approximately 55.0% as at 31 March 2024 to approximately 82.8% as at 31 March 2025. The increase was primarily due to the decrease in total equity which resulted from the net loss during the Review Year.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Principal Risks and Uncertainties

Our Directors are aware that our Group is exposed to various risks and uncertainties. The following are the key risks and uncertainties faced by our Group:

Industry Risks

Some of our competitors may have more resources, longer operating histories, stronger relationships with customers and reputable brand names and therefore we may face competition from other existing and/or new contractors in the tender process for fitting-out projects. Due to the large number of competitors, we may face significant downward pricing pressure thereby reducing our profit margins. If we cannot adapt effectively to market conditions and customer preferences or otherwise fail to provide a competitive bid as compared to our competitors, our services may not be attractive to customers and our business may be materially and adversely affected. Our competitors may also adopt aggressive pricing policies or develop relationships with our customers in a manner that could significantly harm our ability to secure contracts. If we fail to maintain our competitiveness in the future, our business, financial condition and results of operation may be materially and adversely affected.

Compliance Risks

Many aspects of our business operation are governed by various laws and regulations and government policies. There is no assurance that we will be able to respond to any such changes in a timely manner. Such changes may also increase our costs and burden in complying with them, which may materially and adversely affect our business, financial condition and results of operation. If there are any changes to and/or imposition of the requirements for qualification in the fitting-out industry in relation to environmental protection and labour safety, and we fail to meet the new requirements in a timely manner or at all, our business operation will be materially and adversely affected. Our executive Directors would hold regular meetings to ensure our Group's operations are in compliance with all applicable statutory requirements.

Uncertainties in Work Progress

We rely on the due and timely performance of our subcontractors for the timely delivery of our works. If our subcontractors' performance is not up to standard, we may not be able to rectify the substandard work or engage another subcontractor in time or at all. We may also not be able to replace materials of inferior quality procured by our subcontractors in time or at all or unless at extra costs. Any material non-performance, delayed performance or substandard performance of our subcontractors could result in deterioration of our service quality or unexpected delays in our scheduled completion time or even our ability to complete our projects, which could in turn damage our reputation, and potentially expose us to liability under the main contracts with our customers.

Failure to Guarantee New Business

Our revenue is typically derived from projects which are non-recurring in nature and our customers are under no obligation to award projects to us. During the Review Year, we secured new businesses mainly through direct invitation for quotation or tender by customers.

We cannot assure you that (i) we will be invited to provide quotations or participate in the tendering process for new projects; and (ii) our submitted quotations and tenders will be selected by customers. Accordingly, the number and scale of projects and the amount of revenue we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business. In the event that we fail to secure new contracts or there is a significant decrease in the number of tender/quotation invitations in the future, our business, financial position and prospects may be materially and adversely affected.

Our Directors believe that the public listing status will enhance our corporate profile and brand awareness among business stakeholders such as customers, contractors, project owners and government authorities. We believe that the public listing status will strengthen our internal control and corporate governance practices, which in turn would bolster our customers' and suppliers' confidence in us and attract potential new customers, as well as quality suppliers and subcontractors. Customers would tend to give preference to contractors who have a public listing status with good reputation, transparent financial disclosures and regulatory supervision. Our Directors believe that we will be able to maintain our competitiveness among the market leaders and differentiate ourselves from other competitors which are private companies during the tendering process, thus enhancing our success rate in securing sizeable projects.

Pledge of Assets

As at 31 March 2025, the Group did not have any pledge of assets.

Foreign Exchange Exposure

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

Capital Commitments and Contingent Liabilities

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

| | 2025 | 2024 |
|-------------------------------|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Property, plant and equipment | 92 | 92 |

The Group had no material contingent liabilities as at 31 March 2025.

Significant Investment, Material Acquisitions or Disposals of Subsidiaries and Associated Companies

During the Review Year, the Group did not have any significant investment, material acquisitions or disposals of subsidiaries or associated companies.

Significant Changes During The Review Year

Following the passing of the special resolution in relation to the proposed change of Company name by the Shareholders at the extraordinary general meeting held on 22 July 2024, a certificate of change of name was issued by the Registrar of Companies in the Cayman Islands

on 25 July 2024 certifying that the English name of the Company has been changed from “Yield Go Holdings Ltd.” to “Metaspacex Limited”, and the dual foreign name in Chinese of the Company, being “耀高控股有限公司” has been dispensed (the “**Change of Company Name**”). The existing English stock short name of the Company for trading in the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) was changed from “YIELD GO HLDGS” to “METASPACEX”, and the existing Chinese stock short name of “耀高控股” will be dispensed with and no Chinese stock short name will be adopted by the Company. The website of the Company was also changed from “http://www.yield-go.com” to “www.metaspacex.hk”, to reflect the Change of Company Name. For more detailed information, please refer to the announcements concerning the Change of Company Name published by the Group on 26 July 2024 and 20 August 2024.

Future Plans for Material Investments or Capital Assets

The Group did not have any future plans for material investments or capital assets during the Review Year.

Fund-Raising Activities

On 22 April 2024 (after trading hours), the Company and Wealth Link Securities Limited (the “**Placing Agent**”) entered into the placing agreement dated 22 April 2024 (the “**Placing Agreement**”), in relation to the placing (the “**Placing**”) of up to 24,000,000 Placing Shares. As the conditions precedent as set out in the Placing Agreement were not fulfilled by 28 May 2024, being the long stop date of the Placing Agreement, the Placing Agreement has lapsed and the Placing did not proceed. Further details were disclosed in the announcements of the Company dated 23 April 2024, 7 May 2024 and 28 May 2024.

Employees and Remuneration Policy

As at 31 March 2025, the Group employed a total of 55 full-time employees (including two executive Directors but excluding three independent non-executive Directors) as compared to a total of 69 full-time employees as at 31 March 2024 (including four executive Directors and two non-executive Directors but excluding four independent non-executive Directors).

The remuneration packages that the Group offers to employees include salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee’s qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the Review Year was approximately HK\$23.6 million compared to approximately HK\$25.3 million in FY2024.

The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group’s operating results, individual performance and comparable market statistics.

Dividend

The Board has resolved not to declare any dividend for the Review Year (FY2024: nil).

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 20 August 2025 to Monday, 25 August 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company (the “**AGM**”), all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Tuesday, 19 August 2025.

AGM

The AGM will be held at Unit 1203B, 12/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Monday, 25 August 2025. The notice of AGM will be published on the Company’s website at www.metaspacex.hk and the website of the Stock Exchange at www.hkexnews.hk and despatched to shareholders of the Company in due course.

CORPORATE GOVERNANCE CODE/OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted and applied the principles as set out in “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. During the Review Year and up to the date of this announcement, the Company has complied with all the applicable code provisions set out in the CG Code, except the deviation from code provision C.2.1 of the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Liang Wenzhi on 6 November 2024, the roles of chairman of the Board (the “**Chairman**”) became vacant. As at the date of this announcement, the Company is still looking for a suitable candidate to fill the vacancy of Chairman. In the meantime, the functions of Chairman is partly taken up by executive Directors of the Company. In addition, major decisions are made after consultation with the Board and appropriate Board committees, as well as senior management. The Board is therefore of the view that the Board is appropriately structured with balance of power to provide adequate safeguards in place to ensure the balance of power and authority within the Company, and sufficient checks to protect the interests of the Company and the shareholders as a whole. Further announcement regarding such appointment will be made by the Company as and when appropriate.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code during the Review Year and up to the date of this announcement.

Share Option Scheme

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purposes of the Share Option Scheme are to (i) motivate eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option schemes shall not, in aggregate, exceed 48,000,000 Shares, unless otherwise approved by the shareholders of the Company. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 31 March 2025.

Competing Interests

Neither the Directors, the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Purchase, Sale or Redemption of the Company’s Securities

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

Event after the Review Year

Save as disclosed below, there is no material subsequent event undertaken by the Group after 31 March 2025 and up to the date of this announcement.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Review Year and up to the date of this announcement.

Audit Committee Review

The Company established the audit committee (the “**Audit Committee**”) in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan. Mr. Cheng Pak Lam currently serves as the chairman of the Audit Committee.

The Group’s consolidated financial statements for the Review Year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

Scope of work of Grant Thornton Hong Kong 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 Review Year as set out in the preliminary announcement have been agreed by the Group’s auditors, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s consolidated financial statements for the Review Year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on the preliminary announcement.

Publication of Final Results and Annual Report

This annual results announcement is published on the Company’s website at www.metaspacex.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2025 annual report for the Review Year will be despatched to shareholders of the Company and available on the same websites in due course.

Appreciation

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

By order of the Board
Metaspacex Limited
Kang Ruipeng
Chief Executive Officer and Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. Kang Ruipeng and Mr. Deng Houhua as executive Directors; and Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan as independent non-executive Directors.