



# ITE (HOLDINGS) LIMITED

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

**(Stock Code: 8092)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*The Hong Kong Exchanges and Clearing Limited and the Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of this announcement.*

*This announcement, for which the directors (the “directors”) of ITE (Holdings) Limited (the “company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Exchange for the purpose of giving information with regard to the company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

## FINAL RESULTS

The board of directors (the “board”) of the company is hereby to announce the audited consolidated results of the company and its subsidiaries (“ITE” or the “group”) for the year ended 31 March 2024, together with the comparative audited figures for the previous year.

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	3, 4	<b>12,727</b>	15,939
Cost of services rendered		<b>(4,501)</b>	(6,284)
Cost of sales		<b>(83)</b>	(92)
<b>Gross profit</b>		<b>8,143</b>	9,563
Other revenue and other gains, net		<b>1,618</b>	3,699
Administrative expenses		<b>(7,618)</b>	(8,311)
Finance costs	5(a)	<b>(55)</b>	(33)
<b>Profit before taxation</b>	5	<b>2,088</b>	4,918
Income tax	6	<b>(87)</b>	(97)
<b>Profit for the year attributable to owners of the company</b>		<b>2,001</b>	4,821
<b>Other comprehensive income</b>			
<i>Item that may be reclassified to profit or loss, net of nil tax:</i>			
Exchange differences on translation of foreign operations		<b>13</b>	3
<b>Other comprehensive income for the year</b>		<b>13</b>	3
<b>Total comprehensive income for the year attributable to owners of the company</b>		<b>2,014</b>	4,824
<b>Earnings per share</b>	8		
Basic and diluted (HK cents)		<b>0.22</b>	0.52

## Consolidated Statement of Financial Position

	Note	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		769	1,548
Interest in an associate		-	-
		<b>769</b>	<b>1,548</b>
<b>Current assets</b>			
Inventories		-	53
Trade and other receivables	9	3,671	4,395
Income tax recoverable		17	457
Cash and cash equivalents		18,570	21,188
		<b>22,258</b>	<b>26,093</b>
<b>Current liabilities</b>			
Trade and other payables	10	2,563	3,817
Lease liabilities		726	690
Provisions		532	589
		<b>3,821</b>	<b>5,096</b>
<b>Net current assets</b>		<b>18,437</b>	<b>20,997</b>
<b>Total assets less current liabilities</b>		<b>19,206</b>	<b>22,545</b>
<b>Non-current liabilities</b>			
Lease liabilities		-	725
<b>Net assets</b>		<b>19,206</b>	<b>21,820</b>
<b>Capital and reserves</b>			
Share capital		9,255	9,255
Reserves		9,951	12,565
<b>Total equity</b>		<b>19,206</b>	<b>21,820</b>

## Consolidated Statement of Changes in Equity

	Share capital	Share premium	Merger reserve	Exchange reserve	Accumulated losses	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2022</b>	9,255	15,612	10,749	(16)	(13,051)	22,549
<b>Changes in equity for the year:</b>						
Profit for the year	-	-	-	-	4,821	4,821
Other comprehensive income for the year	-	-	-	3	-	3
Total comprehensive income for the year	-	-	-	3	4,821	4,824
Dividend in respect of previous year approved and paid	-	(5,553)	-	-	-	(5,553)
<b>At 31 March 2023 and 1 April 2023</b>	9,255	10,059	10,749	(13)	(8,230)	21,820
<b>Changes in equity for the year:</b>						
Profit for the year	-	-	-	-	2,001	2,001
Other comprehensive income for the year	-	-	-	13	-	13
Total comprehensive income for the year	-	-	-	13	2,001	2,014
Dividend in respect of previous year approved and paid	-	(4,628)	-	-	-	(4,628)
<b>At 31 March 2024</b>	9,255	5,431	10,749	-	(6,229)	19,206

### Notes:

#### 1. Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for the financial assets at fair value through profit or loss which are stated at their fair values.

#### 2. Changes in accounting policies

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the group. None of these developments are relevant to the group and have had a material effect on how the group’s results and financial position for the current or prior periods have been prepared and presented.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. Revenue

	2024 HK\$'000	2023 HK\$'000
Provision of smartcard systems, radio frequency identification (“RFID”) and information technology (“IT”) services		
- Service revenue	3,291	4,586
- Income from maintenance services	9,115	10,940
- Sales of service related products	321	413
	<u>12,727</u>	<u>15,939</u>

### 4. Segment reporting

#### (a) Operating segment information

The group conducts its business within one business segment, smartcard systems, RFID, IT services and related services. All of the group’s products and services are of a similar nature and subject to similar risk and returns. Accordingly, the group’s operating activities are attributable to a single operating segment.

#### (b) Geographical information

The group’s operations were principally located in Hong Kong, hence, geographical segment information is not considered necessary.

#### (c) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of total revenue of the group, is set out below:

	2024 HK\$'000	2023 HK\$'000
Customer A	1,541	N/A*
Customer B	<u>7,426</u>	<u>8,621</u>

\* The corresponding revenue did not contribute 10% or more of the group’s revenue.

## 5. Profit before taxation

Profit before taxation is arrived at after charging:

	2024	2023
	HK\$'000	HK\$'000
(a) Finance costs:		
Finance charges on lease liabilities	55	33
(b) Staff costs (including directors' remuneration):		
Salaries, wages and other benefits	7,529	8,773
Retirement scheme contributions	237	323
	<u>7,766</u>	<u>9,096</u>
(c) Other items:		
Auditor's remuneration	253	436
Cost of inventories	630	1,199
Depreciation		
- owned property, plant and equipment	74	234
- right-of-use assets	670	941
Development costs	965	838
Exchange loss, net	102	261
Expense relating to short-term leases and leases of low-value assets	33	46
Write-off of inventories	43	550

## 6. Income tax

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	87	80
Under-provision in respect of prior years, net	-	17
	<u>87</u>	<u>97</u>

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits during the year, except for one of the subsidiaries incorporated in Hong Kong within the group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of estimated assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No provision for Hong Kong Profits Tax has been made for other companies within the group as they incurred losses for tax purpose or had sufficient tax losses brought forward to set off estimated assessable profits (2023: HK\$Nil).

(b) At 31 March 2024, the group has not recognised deferred tax assets in respect of unused tax losses of approximately HK\$18,188,000 (2023: HK\$20,002,000) due to the uncertainty of the related tax benefits being realised through future taxable profits. The unused tax losses may be carried forward indefinitely.

## 7. Dividends

	2024	2023
	HK\$	HK\$
Proposed final dividend – HK\$0.2 cents (2023: HK\$0.5 cents) per ordinary share	<u>1,851,016</u>	<u>4,627,540</u>

The proposed final dividend for the year is recommended by the directors after the end of the reporting period which is to be paid out of the share premium account of the company. Such dividend is subject to the approval of the shareholders at the upcoming Annual General Meeting. These financial statements do not reflect this dividend payable.

## 8. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the company of approximately HK\$2,001,000 (2023: HK\$4,821,000) and the weighted average of 925,508,000 (2023: 925,508,000) ordinary shares in issue during the year, calculated as follows:

	2024	2023
Issued ordinary shares and weighted average number of ordinary shares	<u>925,508,000</u>	<u>925,508,000</u>

As the company does not have any potential dilutive ordinary shares during the years ended 31 March 2024 and 2023, basic and diluted earnings per share are the same.

## 9. Trade and other receivables

	2024	2023
	HK\$'000	HK\$'000
Trade receivables from contracts with customers	640	1,636
Contract assets	1,402	1,042
Deposits and prepayments	1,629	1,717
	<u>3,671</u>	<u>4,395</u>

All of the trade and other receivables, apart from certain deposits of HK\$939,134 (2023: HK\$1,397,298) are expected to be recovered or recognised as expenses within one year.

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK\$'000	HK\$'000
Less than 1 month	553	1,592
More than 1 month but less than 3 months	87	44
	<u>640</u>	<u>1,636</u>

Trade receivables are generally due within 30 to 45 days (2023: 30 to 45 days) from the date of billing.

## 10. Trade and other payables

	2024	2023
	HK\$'000	HK\$'000
Trade payables	96	279
Accrued charges and other payables	1,512	1,955
Amount due to directors	97	-
Contract liabilities	858	1,583
	<u>2,563</u>	<u>3,817</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows :

	2024	2023
	HK\$'000	HK\$'000
Less than 1 month	93	261
More than 1 month but less than 3 months	2	18
More than 3 months but less than 1 year	1	-
	<u>96</u>	<u>279</u>



## **SCOPE OF WORK OF CWK CPA LIMITED**

The figures in respect of the preliminary announcement of the group's results for the year ended 31 March 2024 have been agreed by the group's auditor, CWK CPA Limited ("CWK"), to the amounts nearest to thousands as set out in the group's consolidated financial statements for the year. The work performed by CWK 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 HKICPA and consequently no assurance has been expressed by CWK on this preliminary announcement.

## **DIVIDEND**

On 14 June 2024, the Directors recommend the payment of a final dividend of HK\$0.2 cents (2023: HK\$0.5 cents) per ordinary share of the company in cash distributed from the share premium account of the company for the year ended 31 March 2024 to shareholders whose names appear on the register of members of the company on 23 August 2024. As at 31 March 2024, the company's share premium account was approximately HK\$5,432,000. Subsequent to the approval of the company's shareholders at the forthcoming annual general meeting and after the payment of the proposed final dividend, assuming there are no other changes to the share premium account, the company's share premium account is expected to be reduced to approximately HK\$3,581,000. No interim dividend was declared and paid during the year. The recommendation of final dividend has not been incorporated in the financial statements for the year but will be recorded in the following year.

## **Closure of Register of Members**

### **(i) Entitlement to Attend and Vote at the 2024 Annual General Meeting**

The register of members will be closed from Wednesday, 31 July 2024 to Monday, 5 August 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 30 July 2024.

### **(ii) Entitlement to the Proposed Final Dividend**

The register of members will be closed from Wednesday, 21 August 2024 to Friday, 23 August 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 20 August 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management of the group has continued to utilise our professional and committed workforce and financial resources to achieve maximum return to our shareholders.

### **Business Review**

Throughout the year, our group remained dedicated to delivering our products and professional services to our customer base.

The Hong Kong economy saw signs of recovery post-pandemic in 2023. However, external challenges such as heightened geopolitical tensions and tightened financial conditions have constrained both the pace of Hong Kong's economic rebound and our group's business growth. Thus, the group maintains a prudent stance on future prospects. Internally, the group is steadfast in implementing rigorous financial strategies to mitigate costs and risks. The group has also proactively improved its positioning to navigate market complexities and ensure sustainable growth in the long term.

### **Future Prospect**

Since our establishment, we have been focusing on our core business and technologies, we continue to devote our efforts and resources for the long term growth of the group building on our *Innovation, Technology and Excellency*; three words which best explain ITE.

All members performed professionally under the corporate vision, mission and core values. Every year, new intellectual assets are created, accumulated and protected, and the range of professional services continues to expand to meet the fast growing needs of the changing world. We have firmly maintained our position as the pure rider to provide innovative solutions to our clients.

### **Key Risks and Uncertainties**

The group's insurance may be insufficient to cover all losses associated with its business operations. The group maintains insurance policies against loss or damage to its office and business interruption, public liability and employees' compensation. The insurance coverage may be insufficient to cover all the risks associated with the group's business and operations in the future. In the case of an uninsured loss or a loss in excess of insured limit, including those caused by natural disasters and other events beyond the group's control, the group may be required to pay for losses, damages and liabilities out of its own funds, which could materially and adversely affect its business, financial condition and results of operations. Even if the insurance coverage is adequate to cover its direct losses, the group may need to be responsible for the indirect losses. Furthermore, claim records of the group may affect the premiums which insurance companies charge in the future.

Despite of the above, the group considers that the current insurance coverage is sufficient for its existing operation scale and the group will review its insurance policies from time to time.

### **Compliance with Laws and Regulations**

As far as the board of directors of the company and management are aware, the group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the group.

### **Financial Performance**

For the year ended 31 March 2024, the group recorded a revenue of approximately HK\$13 million, representing a decrease of 20% over last year. Profits for the year attributable to owners of the company for the year ended 31 March 2024 was approximately HK\$2 million as compared to that of approximately HK\$5 million for last year.

## **Segmental Information**

During the year, the group recorded a decrease in revenue for about 20% when compared with last year and the group's gross profit margin improved from 60% to 64%.

The service revenue generated from core business, i.e. the provision of the smartcard systems, RFID and information technology ("IT") services and related sales, was HK\$3,612,016 (2023: HK\$4,999,034) which decreased by 28%. On the other hand, the income from maintenance services also decreased by 17% to HK\$9,114,762 (2023: HK\$10,939,711).

The group's administrative expenses decreased by 8% to HK\$7,618,180 (2023: HK\$8,311,038). Included in administrative expenses, the research and development cost and associated sponsorship was increased by 30% to HK\$1,215,032 (2023: HK\$938,029). Expenditure on research and development activities was totally expensed in profit or loss during the year. The decrease in administrative expenses was mainly attributable to the decrease in depreciation expense and supporting staff cost.

During the year, the group's finance cost was HK\$55,103 (2023: HK\$33,002) which related to finance charges on lease liabilities.

## **Liquidity and Financial Resources**

The group generally financed its operations with its internally generated cash flows. At 31 March 2024, the current ratio of the group was 5.83 (2023: 5.12) while the liquidity ratio was 5.83 (2023: 5.11). The overall financial and liquidity positions of the group remained at a stable and healthy level.

The group continues to adopt a conservative approach in its treasury policy. The group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial condition of its customers. Besides, the group's liquidity and financing arrangements are also reviewed regularly.

Taking into consideration the stringent cost control and the existing financial resources available to the group, it is believed that the group should have adequate financial resources to meet its operation, development requirements and investments in the future.

## **Capital Structure**

The capital of the company only comprises ordinary shares and there is no change in the capital structure of the group during the year.

## **Gearing Ratio**

At 31 March 2024, the gearing ratio of the group, which is calculated as the ratio of total borrowings to total equity, was nil (2023: nil).

## **Treasury Policy**

The group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, 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 from time to time.

## **Significant Investments**

The group had no significant investments during the year under review.

## **Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies**

During the year under review, the group had no acquisitions and disposals of subsidiaries and affiliated companies.

## **Employment Information**

The group recognises that its staff is one of the group's most important assets. Aiming at providing competitive salary packages, the group adjusts employees' salary level in close association with the performance, qualifications and experience of individual staff as well as labour market conditions. In addition to the regular remuneration, discretionary bonus and share options may be awarded to eligible employees with reference to individual performance and the group's business performance.

The group enjoys good relations with its staff and has not experienced any disruption of operations due to major labour disputes. In addition to the remuneration as mentioned above, the group also provides fringe benefits which comply with the relevant laws and regulations of Hong Kong including contributions to the Mandatory Provident Fund Scheme. Besides, the group also provides on-going training programmes for its employees to keep them abreast of the latest market trends and new technologies.

At 31 March 2024, the group had 24 (2023: 27) full-time employees and all are based in Hong Kong. Staff costs, including directors' remuneration, was approximately HK\$8 million (2023: HK\$9 million) for the year ended 31 March 2024.

## **Charges on Group Assets**

At 31 March 2024, the group did not have any charges on group assets (2023: nil).

## **Future Plans for Material Investments**

The group did not have any plans for material investment and acquisition of material capital assets as at 31 March 2024.

## **Exposure to Fluctuations in Exchange Rates and Related Hedges**

The group's assets, liabilities, revenues and expenses are mainly denominated in HK\$, United States dollars ("US\$"), British Pound ("GBP") and Renminbi ("RMB"). The exchange rates between HK\$, US\$, GBP and RMB have been steady for the past few years. During the year, the group generally used the receipts from customers to pay its suppliers and meet its capital requirements. They are denominated in the local currency of the place in which the subsidiaries operate. The group does not currently engage in hedging to manage possible exchange rate risk as the group considers the cost associated with such hedging arrangements would exceed the benefits. However, management will continue to monitor the possible exposure to exchange rate risk and will take such measures as it deems prudent.

## **Contingent Liability**

At 31 March 2024, the company did not have any contingent liability.

## **SHARE OPTION SCHEME**

The company operates the 2011 Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the group's operations. Eligible participants of the 2011 Scheme include the company's directors, including independent non-executive directors, other employees of the group, suppliers of goods or services to the group, customers of the group, advisers and consultants, etc. The 2011 Scheme became effective on 8 August 2011 and, unless otherwise cancelled or amended, remained in force for 10 years from that date. The 2011 Scheme expired on 7 August 2021 and there is no renewal or new scheme operating by the company thereafter.

## **PURCHASE, SALE AND REDEMPTION OF SHARES**

During the year, the company repurchased nil shares (2023: nil shares) in the share capital of the company on the Exchange pursuant to the general mandates granted by the shareholders at the annual general meetings of the company held on 8 August 2022 and 31 July 2023.

Save as disclosed above, neither the company nor any of its subsidiaries purchased, sold or redeemed any of the company's shares during the year.

## **COMPETING INTERESTS**

As at 31 March 2024, the directors were not aware of any business or interest of each director, managing shareholder and the respective associates of each that competes or may compete with the business of the group and any other conflicts of interest which any such persons have or may have with the group.

## **AUDIT COMMITTEE**

The company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 and code provision D.3.3 and D.3.7 of the GEM Listing Rules. The audit committee comprises three independent non-executive directors, Mr. Kam Hau Choi, Anthony (being the chairman of the audit committee), Mr. Wai Hing Cheung and Mr. Yeung Kin Hing.

The primary duties of the audit committee are to review the company's annual report and accounts, half-yearly report and quarterly reports, if any and to provide advice and comments thereon to the board. The audit committee meets at least four times a year with management to review the accounting principles and practices adopted by the group and to discuss the effectiveness of the company's financial reporting matters, internal control and also risk management systems. The principal terms of reference include, inter alia, its relationship with the company's external auditor, review of the company's financial information and oversight of the financial reporting system and internal control procedures of the company.

The group's financial statements for the year ended 31 March 2024 have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

## **CORPORATE GOVERNANCE**

The company is firmly committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The board ensures that effective self-regulatory practices exist to protect the interests of the shareholders of the company.

The company has applied the principles and complied with all the code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 15 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") throughout the year ended 31 March 2024, save for the deviations discussed below.

The board is responsible for performing the functions and duties set out in code provision A.2.1 of the Code. The terms of reference of the board include developing and reviewing the company's policies and practices on corporate governance and make recommendations to the board; reviewing and monitoring the training and continuous professional development of directors and senior management; reviewing and monitoring the company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors; and reviewing the company's compliance with the Code and disclosure in the corporate governance report.

Under the code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Lau Hon Kwong, Vincent is both the chairman and chief executive officer of the company who is responsible for managing the board and the group's business. Mr. Lau has been both chairman and chief executive officer of the company since its incorporation. The board considers that, with the present board structure and scope of business of the group, there is no imminent need to separate the roles into two individuals as Mr. Lau is perfectly capable of distinguishing the priority of these roles in which he has been acting. However, the board will continue to review the effectiveness of the group's corporate governance structure to assess whether the separation of the positions of chairman and chief executive officer is necessary.

Under the code provision B.2.2 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. However, the non-executive directors do not have a specific term of appointment, but are subject to rotation in accordance with the articles of association of the company. As such, the company considers that sufficient measures have been taken to serve the purpose of the code provision B.2.2 of the Code.

The company has not arranged any insurance coverage for the directors' liabilities in respect of any potential legal actions against the directors. Given the nature of the company's business, directors believe that the occurring of legal actions against the directors is very slight, and the company still can achieve excellent corporate governance through various management and monitoring mechanism so as to reduce such risks, such as periodic review on the effectiveness of internal control system, clear division of duties and providing training for staffs and the management. The board will review, on a regular basis, the necessity to arrange insurance cover for potential legal actions against the directors.

#### **COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES**

The company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year ended 31 March 2024. Having made specific enquiry of all directors, the directors have complied with such code of conduct and the required standard of dealings throughout the year ended 31 March 2024.

#### **PUBLICATION OF ANNUAL REPORT ON THE GEM WEBSITE**

The annual report of the company containing all the information required by the GEM Listing Rules will be published on the GEM website in due course.

By order of the Board  
**ITE (Holdings) Limited**  
**Lau Hon Kwong, Vincent**  
*Chairman*

Hong Kong, 14 June 2024

*The board as of the date of this announcement comprises Mr. Lau Hon Kwong, Vincent, Mr. Cheng Kwok Hung and Mr. Liu Hoi Wah as executive directors, Mr. Kam Hau Choi, Anthony, Mr. Wai Hing Cheung and Mr. Yeung Kin Hing as independent non-executive directors.*

*This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from its date of publication and on the website of the Company at [www.hkite.com](http://www.hkite.com).*