Wing Chi Holdings Limited
榮智控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6080

2025
Annual Report

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Cheuk Kam *(Chairman and Chief Executive Officer)*
Ms. Chau Man Chun

Independent Non-executive Directors

Mr. Wong Chik Kong
Mr. Chan Chung Kik, Lewis
Mr. Lee Kwok Lun

AUDIT COMMITTEE

Mr. Chan Chung Kik, Lewis *(Chairman)*
Mr. Wong Chik Kong
Mr. Lee Kwok Lun

NOMINATION COMMITTEE

Mr. Li Cheuk Kam *(Chairman)*
Mr. Chan Chung Kik, Lewis
Mr. Wong Chik Kong
Mr. Lee Kwok Lun

REMUNERATION COMMITTEE

Mr. Wong Chik Kong *(Chairman)*
Mr. Chan Chung Kik, Lewis
Mr. Lee Kwok Lun
Mr. Li Cheuk Kam

COMPANY SECRETARY

Ms. Li Mei Wai

AUTHORISED REPRESENTATIVES

Mr. Li Cheuk Kam
Ms. Li Mei Wai

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3010, 30/F.,
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

71 Fort Street, PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited
71 Fort Street, PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

Nanyang Commercial Bank, Ltd.

AUDITORS

SHINEWING (HK) CPA Limited
Certified Public Accountants
17/F, Chubb Tower
Windsor House
311 Gloucester Road
Causeway Bay Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

TC & Co.
Solicitors, Hong Kong
Units 501-2, 5/F
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

COMPANY'S WEBSITE

www.wingchiholdings.com

STOCK CODE

6080

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Wing Chi Holdings Limited (the "**Company**", which, together with its subsidiaries, is referred to as the "**Group**"), I am delighted to report the annual results of the Group for the year ended 31 March 2025.

The Group continues to operate as a dedicated Hong Kong based sub-contractor principally engaged in foundation and site formation works. For the year ended 31 March 2025, the Group recorded revenue of approximately HK$808.0 million, representing a significant increase of approximately 20.3% as compared to that of approximately HK$671.9 million for the year ended 31 March 2024. The Group recorded a increase in the profit attributable to shareholders of the Company (the "**Shareholders**") for the year ended 31 March 2025 of approximately HK$4.4 million as compared to that of approximately HK$3.7 million for the year ended 31 March 2024. Despite the notable increase in revenue, the gross profit margin of the Group remained under pressure during the year ended 31 March 2025, primarily due to (i) severe competition in the foundation and site formation market which has intensified pricing pressures and adversely impacted the gross profit margin during the year ended 31 March 2025; and (ii) the continued weakness in the Hong Kong economy which has further constrained the Group's profitability, leading to challenges in maintaining revenue levels and managing costs effectively. Therefore even revenue has substantial growth, the profit attributable to shareholders of the Company increase was moderated by those economic conditions.

According to the 2025–26 Land Sale List, the Government of the Hong Kong Special Administrative Region (the "**HKSAR Government**") planned to sell 8 residential sites which can be developed into approximately 4,450 flats. With reference to the HKSAR Government's 2025-26 Budget, in addition to the housing projects to be conducted by a private developer and the Urban Renewal Authority, the potential number of flats which will be built in 2025 is over 6,000 flats. However, no commercial sites will be sold this year due to high vacancy rates, and the HKSAR Government is considering rezoning some commercial areas to residential use. The HKSAR Government aims at a balanced and pragmatic approach to land supply, and will respond to market conditions to set housing options. This coupled with ongoing infrastructure projects, redevelopment initiatives, and the HKSAR Government's long term housing strategy targeting future housing supply, suggests that there will be continued demand for foundation and site formation works in both the public and the private sectors. In view of the HKSAR Government's sustained efforts in land supply and infrastructure development, the Directors maintain a cautiously positive outlook towards the construction industry in Hong Kong.

However, the operating environment remains challenging. Competition within the construction sector continues to be intense, putting pressure on project margins and tender prices. Furthermore, the broader economic climate in Hong Kong is still navigating global uncertainties, including high interest rates, geopolitical tensions, and shifts in the regional economic landscape, which can adversely impact the overall market sentiment and project pipelines. To navigate these challenges and sustain competitiveness, the Group remains focused on adopting stringent cost control measures across projects, enhancing operational efficiency, and strengthening project management capabilities to ensure timely and quality delivery of our services. The Group will also continue to actively devote its efforts to ensure the health and safety of our employees.

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our valued customers, suppliers, subcontractors, business partners and our Shareholders for their continuous support. I also extend my deep appreciation to the dedicated management teams and all our staff members for their hard work, resilience and commitment, which are crucial to the Group's achievements.

Li Cheuk Kam
Chairman
Hong Kong, 20 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the consolidated annual results of the Group for the year ended 31 March 2025 together with the corresponding year ended 31 March 2024.

BUSINESS REVIEW AND OUTLOOK

The Company is an investment holding company. The principal activities of its subsidiaries include foundation and site formation works for both the public and the private sectors in Hong Kong. The foundation and site formation works provided by the Group can be broadly classified as (i) excavation and lateral support ("**ELS**") works and (ii) pile caps construction and site formation works for both public and private sector projects. To a lesser extent, the Group also lease some of its machineries.

Apart from acting as a subcontractor in foundation and site formation works, the Group has actively sought to enlarge its scope of work in the construction industry. The Group not only focuses in acting as a subcontractor but also aims to act as a foundation main contractor in the future. The Group's principal operating subsidiary, Lik Shing Engineering Company Limited, has registered under the Construction Industry Council as a register of subcontractor and register of specialist trade contractors since May 2008 and May 2020 respectively. Lik Shing Engineering Company Limited has also registered under the Buildings Department as a registered specialist contractor in the foundation works category and site formation works category since December 2019 and July 2021 respectively. The Development Bureau of the HKSAR Government has approved the admission of Lik Shing Engineering Company Limited to Group B (Probation) under the "Roads and Drainage" category of the List of Approved Contractors for Public Works effective from January 2024.

During the year ended 31 March 2025, the Hong Kong economy has shown signs of recovery, driven by strategic investments and a robust push towards digital innovation. The HKSAR Government's ongoing commitment to infrastructure and housing projects is expected to further stimulate economic growth, creating enhanced opportunities in the construction industry.

The Directors acknowledge that uncertainties remain in the Hong Kong economy, with significant competition persisting in the foundation and site formation market. These factors continue to pose challenges for the Group's development. To navigate this landscape, the Group will maintain stringent cost control measures on existing projects, enhance workflow efficiency throughout the construction process, and strengthen project management effectiveness. Additionally, the Group will prioritise the health and safety of its employees, ensuring a secure work environment as it adapts to the evolving market conditions.

FINANCIAL REVIEW

During the year ended 31 March 2025, the Group had been awarded 42 new contracts, with an aggregate original contract sum of approximately HK$701.4 million and had completed 41 projects with an aggregate original contract sum of approximately HK$827.8 million. As at 31 March 2025, the Group had 39 projects on hand which include projects in progress as well as projects that have been awarded to us but not yet commenced. As at 31 March 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK$548.9 million (2024: approximately HK$592.3 million). This amount represents the revenue from construction contracts that is expected to be recognised in the future.

Revenue

The revenue from the foundation and site formation works of the Group for the year ended 31 March 2025 amounted to approximately HK$773.7 million, representing an increase of approximately HK$122.5 million, or 18.8% as compared to that of approximately HK$651.2 million for the year ended 31 March 2024. The increase is primarily due to the fact that we managed to obtain more large-size foundation and site formation works which include large-scale projects such as the Ma Tau Kok project, the Kai Tak Sites 2B3 & 2B4 project, the Kam Sheung Road, Yuen Long project and the Area 57 project in Tung Chung during the year ended 31 March 2025.

The revenue from machinery leasing for the year ended 31 March 2025 amounted to approximately HK$34.3 million, representing an increase of approximately HK$13.6 million, or 65.7% as compared to that of approximately HK$20.7 million for the year ended 31 March 2024. This amount represents the revenue derived from the leasing of the Group's machinery to contractors and/or subcontractors under operating leases. The increase is primarily due to the revenue derived from machinery leasing for the project of 3310 North Runway Modification Work and the Lamma Power Station project.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

The gross profit of the Group for the year ended 31 March 2025 amounted to approximately HK$42.2 million, as compared to the gross profit of approximately HK$41.3 million for the year ended 31 March 2024. The gross profit margin of the Group during the year ended 31 March 2025 was approximately 5.2%, as compared to the gross profit margin of approximately 6.1% for the year ended 31 March 2024. The slight increase in the gross profit amount but a decrease in the gross profit margin is mainly attributable to ongoing competitive pressures in the construction industry and rising construction costs.

The Group prices its services based on various factors, among others, the scope of works and the complexity of the projects. In this regard, the Group's profitability depends on the nature of projects engaged by the Group and the market environment. On the other hand, the Group prices its leasing machinery based on the procurement cost and the expected profit margin.

Other Income and Gains

The other income of the Group for the year ended 31 March 2025 amounted to approximately HK$2.0 million, representing an increase of approximately HK$0.3 million or 17.6% as compared to that of approximately HK$1.7 million for the year ended 31 March 2024. There is no significant movement for the other income and gains during the year ended 31 March 2025.

Administrative Expenses

The administrative expenses of the Group for the year ended 31 March 2025 amounted to approximately HK$37.6 million, representing an increase of approximately HK$1.3 million or 3.6% as compared to that of approximately HK$36.3 million for the year ended 31 March 2024. The increase in administrative expenses is primarily due to the increase of staff cost. During the year ended 31 March 2025, the Group has continued to expand its workforces to supports its business and has increased the remuneration packages of the employees and the Directors. The major cost included in the administrative expenses mainly related to salary expenses and Directors' remuneration, depreciation expenses and entertainment expenses.

Finance Costs

The finance costs of the Group for the year ended 31 March 2025 amounted to approximately HK$1.8 million, representing a significant increase of approximately HK$1.0 million or 125.0% as compared to that of approximately HK$0.8 million for the year ended 31 March 2024. The significant increase is primarily due to the fact that a new loan of HK$20 million has been obtained during the year ended 31 March 2025.

Income Tax Expenses

The income tax expenses of the Group for the year ended 31 March 2025 amounted to approximately HK$0.4 million, as compared to a that of approximately HK$2.2 million for the year ended 31 March 2024. The income tax expense represents the net effect on the movement of deferred tax expenses and Hong Kong income tax expense. The decrease of income tax expenses is mainly due to the decrease in provision of deferred tax expenses recognised during the year ended 31 March 2025.

Profit attributable to owners of the Company

The Group reported a net profit attributable to owners of approximately HK$4.4 million for the year ended 31 March 2025 as compared to that of approximately HK$3.7 million for the year ended 31 March 2024. The increase in profit attributable to owners of the Company is primarily due to the combined effect of (i) an increase in revenue but the Company is still under severe competition in the foundation and site formation market which has intensified pricing pressures and adversely impacted the gross profit margin during the year ended 31 March 2025 and (ii) a decrease in the gross profit margin due to the continued weakness in the Hong Kong economy which has further constrained the Group's profitability, leading to challenges in maintaining revenue levels and managing costs effectively. As a result, even there is substantial growth in the revenue of the Company, the increase in net profit attributable to owner has been moderated by the adverse economic conditions.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, and cash inflows from operating activities.

As at 31 March 2025, the Group had total assets of approximately HK$329.3 million (2024: approximately HK$344.5 million), of which current assets amounted to approximately HK$254.3 million (2024: approximately HK$277.6 million).

As at 31 March 2025, the Group had total liabilities of approximately HK$194.1 million (2024: approximately HK$213.6 million), of which current liabilities amounted to approximately HK$184.1 million as at 31 March 2025 (2024: approximately HK$202.5 million). As at 31 March 2025, the Group had total equity attributable to owners of the Company amounted to approximately HK$135.2 million (2024: approximately HK$130.8 million).

As at 31 March 2025, the Group had total bank balances and cash of approximately HK$50.0 million (2024: approximately HK$45.6 million). The movement in bank balances and cash was mainly due to utilization of funds in the Group's operation and in investing and financing activities.

As at 31 March 2025, the Group had total debts of approximately HK$34.7 million which include lease liabilities (2024: approximately: HK$25.0 million) denominated in Hong Kong dollars. The gearing ratio of the Group, calculated by the total debts (defined as the sum of the lease liabilities and bank borrowings) divided by the total equity is approximately 25.7% (2024: approximately 19.1%). The increase in the total debts and the gearing ratio during the Reporting Period is mainly due to the fact that a new loan has been obtained to invest in machinery to support the operation of ongoing projects. Therefore, the greater reliance on debt financing has elevated the gearing ratio, indicating a higher proportion of debt relative to equity.

TREASURY POLICY

The Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. The Board closely monitors the Group's liquidity position to ensure that the Group can meet its funding requirements for business development.

PLEDGE OF ASSETS

As at 31 March 2025, the Group's right-of-use assets with an aggregate net book value of approximately HK$7.0 million (2024: approximately HK$15.1 million) were pledged under finance leases. As at 31 March 2025, the Group's machineries with an aggregate net book value of approximately HK$26.7 million (2024: approximately HK$15.0 million) were pledged under bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

As the Group only operates in Hong Kong and almost all of the revenue and transactions arising from its operations are settled in Hong Kong dollars, the Board is 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 during the year ended 31 March 2025.

RISKS AND UNCERTAINTIES

The Group's operation is subject to the general economic environment and market risks which may affect our business performance. The Group believes that there are certain risks involved in our business and operations which can be summarised as follows:

Business risks

The Group's revenue is mainly derived from foundation and site formation works which are non-recurring in nature and any decrease in the number and size of construction projects awarded will affect the Group's operational and financial results. In addition, the Group determines the price of tenders for construction projects based on the estimated time and costs involved in the construction project concerned, and the actual time and costs incurred may exceed our estimates due to unexpected circumstances, thereby adversely affecting our operations and financial results.

The Group is currently involved in certain construction litigation and disputes which may adversely affect the Group's financial performance and reputation. On the other hand, the Group's liquidity position may be affected by delays or defaults of progress payments of retention monies by customers which will adversely affect the Group's cash flows or financial results.

Industry and market risks

The construction industry is highly competitive. There are a significant number of industry players who provide similar services as ours. The Group is also facing changes in laws, regulations and HKSAR Government policies which include the introduction of more stringent laws and regulations on environment protection and labour safety which may cause the Group to incur substantial additional expenditure.

All of the Group's revenue is derived in Hong Kong. If Hong Kong experiences any adverse economic conditions due to events beyond our control, such as a local economic downturn, natural disasters, contagious disease outbreaks, terrorist attacks, or if the local authorities adopt regulations that place additional restrictions or burdens on the construction industry in general, the Group's overall business and results of operations may be materially and adversely affected. The state of the political environment in Hong Kong may adversely affect the Group's performance and financial condition.

Construction machineries are regulated by the rules and regulations imposed by the Environmental Protection Department and the Labour Department of the HKSAR Government. New legal challenges and policies could be announced due to the change of environmental and social issues. Such changes will lead to an increase in the cost of operation of the Group. In light of such potential risk, we have acquired environmental-friendly machineries to replace the old ones to meet the environmental protection requirements and to protect public health.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied in all material respects with the applicable laws and regulations that have a significant impact on the business and operations of the Group.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

To maintain continuous growth of the business operation, the Group recognises that employees, customers and suppliers are the keys to its sustainable development. The Group maintains a good relationship with its employees, customers and suppliers.

Employees

The Group recognises that employees as valuable assets for the delivery of quality services and works to its customers. Therefore, the Group provides a comprehensive and competitive remuneration package, builds a stable workforce and cultivates a harmonious workplace to attract, motivate and retain appropriate and suitable employees to serve the Group.

The Group has implemented a performance appraisal system with appropriate incentives to motivate and reward employees at all levels. In addition, the Group recognises the importance of enriching the knowledges and skills of our employees for sustainable business development. Thus, the Group provides appropriate on-the-job-training and development opportunities to attain the employees' best performance.

Customers

The Group endeavours to maintain a good and long-term business relationship with customers by delivering quality services to satisfy their needs. Hence, the Group regularly engages with customers through a variety of communication channels, such as regular reviews and analysis on customer feedback to understand customers' needs and expectations.

All feedback collected are valued by management and are reviewed and duly considered in the decision-making processes.

Suppliers and sub-contractors

The Group maintains stable work relationships with the suppliers and the sub-contractors to ensure that good quality of works and services will be provided to the Group. The Group's management conducts periodic performance reviews with the suppliers and the sub-contractors. When selecting major suppliers and sub-contractors, the Group will perform an analysis on the capability of the suppliers and the sub-contractors such as the quality of products or services, delivery schedules, experience, track record, financial history and reputation.

CAPITAL EXPENDITURE

During the year ended 31 March 2025, the Group has invested approximately HK$36.8 million (31 March 2024: approximately HK$31.7 million) on the acquisition of machineries and equipment, motor vehicles and computer equipment. These capital expenditure have been principally funded by finance leases, bank borrowings and internal resources.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2025, the Group had capital commitments of approximately HK$1.0 million on acquisition of plant and equipment contracted for but not yet accounted for in the financial statements.

Save as disclosed in this annual report, the Group had no material capital commitments or contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 31 March 2025 and up to the date of this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 March 2025, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

During the year ended 31 March 2025, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 31 March 2025, the Group does not have other plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed a total of 493 employees (including Executive Directors and Independent Non-executive Directors), as compared to a total of 406 employees (including Executive Directors and Independent Non-executive Directors) as at 31 March 2024. The increase in the number of employees was mainly due to the fact that more labour intensive work progress have been conducted as at 31 March 2025. Total staff costs which include Directors' emoluments for the year ended 31 March 2025 was approximately HK$252.9 million (31 March 2024: approximately HK$191.7 million). The significant increase in staff costs is mainly due to the fact that substantial large projects have been conducted and the improvement of the remuneration packages of the employees and the Directors during the year ended 31 March 2025.

The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts an annual review on salary increases, discretionary bonuses and promotions based on the performance of each employee.

The emoluments of the Directors of the Company are decided by the Board after recommendation from the Remuneration Committee of the Company, having considered the factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in Appendix V to the Prospectus dated 30 September 2017 published by the Company.

During the year ended 31 March 2025, the Group has neither experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

MANAGEMENT DISCUSSION AND ANALYSIS

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of final dividend to Shareholders of the Company for the year ended 31 March 2025.

FUTURE PROSPECTS

The future prospects for the construction industry in Hong Kong remains cautiously optimistic, despite challenges such as a projected slowdown in growth driven by high interest rates, geopolitical tensions, a sluggish property market and a doubled budget deficit forecast of HKSAR Government. The Northern Metropolis Development Strategy (which covers the development of the Northern Metropolis which includes Yuen Long, Tin Shui Wai and Fanling/Sheung Shui) developed by the HKSAR Government will continue to be a cornerstone for growth, with the HKSAR Government's 2025-26 Budget emphasizing its role in fostering innovation, technology, and integration with the Greater Bay Area through infrastructure investments. The Group will prioritise enhancing cost control, bolstering project management, and improving production efficiency to navigate market challenges. While global economic uncertainties persist, the Group is well-positioned to deliver high-quality projects, leveraging Hong Kong's robust infrastructure pipeline to create value for shareholders and society.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. LI Cheuk Kam (李灼金) ("Mr. Li"), aged 57, was appointed as a Director of the Company on 13 March 2017 and redesignated as an Executive Director and appointed as the Chairman of the Board of Directors and the Chief Executive Officer of the Company on 25 May 2017. He is one of the controlling shareholders, the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Li is the founder of the Group. He is also a director of each and every wholly-owned subsidiary of the Group.

Mr. Li has over 40 years of experience in the construction industry in Hong Kong. He is primarily responsible for the overall business development strategy and for overseeing the day-to-day management of site operations of the Group. Mr. Li is the spouse of Ms. Chau Man Chun, the Executive Director of the Company and the father of Mr. Li Kun Yee, the project director of the Group. Mr. Li is the brother of Mr. Li Wai Fong, the Administration Manager of the Group. For Mr. Li's interest in the Shares within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**"), please refer to the section headed "Directors' Report" in this annual report.

Ms. CHAU Man Chun (周文珍) ("Ms. Chau"), aged 56, was appointed as an Executive Director of the Company on 20 March 2024. She joined Lik Shing Engineering Company Limited, a wholly owned subsidiary of the Company, in October 2007 as the Human Resources Manager. She is the Human Resources Manager of the Company and a Director of all the subsidiaries of the Company. She is responsible for the human resources management, training and education of employees of the Company.

Ms. Chau has completed her secondary school education and possesses over 18 years of experience in the construction industry. Ms. Chau is the spouse of Mr. Li Cheuk Kam, the Chairman and Executive Director of the Company and is the mother of Mr. Li Kun Yee, the project director of the Group. Ms. Chau is the sister-in-law of Mr. Li Wai Fong, the Administration Manager of the Group. For Ms. Chau's interest in the Shares within the meaning of Part XV of the SFO, please refer to the section headed "Directors' Report" in this annual report.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Chik Kong (黃植剛) ("Mr. Wong"), aged 52, was appointed as an Independent Non-executive Director of the Company on 21 September 2017. He is the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company.

Mr. Wong obtained a Higher Diploma in Architectural Studies from the City University of Hong Kong in November 1995. Mr. Wong has over 29 years of experience in the construction industry where he was primarily responsible for project management, cost control, supervision and co-ordination with consultants and sub-contractor for demolition, slope remedial, foundation and building projects.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. CHAN Chung Kik, Lewis (陳仲戟) ("Mr. Chan"), aged 52, was appointed as an Independent Non-executive Director of the Company on 21 September 2017. He is the Chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee of the Company.

Mr. Chan obtained a Bachelor's Degree of Commerce in Accounting from the University of Canberra in Australia in September 1997. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a member of Certified Practicing Accountant (Australia). Mr. Chan has extensive experience in auditing, accounting and corporate finance.

Mr. Chan served as an independent non-executive director of (i) Peking University Resources (Holdings) Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 618) from March 2017 to September 2021; and (ii) HG Semiconductor Limited (formerly known as HongGuang Lighting Holdings Company Limited), a company which was previously listed on the GEM of the Stock Exchange (Stock Code: 8343) in December 2016 and was subsequently transferred to the Main Board of the Stock Exchange (Stock Code: 6908) in November 2019, from December 2016 to June 2023.

Mr. Chan is an independent non-executive director of Founder Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 418) since March 2017. Mr. Chan is also the Chief Financial Officer and Company Secretary of T.S. Lines Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2510) since 1 November 2024.

Mr. LEE Kwok Lun (李國麟) ("Mr. Lee"), aged 41, was appointed as an Independent Non-executive Director of the Company on 21 September 2017. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

Mr. Lee graduated from the University of Hertfordshire with a Bachelor of Arts Degree in Accounting in September 2006. He has been admitted a member of the Association of Chartered Certified Accountants in January 2013. Mr. Lee has been a member of the Hong Kong Institute of Certified Public Accountants since September 2013. In May 2015, Mr. Lee was admitted as practicing member of the Hong Kong Institute of Certified Public Accountants. In 2018, Mr. Lee has been admitted as an associate member of the Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries) and the Institute of Chartered Securities and Administrators.

Mr. Lee has more than 18 years of experience in auditing and accounting. From September 2006 to February 2008, Mr. Lee held various positions in Y.K. Tsang & Co., an accounting firm, where he last served as an audit intermediate. Mr. Lee subsequently joined Chan and Chan, Certified Public Accountants in March 2008 as an intermediate audit clerk. Prior to his departure in August 2009, he worked in the capacity of a semi-senior. From September 2009 to January 2014, Mr. Lee held various position in SHINEWING (HK) CPA Limited, where he last served as an assistant manager. From January 2014 to October 2014 he was employed by BDO Limited as a manager in the Assurance Department. From November 2014 to April 2015, Mr. Lee was employed by KPMG as a manager. After leaving KPMG, Mr. Lee cofounded Prism CPA Limited in December 2015 and served as its director since then.

Mr. Lee is also the company secretary of Solis Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2227), the independent non-executive director of (i) Dragon Rise Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 6829); (ii) Ever Reach Group (Holdings) Company Limited, a company listed on the Main Board of the Stock Exchange (Sock Code: 3616) and (iii) Winto Group (Holdings) Limited, a company listed on the GEM of the Stock Exchange (Stock Code: 8238).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. LI Kun Yee (李灌宜) ("Mr. Li KY"), aged 34, is the project director of the Group since November 2023. He joined the Group in November 2014 and was appointed as an Executive Director of the Company on 25 May 2017 and resigned on 1 June 2018. Mr. Li re-joined the Group as a project manager in August 2022.

Mr. Li KY has over 11 years of experience in the foundation and site formation industry. He is primarily responsible for project management, cost control and supervision of construction progress. Mr. Li KY is the son of Mr. Li Cheuk Kam, the Chairman of the Board, Chief Executive Officer and Executive Director and Ms. Chau, our Executive Director. Mr. Li KY is the nephew of Mr. Li Wai Fong, the Administration Manager of the Group.

Ms. LI Mei Wai (李美慧) ("Ms. Li"), aged 38, is the chief financial officer and the Company Secretary of the Company. She joined the Group as financial controller in January 2017 and was promoted to the current position in June 2021. She is primarily responsible for financial planning, internal control, financial reporting and corporate secretarial practices of the Group.

Ms. Li obtained a Bachelor of Commerce (Honours) Degree in Accountancy (first class) from the Hong Kong Baptist University in November 2010 and graduated from The Hong Kong Polytechnic University with a Master's Degree in Corporate Governance (with distinction) in September 2021. Ms. Li also holds professional qualification as a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Institute of Chartered Accountants in England and Wales. She is also a Fellow Chartered Secretary and Fellow Chartered Governance Professional of the Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries).

Prior to joining the Group, Ms. Li worked in various international accounting firms from October 2010 to July 2015. From July 2015 to December 2016, Ms. Li served at management level at Melco International Development Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 200).

Mr. LEUNG Chun Pong (梁振邦) ("Mr. Leung"), aged 41, was appointed as an Assistant General Manager of the Company in January 2023. He joined the Group as construction project manager in April 2021. He is primarily responsible for overseeing the project operations and technical aspects of various projects of the Group.

Mr. Leung obtained a Bachelor's Degree and a Master's Degree of Science in Civil Engineering from the University of California, Los Angeles in June 2009 and June 2010 respectively. Mr. Leung also obtained the qualification of authorised signatory (AS) under the Specialist Contractor in the Foundation Works Category in September 2022.

Mr. Leung has over 15 years of experience in the foundation and site formation industry where he was primarily responsible for project management, cost control and supervision of construction progress.

Mr. LI Wai Fong (李偉芳) ("Mr. Li WF"), aged 50, was joined the Group as the Administration Manager in May 2014 and is primarily responsible for overseeing the administration matters of the Group. He served as an Executive Director of the Company from 25 May 2017 to 30 November 2023.

Mr. Li Wai Fong obtained a Bachelor of Engineering Degree majoring in Automation in June 1999. Mr. Li WF has over 25 years of experience in management and sales and marketing. Mr. Li WF is the brother of Mr. Li, the Chairman of the Board, Chief Executive Officer of the Company and an Executive Director. Mr. Li WF is the brother-in-law of Ms. Chau Man Chun, our Executive Director and the uncle of Mr. Li KY, the project director of the Group.

CORPORATE GOVERNANCE REPORT

The maintenance of a high standard of corporate governance has been and remains a top priority of the Group. The Group believed that effective corporate governance practices are fundamental to safeguarding and enhancing the interest of the Shareholders and stakeholders of the Group.

The Board is committed to maintaining and ensuring a high standard of corporate governance and will review the corporate governance practices of the Group from time to time to ensure that they reflect the latest development and meet the expectations of the Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own corporate governance code. To the knowledge of the Board, the Company has complied with the relevant code provisions in the CG Code during the period from 1 April 2024 to 31 March 2025 (the "**Reporting Period**") with the exception of code provision C.2.1 as explained below.

Chairman and Chief Executive Officer

The Board is headed by Mr. Li Cheuk Kam, the chairman of the Company (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**").

According to code provision C.2.1 of the CG Code, the roles of the Chairman the Chief Executive Officer should be separate and performed by different individuals. Mr. Li Cheuk Kam is both the Chairman and the Chief Executive Officer. In view of the in-depth knowledge and substantial experience of Mr. Li Cheuk Kam in the operations of the Group and his solid experience in foundation and site formation works, the Board believes it is in the best interests of the Company for Mr. Li Cheuk Kam to assume both the roles of the Chairman and the Chief Executive Officer until such time as the Board considers that such roles should be assumed by different persons.

The Directors consider that the deviation from provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that this management structure is effective for our Group's operations, and sufficient checks and balances are in place as three Independent Non-executive Directors have been appointed, and a risk management and internal control system has been set up.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as its own code of conduct regarding securities transactions by the Directors of the Company.

Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Company, all the Directors have confirmed to the Company that they have fully complied with the required standard set out in the Model Code during the Reporting Period.

CORPORATE GOVERNANCE REPORT

CORPORATE CULTURES AND VALUES

The Company is dedicated to cultivating a positive and forward-thinking culture based on the Company's purpose, values, and business strategies. This culture enables our employees to thrive, reach their full potential, and helps the Company achieve long-term sustainable growth and success in foundation and site formation industry.

Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various Group policies which include the Anti-corruption Policy, the Whistleblowing Policy and the Code of Conduct (included in the Group's Employee Handbook). Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

BOARD OF DIRECTORS

The Board is responsible for directing and supervising the Group's business affairs and the overall performance of the Group. The Board reserves its power in making decisions in the overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or reappointment, approval of major capital transactions and other significant operational and financial matters. The Directors, individually and collectively, must act in good faith in the best interest of the Company and Shareholders and fulfill their fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements. The Board has delegated to the management the authority and responsibility in the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these Committees are set out in this annual report.

Composition

The Company has complied with rules 3.10(1) and 3.10A of the Listing Rules during the Reporting Period. The Board comprises five Directors who include two Executive Directors, namely Mr. Li Cheuk Kam (Chairman of the Board), Ms. Chau Man Chun and three Independent Non-executive Directors, namely Mr. Wong Chik Kong, Mr. Chan Chung Kik, Lewis and Mr. Lee Kwok Lun.

Executive Directors

Mr. LI Cheuk Kam *(Chairman)*
Ms. CHAU Man Chun

Independent Non-executive Directors

Mr. WONG Chik Kong
Mr. CHAN Chung Kik, Lewis
Mr. LEE Kwok Lun

Biographical details for each Directors and their relationship among Board members are set out in the section headed "Biographical details of Directors and Senior Management" of this annual report.

BOARD INDEPENDENT VIEWS MECHANISM

We attach great importance to the independence of our Directors and believes that independence is the key to fairness and impartiality. The Independent Non-executive Directors play a significant role in balancing the interests of the public and the Company, and their diverse background can bring a broader mix of experience and broader perspectives to the Board of Directors.

During the Reporting Period, we have met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board of Directors. These Independent Non-executive Directors are individuals from diversified backgrounds and industries and one member has appropriate accounting and related financial management expertise.

In assessing the independence and suitability of a candidate for the position of Independent Non-executive Directors, the candidate nominated must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. The Independent Non-executive Directors must inform the Company and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his/her independence and to confirm his/her independence to the Group on an annual basis. The Company has received such annual confirmation of independence from each Independent Non-executive Director.

Whenever necessary, the Chairman of the Board of Directors can hold meetings with the Independent Non-executive Directors without the presence of other Directors to provide a useful platform for the Chairman to obtain independent advice on various issues of the Group. Upon reasonable request of the Independent Non-executive Directors, the Company will provide them with independent professional advice to assist them in performing their duties.

INDEPENDENT NON-EXECUTIVE DIRECTORS (“INEDS”)

During the Reporting Period, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors who represent one-third of the Board. These INEDs are individuals from diversified backgrounds and industries and one member has appropriate accounting and related financial management expertise.

The INEDs play a significant role in the Board as they bring an impartial view on the Group’s strategies, performance and control, as well as ensure that the interests of all shareholders are considered. All INEDs possess appropriate academic, professional qualifications or related financial management experience. None of the INEDs held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company.

In order to ensure that independent views and input of the INEDs are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors’ independence annually with regards to all relevant factors related to the Independent Non-executive Directors including the following:

- the required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company’s affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as Independent Non-executive Directors;
- no involvement in the daily management of the Company and have no relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the Independent Non-executive Directors regularly without the presence of the Executive Directors.

CORPORATE GOVERNANCE REPORT

The Company has signed with each of the Independent Non-executive Director a letter of appointment for a term of three years commencing from 20 September 2020, subject to retirement by rotation and re-election in accordance with the Articles of the Association (the "**Articles**") and the termination provisions of the letter of appointment. The appointment is renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of appointment.

Each Independent Non-executive Director is required to inform the Group as soon as practicable if there is any change that may affect his independence. The Company has received from each of the Independent No-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the Independent Non-executive Directors have met the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the independence guidelines. The Company has also complied with Rule 3.10(2) of the Listing Rules as one of the Independent Non-executive Directors possesses the appropriate professional accounting qualifications and financial management expertise.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Pursuant to Article 108(a) of the Articles of the Association of the Company, one-third of the Directors shall retire from office by rotation at each annual general meeting and that every Director shall be subject to retirement by rotation at least once every 3 years. However, a retiring Director shall be eligible for re-election.

The Articles of Association of the Company provides that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

BOARD MEETINGS AND GENERAL MEETING

During the Reporting Period, four Board meetings and a general meeting were held. All Directors have been given an opportunity to include matters in the agenda for regular Board meetings, and have also been given sufficient time to review documents and information relating to matters to be discussed in Board meeting in advance. Details of the attendance record of each Directors is set out below:

Directors	Attendance/ Number of Board Meetings	Attendance/ Number of General Meetings
Executive Directors		
Mr. LI Cheuk Kam	4/4	1/1
Ms. CHAU Man Chun	4/4	1/1
Independent Non-executive Directors		
Mr. WONG Chik Kong	4/4	1/1
Mr. CHAN Chung Kik, Lewis	4/4	1/1
Mr. LEE Kwok Lun	4/4	1/1

Every Director has access to Board papers and related materials, and the advice and services of the Company Secretary of the Company, and may seek independent professional advice at the Company's expense if so reasonably required. Directors will be continuously updated on the major development of the Listing Rules and other applicable statutes, codes and regulations to ensure compliance and to upkeep good corporate governance practices.

The Board is responsible for maintaining an on-going dialogue with the shareholders of the Company and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The Board notes that the Chairman of the Board and the chairmen or, in their absence, other members of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company should attend the annual general meetings of the Company to answer questions and collect views of the shareholders.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy which aims to achieve diversity on the Board, and a sustainable and balanced development of the Company (the "**Board Diversity Policy**"). The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, the Board should have a balance of skills, experience and knowledge in the industry and diversity of perspectives appropriate to the Company's business.

In the process of selection of Board members, the Company seeks to achieve board diversity through the consideration of a range of diversity perspectives which include but not limited to gender, age, cultural and education background, experience (professional or otherwise), skills and knowledge. While the Board recognises that gender diversity at the Board can be improved, given its current composition, the principle of Director's appointments will continue to be based on meritocracy, and candidates will be considered against objective criteria, taking into account factors based on our business model and special needs from time to time, and with due regard to the benefits of diversity on the Board and also the needs of the Board.

The Company values gender diversity and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation at the Board and senior management. In recognising the importance of gender diversity, the Company is committed to providing career development opportunities for female staff and to engaging more resources in training the female staff. The Company will also continue to recruit female talents based on the recruitment policy and with reference to the Board Diversity Policy as a whole.

As of 31 March 2025, 7.3% of our office colleagues are female. While the construction industry demands more manpower works, it is evident that the workforce in this industry is still predominantly male. Nevertheless, we remain committed to recruiting suitable talents to fill vacancies and promote diversity within the organisation. Please refer to the Environmental, Social and Governance Report on pages 28 to 54 of this annual report for further discussion on the employment and labour practices of the Group including gender diversity.

The Board comprises five Directors, one of them is female. The Nomination Committee will continue to review and assess the effectiveness of the Board Diversity Policy, annually and, whenever necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company encourages the Directors to attend relevant programmes to further enhance their knowledge to enable them to discharge their duties and responsibilities more effectively. Prior to their appointments, all Directors will be given relevant guideline materials together with the necessary induction and training to enable them to have a proper understanding of their duties and responsibilities under the Listing Rules and the applicable laws, rules and regulations. Briefings and professional development will be arranged for Directors whenever necessary. All Directors confirmed that they had participated in continuous professional development to develop and refresh their knowledge and skills and had complied with the code provision C1.4 of the CG Code during the Reporting Period.

According to the Directors' training records provided to the Company for the year ended 31 March 2025, training undertaken by all Directors during the year is summarised below:

Name	Type(s) of training (Note(s))
Current Directors	
Mr. LI Cheuk Kam	(a), (b)
Ms. CHAU Man Chun	(a), (b)
Mr. WONG Chik Kong	(a), (b)
Mr. CHAN Chung Kik, Lewis	(a), (b)
Mr. LEE Kwok Lun	(a), (b)

Notes:

(a) Participated in seminars/forums/conferences

(b) Read seminar materials/journals/articles/business or industry updates

BOARD COMMITTEES

The Board has set up three Board Committees, namely the audit committee (the "**Audit Committee**"), the nomination committee (the "**Nomination Committee**") and the remuneration committee (the "**Remuneration Committee**") (collectively, the "**Board Committees**") for overseeing particular aspects of the Company's affairs under its defined scope of duties and terms of reference. The terms of reference of each of the Board Committees have been posted on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense. The table below provides the membership information of these Committees on which each Board member serves as at the date of this annual report:

	Board Committees		
Directors	Audit Committee	Nomination Committee	Remuneration Committee
Mr. LI Cheuk Kam	–	C	M
Ms. CHAU Man Chun	–	–	–
Mr. WONG Chik Kong	M	M	C
Mr. CHAN Chung Kik, Lewis	C	M	M
Mr. LEE Kwok Lun	M	M	M

Notes:

C – Chairman of the relevant Committee

M – Member of the relevant Committee

AUDIT COMMITTEE

Pursuant to Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code, the Audit Committee consists of three members who are all Independent Non-executive Directors, namely, Mr. Chan Chung Kik, Lewis, Mr. Wong Chik Kong and Mr. Lee Kwok Lun. Mr. Chan Chung Kik, Lewis is the Chairman of the Audit Committee.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing the Company's financial reporting system (including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget) and the risk management and internal control procedures.

The Terms of Reference of the Audit Committee which were adopted by the Board on 21 September 2017 have been revised by the Board on 31 December 2018. The revised Terms of Reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements when reviewing the Company's interim and annual reports.

The Audit Committee has reviewed the condensed consolidated interim report for the six-month period ended 30 September 2024 and the audited consolidated financial statement of the Group for the year ended 31 March 2025. The Audit Committee is satisfied that these financial statements have been prepared in accordance with applicable accounting standards and requirements.

The Audit Committee held two meetings during the Reporting Period and has reviewed, and recommended to the Board for approval of the Company's audited financial statements for the year ended 31 March 2024 and the interim financial statements for the six-month period ended 30 September 2024. The individual attendance record of each member at the meeting of the Audit Committee is set out below:

Directors	Attendance/ Number of Meetings
Mr. CHAN Chung Kik, Lewis	2/2
Mr. WONG Chik Kong	2/2
Mr. LEE Kwok Lun	2/2

Subsequent to the year ended 31 March 2025, the Audit Committee held one meeting and have reviewed and recommended to the Board for approval of the Company's audited financial statements for the year ended 31 March 2025.

NOMINATION COMMITTEE

Pursuant to Rule 3.27A of the Listing Rules, the Nomination Committee consists of one Executive Director, namely Mr. Li Cheuk Kam and three Independent Non-executive Directors, namely, Mr. Chan Chung Kik, Lewis, Mr. Wong Chik Kong and Mr. Lee Kwok Lun. Mr. Li Cheuk Kam is the Chairman of the Nomination Committee.

The primary duties of the Nomination Committee include reviewing the independence of the Independent Non-executive Directors; reviewing the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Group's strategy; to identifying qualified individuals to become members of the Board; and to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

The Terms of Reference of the Nomination Committee which were adopted by the Board on 21 September 2017 have been revised by the Board on 31 December 2018. The revised Terms of Reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

During the Reporting Period, the Nomination Committee held one meeting to review the structure, size and diversity of the Board, assess the independence of the Independent Non-executive Directors and recommend to the Board for consideration the re-election of all the retiring Directors at the 2024 annual general meeting.

The appointment of the new Director is determined with reference to the Nomination Policy of the Company and the selection criteria to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

The Nomination Committee also recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance with reference to the Board Diversity Policy of the Company which is set out under the subsection headed "Board Diversity Policy" on page 18 in this annual report.

The Company pays close attention to the objective of board diversity (including gender diversity) and ensures at least one Director of a different gender in the Board. If the Nomination Committee deems it necessary in the future, it will further identify suitable female candidates to join the Board through various channels in due course.

The individual attendance record of each member at the meeting of the Nomination Committee is set out below:

Directors	Attendance/ Number of Meetings
Mr. LI Cheuk Kam	1/1
Mr. WONG Chik Kong	1/1
Mr. CHAN Chung Kik, Lewis	1/1
Mr. LEE Kwok Lun	1/1

CHANGE IN COMPOSITION OF NOMINATION COMMITTEE

For the purpose of complying with the revised Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to be effective from 1 July 2025, Ms. Chau Man Chun, an Executive Director of the Company, has been appointed as a member of the Nomination Committee with effect from 20 June 2025.

Ms. Chau Man Chun currently serves as an Executive Director of the Company. The Board believes that her extensive experience and expertise will make valuable contributions to the diversity of the Board and the Nomination Committee.

Board Nomination Policy

The Company has adopted a Board Nomination Policy for the Nomination Committee to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

If the Board recognises the need for an additional Director, the Nomination Committee will carry out the selection process by making reference to the Board Diversity Guideline, the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an INED, the Company's needs and other relevant statutory requirements and regulations.

Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

(a) Character and integrity;

(b) Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(c) Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;

(d) The number of existing directorships and other commitments that may demand the attention of the candidate;

(e) Requirement for the Board to have Independent Non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;

(f) Board Diversity Policy of the Company and any measurable objectives adopted by the Committee for achieving diversity on the Board; and

(g) Such other perspectives appropriate to the Company's business.

Director Nomination Procedure

Subject to the provisions in the Articles of Association of the Company and the Listing Rules, if the Board recognises the need for an additional Director or member of senior management the following procedure will be followed:

(a) the Committee and/or Board identifies potential candidates based on the criteria as set out in section criteria, possibly with assistance from external agencies and/or advisors;

(b) the Committee and/or the Company Secretary of the Company provides the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Act of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;

(c) The Committee would make recommendation on the proposed candidate(s) and the terms and conditions of the appointment to the Board;

(d) The Committee should ensure the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;

(e) In the case of the appointment of an Independent Non-executive Director, the Committee and/or the Board obtains all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and

(f) The Board deliberates and decides on the appointment based upon the recommendation of the Committee.

REMUNERATION COMMITTEE

The Remuneration Committee consists of one Executive Director, namely Mr. Li Cheuk Kam and three Independent Non-executive Directors, namely, Mr. Chan Chung Kik, Lewis, Mr. Wong Chik Kong and Mr. Lee Kwok Lun. Mr. Wong Chik Kong is the Chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations on the remuneration of the Company's senior management and members of the Board, such as formulating and making recommendations to the Board on the remuneration policy, determining the specific remuneration packages of all Executive Directors, Non-executive Directors and senior management and making recommendations to the Board of the remuneration of Independent Non-executive Directors. The model of Remuneration Committee described in code provision E.1.2(c)(ii) of the CG Code has been adopted by the Remuneration Committee, which makes recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, compensation for loss or termination of office and to review and/or approve matters relating to share schemes established under Chapter 17 of the Listing Rules.

The Terms of Reference of the Remuneration Committee which were adopted by the Board on 21 September 2017 have been revised by the Board on 20 January 2023. The revised Terms of Reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee held one meeting during the Reporting Period to discuss the remuneration policy for Directors and senior managements and recommended to the Board for consideration the remuneration policy for Directors and senior managements at the 2024 annual general meeting. The remuneration of Directors and senior managements of the Company is determined with reference to the remuneration policy of the Group and based on individual skills, knowledge, performance and contribution, the overall performance of the Group, the prevailing economic environment and the market trend.

The individual attendance record of each member at the meeting of the Remuneration Committee is set out below:

Directors	Attendance/ Number of Meetings
Mr. WONG Chik Kong	1/1
Mr. LI Cheuk Kam	1/1
Mr. CHAN Chung Kik, Lewis	1/1
Mr. LEE Kwok Lun	1/1

COMPANY SECRETARY

Ms. Li Mei Wai was the Company Secretary during the Reporting Period. She is also the Company's chief financial officer. During the Reporting Period, she has undertaken not less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules. The biography of Ms. Li Mei Wai is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board has developed, reviewed and keep monitoring the Company's corporate governance policies and practices, training and continuous professional and development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility in preparing the consolidated financial statements of the Group for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for the year ended 31 March 2025. The Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable in preparing the financial statements of the Group.

The Board having made appropriate enquires, consider that the Group has adequate resources and is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the consolidated financial statements of the Group. The statement of the independent auditor of the Company about their reporting responsibilities to the financial statements are set out in the Independent Auditor's Report of this annual report.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

RISK MANAGEMENT AND INTERNAL CONTROLS SYSTEM

The Board has overall responsibilities for maintaining an adequate risk management and internal control system to safeguard the Group's assets, to ensure the maintenance of proper accounting records and compliance with applicable laws, rules and regulations.

The Board acknowledges that it has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems. The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has established an on-going process for identifying, evaluating and managing the significant risks of the Group. The department heads of the Group are responsible for identifying, assessing and monitoring risks associated with their respective units. The results of evaluation will be reported to the management through regular internal meetings. Each year, the management will prepare a risk assessment report which lists the risks identified and the management's assessment on the impact to the Group. All the findings and material issues will be summarised and presented to the Board and the Audit Committee for review. The Audit Committee will also report to the Board on any material issues and makes recommendations to the Board. The Board will then discuss findings in the risk assessment report and evaluate the effectiveness of the risk management and internal control systems in a Board meeting.

The Company has established and maintained procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in the securities of the Company by the Directors in accordance with Appendix C3 of the Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company.

The Group has designed and established appropriate policies and controls to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with and reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements. These policies and procedures provide a reasonable assurance that material misstatements or losses are prevented, potential interruption of the Group's management system is detected, and risks existing in the course of arriving at the Group's objectives are properly managed.

The Group does not have an internal audit function due to the Group's relatively simple corporate and operation structure and for cost effectiveness consideration. Instead, the Company has engaged an external independent consulting firm (the "**Consultant**") to perform the internal audit function and to review the effectiveness and efficiency of the Group's risk management and internal controls systems annually. During the Reporting Period, the Consultant with staff in possession of the relevant expertise have conducted an annual review to assess the effectiveness of the Group's risk management and internal control systems. This review covered major financial, operational and compliance controls in rotation basis and also the risk management functions. No significant deficiency has been identified during the course of review and the Consultant concluded that the risk management and the internal controls systems of the Group are operating effectively and adequately.

The Audit Committee has reviewed the internal control review report issued by the Consultant and the Board has assessed the effectiveness of the internal control systems by considering the internal control review report and the reviews performed by the Audit Committee and opined that the Company's risk management and internal control systems in respect of the year ended 31 March 2025 are effective and adequate. The recommendations put forwarded by the Consultant and the Audit Committee have already been implemented in stages by the Group to further enhance its internal control and risk management policies, procedures and practices.

The Group has yet to establish its internal audit function during the Reporting Period as required under code provision D.2.5 of the CG Code. The Audit Committee and the Board have considered the internal control review report prepared by the Consultant and communicated with the Company's external auditors in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

WHISTLEBLOWING POLICY

To comply with code provision D.2.6 in Part 2 of the CG Code, the Board has adopted a whistleblowing policy (the "**Whistleblowing Policy**") in 2017 to provide formal channels and guidance to facilitate the raising of matters of concern by the employees of the Group (the "**Employee**") and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) (the "**Third Parties**", each a "**Whistleblower**"), in confidence, without fear of reprisals. Procedures have been formulated to enable the Whistleblower to report to the Group directly (addressed to the Head of Group's human resources department) suspected improprieties. This Policy has been revised by the Board on 21 June 2023. The revised Policy is available on the websites of the Company.

ANTI-CORRUPTION POLICY

To comply with code provision D.2.7 in Part 2 of the CG Code, the Board has adopted an anti-corruption policy (the "**Anti-corruption Policy**") in 2017 to set out the guidelines and responsibilities of the Employees, the Third Parties and those acting in an agency or fiduciary capacity on behalf of the Group. The Group Is committed to maintain a high standard of integrity, openness and discipline in its business operations. This Policy forms an integral part of the internal control framework which include the CG Code and the Whistleblowing Policy, outlines the Group's expectations and requirement of business ethics, as well as the investigation and reporting mechanism of suspected corruption practices. This Policy has been revised by the Board on 21 June 2023. The revised Policy is available on the websites of the Company.

AUDITOR'S REMUNERATION

During the Reporting Period, the remuneration paid or payable to the Company's auditor, SHINEWING (HK) CPA Limited, and its affiliated firms, in respect of its audit and non-audit services was as follows:

Directors	Service Fee HK$'000
Audit services	900
Non-audit services:	
– Review for interim report	260
– Others*	30
Total	1,190

* Including services provided by SHINEWING (HK) CPA Limited's affiliated firms.

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on Directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure from the business of the Group during the Reporting Period.

INSIDE INFORMATION POLICY

The Group have complied with the requirements of the Securities and Futures Ordinance ("**SFO**") and the Listing Rules regarding inside information during the Reporting Period. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the "**safe harbours**" as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures that the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements, circulars and reports of the Company is not false or misleading as to a material fact, or false or misleading due to the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make appropriate investment decisions.

The members of the Board and Board Committees and the external auditor will be present to answer shareholders' questions in the annual general meetings of the Company. Circulars will be distributed to all shareholders before the annual general meeting and any special general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the articles of association of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the relevant general meetings.

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any enquires.

A revised Shareholders Communication Policy has been adopted on 31 December 2023 to incorporate amendments to the Listing Rules regarding the paperless listing regime. The revised Policy is currently made available on the Company's website.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy and considered it to be effective.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene General Meeting

Procedures for Shareholders to Convene General Meeting Pursuant to Article 64 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the voting rights (on a one vote per share bases) in the capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary by mail at "Room 3010, 30/F., Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong" for the purpose of requiring an extraordinary general meeting to be called by the Board and adding resolutions to the agenda of the meeting for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisition(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting Forward Proposal at Shareholder's Meeting

Shareholders are requested to follow Article 64 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for Shareholders to Convene General Meeting".

Procedures for Proposing a Person for Election as a Director

Pursuant to Article 113 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director signed by a Shareholder and notice in writing signed by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The Company shall include the particulars of such proposed person for election as a Director in an announcement or a supplementary circular, and shall give the Shareholders at least seven days to consider the relevant information disclosed in such announcement or supplementary circular prior to the date of the meeting of the election. The period for lodgment of the notices required will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

Procedures by which Enquiries may be out to the Board

Shareholders are welcomed to send their enquiries to the Board, such enquiries can be addressed to the Company Secretary in writing by post to the Company's principal place of business in Hong Kong at Room 3010, 30/F., Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong or by email at info@wingchiholdings.com.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

There is no change in the memorandum and articles of association of the Company during the Reporting Period.

At the forthcoming 2025 AGM, the Directors intend to recommend to the Shareholders to consider a proposal and to pass a Special Resolution to amend the articles of association of the Company in order to (i) bring the current articles of association of the Company in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the relevant amendments made to the Listing Rules and (ii) provide the Company with more flexibility in the manner of holding general meeting by allowing general meetings to be convened and held by way of physical meetings, hybrid meetings or solely by electronic means; (iii) allow the Company to hold repurchased shares as treasury shares for future resale; and (iv) make some housekeeping amendments. Details of the proposed amendments will be set out in both the circular and the notice of the forthcoming 2025 annual general meeting.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS ESG REPORT

This ESG report presents a comprehensive overview of Wing Chi Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the reporting period ended 31 March 2025 (the "**Reporting Period**"). It highlights our ongoing efforts and initiatives in corporate social responsibility and sustainable development.

The Group primarily engages in foundation and site formation services, covering a wide scope of construction activities such as excavation, lateral support works, pile cap construction, and general site formation for both public and private sector projects. In addition, the Group occasionally leases its machinery to other construction companies.

The Group is committed to sustainable and responsible growth. We aim to improve quality of life through urban and infrastructure development, create a positive work environment, support our employees' career growth, and bring long-term value to our stakeholders.

BOARD STATEMENT

The Board of Directors (the "**Board**") has integrated Environmental, Social, and Governance ("**ESG**") principles into the Group's overall risk management and internal control framework to balance business growth with sustainable development. This approach strengthens the Group's resilience to environmental and social challenges and promotes transparent, responsible governance.

To ensure sustainability is embedded across operations, the Group has established a clear governance structure involving the Board, management, and key personnel from various departments.

The Board holds ultimate accountability for ESG matters. It is responsible for setting ESG strategies, overseeing risk assessments, reviewing the effectiveness of relevant policies and initiatives, and approving this ESG Report.
At the implementation level, management takes the lead in executing ESG strategies. Their responsibilities include identifying ESG-related risks and opportunities, developing action plans, integrating ESG into internal controls, and refining related policies, performance targets, and initiatives. Management also stays informed of evolving industry standards, local and international ESG regulations, and emerging sustainability trends to ensure both compliance and leadership in ESG practices.

Key personnel from relevant departments play a supporting role in the Group's ESG efforts. They are responsible for collecting accurate data, proposing area-specific improvements, and ensuring alignment with the Group's ESG strategy. They report ESG-related performance and feedback to management and facilitate communication across departments to support effective implementation.

The Board conducts annual reviews of ESG performance, meeting with management and responsible personnel to monitor progress and evaluate results. Any discrepancies or misalignments identified prompt a reassessment of the Group's risk management, strategic planning, and decision-making processes to ensure continued alignment with the Group's long-term sustainability goals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING SCOPE AND STANDARDS

This ESG Report focuses on the Group's principal business segment—foundation and site formation works. It has been prepared in accordance with the "Environmental, Social, and Governance Reporting Guide" (the "**ESG Guide**") set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). For the Reporting Period, the Group has complied with the ESG Guide's mandatory disclosure requirements as well as the "comply or explain" provisions.

We adhered to the core principles of the ESG Guide which stated below:

Materiality	Material ESG factors are identified through stakeholder engagement and materiality assessments to ensure relevance and significance to our business operations and stakeholders.
Quantitative	Quantitative key performance indicators ("**KPIs**") are presented along with narrative explanations where appropriate.
Consistency	KPI calculation methods and disclosures are kept consistent over time to enable meaningful comparisons, unless otherwise stated.

The information presented in this ESG Report is derived from the Group's official documents and statistical data, as well as compiled and summarized monitoring, management, and operational information provided by the Group's subsidiaries.

To allow better navigation of relevant ESG topics, a detailed ESG content index is available at the end of this ESG report. The corporate governance practices of the Group are set out in the Corporate Governance Report, from pages 14 to 27 of the annual report.

ENGAGEMENT WITH STAKEHOLDERS

Recognizing the vital role stakeholders play in the Group's continued growth, we actively engage with them to better understand their interests, concerns, and expectations. By leveraging diverse communication channels, we align our strategies and initiatives to reflect stakeholder feedback and enhance long-term value creation.

The table below presents our key stakeholder groups, the communication methods employed, and the outcomes of these engagements.

Stakeholder Groups	Specific Stakeholder(s)	Communication Channel	Expectations and concerns
Investors	• Shareholders • Potential investors	➢ Corporate website ➢ Annual and interim financial reports ➢ Announcements and disclosures of stock listing information ➢ Annual general meetings and extraordinary general meetings	➢ Financial result ➢ Corporate governance
Employees	• Senior management • Staff • Direct workers • Potential recruits	➢ Direct communication ➢ Independent focus groups and interviews ➢ Training and seminars ➢ Regular performance assessments ➢ Corporate Social Responsibility ("**CSR**") activities	➢ Career ➢ Remuneration and benefit ➢ Working environment ➢ Health and safety
Customers	• Government departments and statutory bodies • Property developers • Landowners • End users	➢ Periodic meetings with contractors and customers ➢ Customer assessments ➢ Designated customer hotline	➢ Price ➢ Service quality
Suppliers/ Contractors	• Suppliers • Sub-contractors • Service providers	➢ Supplier assessments ➢ Daily work reviews ➢ Site inspections and meetings with sub-contractors	➢ Stable relationship ➢ Working environment
Community	• National and local community organisations	➢ Charitable donations ➢ CSR activities	➢ Corporate social responsibility
Government	• National and local governments • Regulators	➢ Written correspondence ➢ Statutory reports and general disclosures	➢ Compliance with law and regulations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group regularly reviews and identifies ESG issues that are relevant to its operations and stakeholders. An annual materiality assessment is conducted by management and key personnel from major functions, taking into account business developments and emerging sustainability trends. This process aims to determine ESG topics that are most significant to the Group and its stakeholders.

The assessment begins with a review of the Group's business activities, the ESG Reporting Guide, and industry practices to compile a list of potential ESG issues. These topics are then analyzed and prioritized based on two main criteria: their potential impact on stakeholders' decisions and their significance in terms of economic, environmental, and social outcomes.

Following this analysis, the Board reviews and validates the prioritized topics to confirm the list of material ESG issues. These issues are regularly re-evaluated to reflect changes in business conditions or stakeholder expectations. Based on the findings, the Group formulates corresponding ESG strategies and action plans to ensure effective monitoring and continuous improvement.

This materiality assessment helps the Group align its ESG efforts with operational priorities and stakeholder concerns. The key material topics identified are summarized in the table below.

Environment	Workforce	Operating Practices
Emissions Energy consumption Waste management Climate change	Occupational health and safety Employee development and retention Employment rights and benefits	Quality of services Anti-corruption

PROTECTING THE ENVIRONMENT

In response to the escalating challenges of the greenhouse effect and climate change, the Group recognizes the critical importance of energy conservation, carbon reduction, and pollution mitigation as global priorities. Embracing environmental protection as a core corporate responsibility, the Group is dedicated to minimizing its environmental impact through proactive initiatives and sustainable practices.

Demonstrating our commitment to environmental awareness, the Group actively participated in Earth Hour on 22 March 2025, a global campaign led by the World Wide Fund for Nature (WWF). By switching off non-essential lights for one hour, we joined millions worldwide in showing solidarity against climate change and promoting energy conservation and sustainable lifestyles.

To ensure effective environmental management and compliance with applicable regulations, the Group has established a robust environmental management system certified to ISO 14001:2015 standards. This system is supported by a comprehensive environmental management manual that outlines our policies and procedures. These standardized guidelines are communicated to all employees, suppliers, and subcontractors, fostering a shared commitment to environmentally responsible practices throughout our operations. The operational department is responsible for overseeing the implementation and continual improvement of these measures, reinforcing the Group's dedication to sustainable development and environmental stewardship.

EMISSIONS

During the Reporting Period, the main sources of emissions from the Group include air pollutant emissions from vehicles and greenhouse gases ("**GHG**") generated from our daily operations. These GHG emissions comprise both direct emissions from the combustion of gaseous fuel in vehicles and fuel-operated plants (Scope 1), as well as indirect emissions from purchased electricity (Scope 2). Therefore, we prioritize minimizing air pollutant emissions at their source.

GHG emissions generated by the Group during the Reporting Period are as follows:

	Unit	2024/25	2023/24
Emissions data from gaseous fuel consumption			
Nitrogen oxide (NO_x)	kg	**1,014.54**	1,401.32
Sulphur oxide (SO_x)	kg	**0.96**	1.58
Particulate matter (PM)	kg	**81.12**	109.19

		Unit	2024/25	2023/24
Direct emission or removals from sources (Scope 1)				
GHG emissions from mobile combustion sources	Carbon dioxide (CO_2)	tonne	**155.37**	255.62
	Methane (CH_4)[1]	tonne	**0.22**	0.36
	Nitrous oxide (N_2O)[1]	tonne	**5.61**	6.81
Indirect emissions from energy (Scope 2)				
Electricity purchased from power companies	Carbon dioxide (CO_2)	tonne	**13.84**	9.82
Total direct and indirect emission (Scope 1 & Scope 2)				
Total emissions		tonne	**175.04**	272.61
Total emission intensity		tonne/number of projects[2]	**4.27**	10.1
Other indirect emissions (Scope 3)				
Paper waste disposed at landfills	Carbon dioxide (CO_2)	tonne	**2.14**	1.84
Business travel by employee	Carbon dioxide (CO_2)	tonne	**0.51**	0.67

Note:

1. The total amount of GHG emissions is the total amount of carbon dioxide emissions equivalent. Methane and nitrous oxide emissions were converted into carbon dioxide emissions based on global warming potential ("**GWP**").

2. The numbers of projects used for above calculation was 41 and 27 as at 31 March 2025 and 31 March 2024 respectively.

3. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

During the Reporting Period, although the number of work projects increased, overall car usage declined due to the complexity and geographic distribution of the projects. Unnecessary business travel was minimized, and transportation activities were better planned and consolidated. These efforts improved operational efficiency, reduced costs, and helped lower fuel consumption and emissions – while continuing to support revenue growth.

With respect to Scope 2 emissions– indirect emissions from purchased electricity, there was an increase due to the addition of a new warehouse established to support our business expansion. Nevertheless, we have made efforts to minimize electricity consumption where possible. Overall, total Scope 1 and Scope 2 emissions were lower than the previous year, reflecting the effectiveness of our emission reduction initiatives.

To actively reduce air pollution and protect public health, the Group has implemented stringent controls over the machinery used in our operations. In accordance with the Air Pollution Control Ordinance (Cap. 311), only non-road mobile machinery (NRMM) such as excavators, bulldozers, forklifts, and generators with approved or exemption labels are allowed on-site. This ensures that all equipment meets required emission standards, helping to reduce harmful pollutants at the source.

In our equipment selection and renewal process, we prioritize machines with enhanced fuel efficiency and lower emissions. Outdated and inefficient machinery is gradually being phased out and replaced with models equipped with clean technologies. For example, high-efficiency hydraulic systems that reduce fuel consumption while delivering greater power are now preferred. These advancements support both our environmental and productivity goals.

Beyond equipment selection, we have also implemented a series of operational strategies aimed at minimizing GHG emissions and air pollutants:

- We use construction equipment powered by low-emission engines or electricity to reduce direct emissions during daily operations.

- Our teams follow fuel-saving measures, including proper maintenance, reducing engine idling, and optimizing transportation routes.

- To limit waste and reduce emissions from transportation, we optimize material planning and prioritize the use of recycled or eco-friendly materials wherever feasible.

- Regular tracking of emissions from construction sites allows us to identify high-impact areas, ensure compliance with regulations, and make timely adjustments.

- Construction site personnel receive regular training on emission reduction, efficient equipment operation, and environmental best practices.

Through this multi-faceted approach, we aim to continuously lower our environmental impact, promote sustainable construction practices, and contribute to a cleaner, healthier environment for the community.

During the last reporting period, our goal was to further reduce total emission intensity, which was successfully achieved. In the coming year, we aim to maintain the same level of total direct and indirect emission (scope 1 & 2), with any variation not exceeding 10%.

To the best of our knowledge, during the Reporting Period, the Group does not have any non-compliance issues in relation to laws and regulations that relate to air and GHG emissions and discharges into water and land which include but not limited to the Air Pollution Control Ordinance (Cap. 311), the Water Pollution Control Ordinance (Cap. 358), the Noise Control Ordinance (Cap. 400), the Environmental Impact Assessment Ordinance (Cap. 499) and other regulations promulgated by the Hong Kong SAR Government and currently applicable to the Group, as well as the environmental requirements of our customers.

WASTE MANAGEMENT

In our operations, the Group primarily generates non-hazardous waste, including construction and demolition (C&D) materials and general office refuse. Significant amounts of C&D materials are produced from activities such as site formation, foundation works, building construction, and superstructure works. These wastes consist of both inert and non-inert materials, which are disposed of appropriately at public filling areas and landfills, respectively.

During the Reporting Period, waste management at project sites continued to be primarily handled by the Group's main contractors, as was the case in the previous year. However, a small portion of non-hazardous waste, amounting to 234.8 tonnes, was directly managed by the Group. No hazardous waste was generated, and there were no construction waste disposal incidents reported (2024: Nil). As the extent of waste handled by the Group largely depends on the arrangements made by main contractors, KPI disclosures and specific waste reduction targets remain not applicable to the Group at this stage. To minimize waste generation, the Group adopts several proactive measures. Project teams carefully plan and estimate material requirements to avoid over-ordering and reduce excess waste. We have implemented a waste management plan that emphasizes proper segregation and sorting of waste materials to facilitate recycling. Recyclable materials such as metals, wood, concrete, and plastics are separated to decrease landfill contributions.

Although hazardous waste has not been produced, the Group maintains strict policies for its proper handling and disposal. In the unlikely event that hazardous waste arises, we engage licensed and specialized external contractors who comply with all regulatory requirements to ensure safe and environmentally sound management.

For general office refuse, including paper, food, and packaging waste, the Group practices on-site collection and temporary storage before disposal at landfills. We actively encourage staff and subcontractors to reduce waste at the source by minimizing consumption, preferring recyclable over single-use materials, and cutting down unnecessary packaging. To support these efforts, recycling bins are available at the head office to promote waste sorting and recycling. Additionally, the Group fosters a paperless office culture, encouraging employees to reduce paper use and integrate sustainable practices into their daily routines. These initiatives aim to heighten awareness of sustainability and reinforce our commitment to waste reduction, reuse, and recycling.

To the best of our knowledge, during the Reporting Period, we did not have any non-compliance issues in relation to laws and regulations relating to the generation of hazardous and non-hazardous waste which includes but not limited to the Waste Disposal Ordinance (Cap. 354), the Dumping at Sea Ordinance (Cap. 466) and other regulations promulgated by the Government and currently applicable to the Group, as well as the environmental requirements of our customers.

USE OF RESOURCES

Conserving energy is essential for mitigating climate change, reducing environmental impact, and ensuring sustainable resource management for future generations. During the Reporting Period, electricity mainly used for lighting in offices and warehouses accounted for the Group's major energy consumption. Committed to promoting energy efficiency, the Group educates employees and implements practical energy saving measures across both office and construction site operations to minimize unnecessary energy use and foster a culture of sustainability among all staff.

Office

- Set and maintain regular room temperatures at 24–26ºC;
- Switch off idle appliances (e.g. printers, computers, monitors);
- Place eco-friendly labels to raise staffs awareness;
- Priority in purchase electrical appliances with Grade 1 energy efficiency labelling; and
- Divide lighting systems into small zones, enabling a more flexible approach towards energy saving.

Site

- Switch off non-essential lighting as well as idle machinery and equipment;
- Order work-site materials accurately to avoid waste;
- Enhance the maintenance and overhaul procedures to keep all equipment in optimal condition for effective use of energy; and
- Use various communication channels (posters, signs and memos) for promoting energy conservation to raise construction workers' awareness.

Resource consumption by the Group during the Reporting Period is as follows:

	Unit	2024/25	2023/24
Electricity consumption	kWh	**35,475.22**	25,188.11
	kWh/employee	**71.96**	62.04

During the Reporting Period, both total electricity consumption and electricity usage intensity increased, primarily due to the addition of newly rented warehouses to support business expansion. In previous years, the Group set a target to reduce electricity consumption intensity to below 52 kWh per employee by the year ending 31 March 2027. This target remains on track, and the Group will continue to strengthen its energy conservation measures to ensure electricity is used efficiently and only when necessary.

Regarding water consumption, water used at our project sites is supplied by the main contractor. As such, the Group faces no challenges in sourcing water. During the Reporting Period, the Group recorded only a minimal amount of water consumption at our warehouse, primarily for sanitation purposes. Therefore, disclosing KPI data on water usage is not considered meaningful.

Although the Group's water usage is insignificant, we actively support our main contractor in promoting the collection, reuse, and recycling of greywater at construction sites. For example, wastewater generated from piling activities and vehicle washing is treated through sedimentation and flocculation processes in an on-site wastewater treatment system, allowing for reuse wherever feasible.

ENVIRONMENT AND NATURAL RESOURCES

During its operations, the Group acknowledges that certain construction activities may have unavoidable impacts on the environment and natural resources. These include the generation of dust, noise, waste, and GHG emissions, which can affect air quality, disturb nearby communities, and impact local ecosystems.

Air quality can be affected by dust from excavation and vehicle movement, as well as exhaust emissions from fuel-powered equipment. To reduce these impacts, the Group regularly waters dusty areas, covers loose materials during transport, uses low-emission machinery, and keeps all equipment properly maintained.

Noise pollution is another concern, typically caused by the operation of heavy machinery. The Group addresses this by scheduling noisy activities during daytime hours, installing noise barriers when needed, and ensuring that equipment operates within acceptable noise levels through regular maintenance. The use of fuel-powered vehicles and machinery also contributes to GHG emissions. To mitigate this, the Group encourages the use of energy-efficient or electric-powered equipment, reduces idling time, and optimizes logistics to cut down on unnecessary fuel use.

In addition to construction-related impacts, the Group is mindful of resource consumption in office operations. As part of its commitment to sustainability, the Group selects environmentally friendly office supplies. For example, it uses paper certified by the Programme for the Endorsement of Forest Certification (PEFC), which ensures that the wood used comes from responsibly managed forests. The PEFC's Chain of Custody system also guarantees full traceability and excludes unsustainable sources, reinforcing the Group's dedication to ethical sourcing.

The Group also promotes the use of recycled materials on site and implements efficient planning to reduce the use of non-renewable resources and minimize waste. Through these measures, the Group demonstrates its commitment to managing environmental impacts responsibly and upholding sustainability across all areas of its business.

During the Reporting Period, the Group has adhered to all pertinent environmental laws and regulations in Hong Kong, along with other regulations issued by the Hong Kong SAR Government applicable to the Group, as well as the environmental standards outlined by our customers. While our operational activities do not present a substantial environmental risk, we remain vigilant in monitoring and evaluating potential environmental hazards stemming from our operations, and we take proactive steps to mitigate them accordingly.

CLIMATE CHANGE

In recent years, extreme weather events have become increasingly frequent and severe, highlighting the growing impact of climate change. The Group acknowledges the vulnerability of its operations to climate-related risks and remains proactive in monitoring relevant strategies, policies, and developments. During the Reporting Period, the Group continued its assessment of climate risks, identifying and evaluating the potential impacts arising from its business activities. With a strong commitment from management, appropriate resources have been allocated to manage and mitigate these risks. The identified risks fall into several key categories, as summarized in the table below.

Risk Type	Risk Category	Description	Mitigation Measures
Physical risks	Acute physical risk: Typhoons and Rainstorms	Severe weather events can endanger workers and disrupt construction schedules.	– Emergency work arrangement policies for typhoons and rainstorms – Site-specific extreme weather contingency plans (e.g., flooding)
	Chronic physical risk: Rising Temperatures	Prolonged high temperatures can lead to heat exhaustion, heat stroke, and dehydration.	– Training on heat safety – Adjusted work schedules to avoid peak heat hours
Transition risks	Legal risk	Stricter environmental regulations may increase compliance burden and operating costs.	– Regular regulatory compliance reviews
	Market risk	Changing customer expectations toward sustainability may affect contract opportunities.	– Market trend monitoring – Proactive planning for operation (e.g., emission controls, waste separation)

EMPLOYMENT AND LABOUR PRACTICES

The Group firmly believes that human capital is a cornerstone of sustainable business growth and a vital source of competitive advantage. To this end, we have established a comprehensive set of employment policies that are regularly reviewed to ensure alignment with legal standards and evolving business needs. These policies cover recruitment, remuneration, compensation, working hours, rest days, diversity, and equal opportunity, all aimed at protecting employee rights and promoting a fair workplace.

We hire people based on their skills and experience, without regard to race, gender, age, religion, disability, or other unrelated factors. The Group has zero tolerance for child or forced labor. To ensure the integrity and suitability of new hires, our human resources team conducts thorough background checks, and all personal data collected during recruitment is strictly safeguarded and accessible only to authorized personnel. We are committed to fostering a respectful, inclusive, and discrimination-free work environment, embracing diversity across ethnicity, gender, age, religion, disability status, and sexual orientation. Our goal is to attract professionals from varied backgrounds who can contribute meaningfully to the Group’s success.

To support employee motivation and career development, the Group has implemented an annual performance appraisal system that evaluates staff performance and determines compensation adjustments accordingly. All employees undergo performance reviews to ensure transparency and fairness. Promotion opportunities and salary levels are benchmarked against market standards to maintain competitiveness.

In addition, the Group periodically reviews compensation structures and policies. Discretionary bonuses are granted based on individual performance and the Group's overall business results. The Group maintains a strict policy against unfair or arbitrary termination. Dismissals are only considered in cases of serious misconduct or breach of company policies.

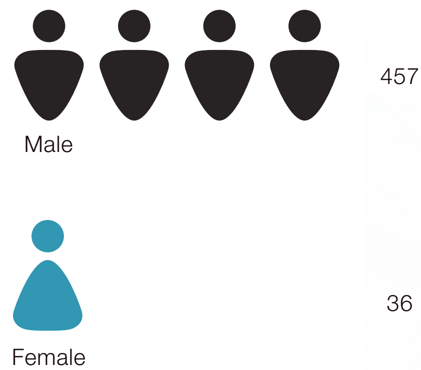
We ensure that our employment and labour practices comply with anti-discrimination ordinances and the guidance under the Employment Ordinance (Cap. 57), the Mandatory Provident Fund Schemes Ordinance (Cap. 485) and the Minimum Wage Ordinance (Cap. 608), as well as construction industry features and practices.

Staff Composition

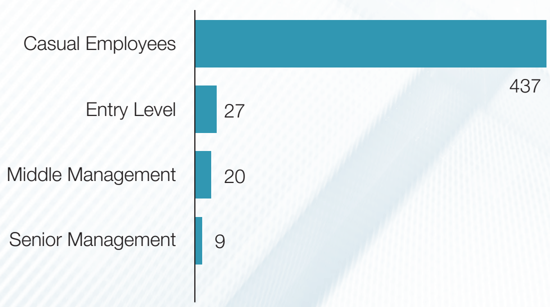
As of 31 March 2025, the Group employed 493 staff members, including 56 full-time and 437 casual employees, across both back office and site operations. All employees are based in Hong Kong. As the Group primarily operates in the construction services sector, a field that often demands physical labor, the workforce is predominantly male. However, this reflects the nature of the industry rather than any hiring bias. The Group remains committed to equal employment opportunities and welcomes female applicants for all roles.

As of 31 March 2025, our Board and senior management comprise 7 males and 2 females. Although it is difficult to set specific goals for gender diversity due to the limited number of females in the industry, we value diversity and are committed to improving it. We will continue to promote gender balance and aim to hire qualified females for all roles whenever possible to build a more inclusive workplace.

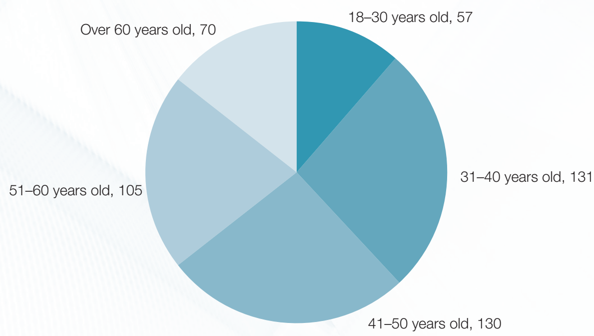
Employees by Gender



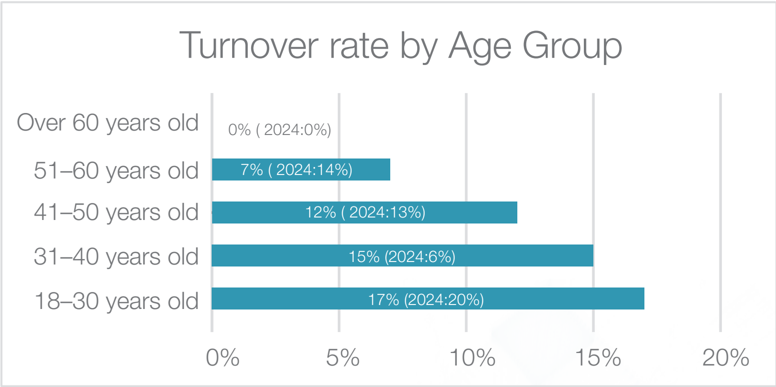
Employees by Employment Category



Employees by Age Group



During the Reporting Period, the Group recorded the departure of 6 full-time employees, resulting in an overall turnover rate of 11%, which remained unchanged from 2024. Turnover among casual employees is not considered significant, as their employment is typically short-term and subject to frequent changes throughout the year. The turnover rate among male staff was 11% (2024: 9%), while that of female staff was 8% (2024: 22%), showing an improvement compared to 2024. As all employees are based in Hong Kong, a regional turnover breakdown is not applicable.



For the Reporting Period, the Group is not aware of any cases of non-compliance with laws and regulations in relation to compensation and dismissal, recruitment and promotion, work hours, rest periods, equal opportunities, diversity, antidiscrimination, or other benefits and welfare.

HEALTH AND SAFETY

The Group prioritizes the health and safety of all employees and is committed to maintaining a safe, healthy, and comfortable work environment. A comprehensive, high-standard safety and health system, certified under ISO 45001:2018, has been established and is regularly reviewed and updated to ensure effective risk prevention and employee safety education. This system includes policies and procedures covering, but not limited to, risk assessments, safety inspections, segregation of duties, meetings, training, and reviews.

The Safety Plan serves two main purposes:

1. Prevention – Identifying and assessing potential workplace hazards and implementing mitigation measures.

2. Education – Raising awareness and knowledge through safety training and communication.

All employees are required to comply with safety regulations. Non-compliance may result in disciplinary action. To ensure effective implementation, a safety and health committee has been formed. It manages and reviews on-site safety issues. At least half of the members are worker representatives who report frontline concerns and suggest improvements. Before any task begins, project teams conduct risk assessments to identify and evaluate hazards related to the site environment, machinery, and operations. The process involves analyzing the likelihood and severity of risks, developing control measures such as safety barriers or training, and regularly reviewing and updating the assessment. Site engineers or subcontractors draft work procedures, which are reviewed by the Safety Officer. Final approval is given by the site supervisor, and training is provided before work starts.

The Group maintains a strong training system to promote safety awareness and ensure compliance with legal and operational standards. Induction training is mandatory for all new workers and covers company policies, site rules, emergency procedures, and hazard management. Toolbox talks are held at least twice a month by foremen or safety supervisors, each lasting around 15 minutes. Scheduled training, refresher courses, and emergency drills are also provided to reinforce safety practices and improve preparedness.

To protect workers, the Group provides personal protective equipment (PPE) including helmets, goggles, safety shoes, respiratory and ear protection, fall-prevention gear, and high-visibility clothing. PPE inventories are inspected monthly to ensure availability and good condition.

All on-site employees are required to wear appropriate PPE. Designated staff oversee compliance. First-aid supplies are readily available, and all machinery and equipment are regularly inspected and maintained. Warning signs and safety posters are placed in prominent locations to remind workers of hazards and proper procedures.

During the Reporting Period, the Group received several commendations from main contractors in recognition of its outstanding safety performance and strong safety awareness. These accolades reflect our ongoing commitment to maintaining high safety standards across all work sites. In addition, in August 2024, one of our staff members was honored with the Model Subcontractor Frontline Supervisor Award under the 30th Considerate Contractors Site Award Scheme, presented by the Construction Industry Council. This achievement highlights the Group's continuous efforts in fostering a safety-first culture throughout the organization.

The Group holds regular safety meetings to share best practices and ensure alignment with health and safety standards. Safety Officers carry out routine inspections to confirm compliance with internal policies and legal requirements. All safety procedures are regularly reviewed and kept in line with relevant laws and regulations, including:

- Occupational Safety and Health Ordinance (Cap. 509)
- Employees' Compensation Ordinance (Cap. 282)
- Factories and Industrial Undertakings Ordinance (Cap. 59)

For the Reporting Period, the work in jury statistics for the Group are as follows:

Work-related fatalities Statistics	Unit	2024/25	2023/24	2022/23
Number of work-related fatalities	Case(s)	**0**	0	0
Rate of work-related fatalities	Percentage	**0%**	0%	0%

Work-related fatalities Statistics	Unit	2024/25	2023/24
Number of reported accidents (sick leave > 3 days)	Case(s)	**10**	8
Days lost due to work injury	Day(s)	**2,356**	2,813

Although the number of reported accident cases slightly increased from 8 to 10 during the Reporting Period, the Group remains committed to maintaining a safe working environment. We recognize that even a single workplace injury is one too many. To prevent unnecessary work-related injuries, the Group will continue to strengthen safety measures and provide regular training to site staff to reinforce awareness and adherence to established safety protocols.

During the Reporting Period, the Group is not aware of any cases of non-compliance that have a significant impact on the Group with laws and regulations in relation to providing a safe work environment and protecting employees from occupational hazards.

DEVELOPMENT AND TRAINING

The Group places strong emphasis on staff training and development as a means to enhance workforce competence, support career growth, and maintain high service standards. We offer a diverse range of learning opportunities through external courses, in-house training programs, and structured on-the-job coaching.

New employees receive orientation and job-specific training under the guidance of experienced team members, fostering a culture of knowledge transfer from senior to junior staff. Regular internal training sessions are conducted to strengthen employees' technical skills, safety awareness, and understanding of company policies and procedures. We also encourage staff to participate in external seminars and professional certification programs to broaden their industry knowledge and keep up with the latest best practices.

To support long-term career progression, the Group conducts periodic performance reviews and career development planning, aligning individual growth aspirations with organizational goals. This holistic approach not only enhances employee engagement and retention but also builds a resilient and future-ready workforce.

As the leaders of the Group, our directors and managerial staff actively participate in a range of training programs conducted by professional organizations. These programs are designed to support their continued professional development and to strengthen their strategic decision-making capabilities. Topics covered include updates on regulations for listed companies, legal and regulatory compliance, corporate governance practices, ESG-related developments. By staying informed of the latest industry standards and regulatory requirements, our leadership ensures that the Group remains compliant, forward-looking, and well-positioned to uphold strong governance and operational excellence.

To ensure that training remains relevant and impactful, the management carefully plans the themes and frequency of training programs based on employee needs, business development objectives, and evolving industry trends.

During the Reporting Period, 15% of our staff participated in training. Specifically, 13% of male employees and 33% of female employees received training, with average training durations of approximately 0.24 hours and 1.20 hours, respectively. By employee level, the training participation rates were approximately 100% for senior staff, 95% for middle-level staff, 48% for entry-level staff, and 7% for casual employees. Their corresponding average training hours were 6.89 hours, 0.5 hours, 0.39 hours, and 0.17 hours. These figures are in addition to the mandatory safety training provided to site workers, which includes safety toolbox talks and induction training before the commencement of work. Training topics and frequency are planned by management based on staff needs, business development goals, and prevailing industry trends.

LABOUR STANDARDS

The Group is firmly committed to upholding human rights and labor standards in all aspects of our operations. We strictly prohibit the use of child or forced labor, in full compliance with the Employment Ordinance (Cap. 57) of Hong Kong.

To ensure compliance, we have implemented a robust recruitment and verification process. All job applicants are required to present valid identity documents to verify their age and confirm their legal eligibility for employment. The human resources team conducts thorough screenings to prevent the employment of underage workers. Once verified, employees are engaged under a formal employment contract that clearly outlines their rights and responsibilities.

These contracts cover key employment terms including but not limited to standard working hours and overtime compensation, weekly rest days and statutory holidays, paid annual leave and sick leave entitlements and freedom from any form of coercion or forced labor. The Group also ensures a safe and healthy working environment by complying with the Occupational Safety and Health Ordinance (Cap. 509), which governs workplace safety standards and employee welfare.

All employment arrangements such as work schedules, remuneration, benefits, and workplace safety measures, are reviewed periodically to ensure continued compliance with the latest labour legislation and industry best practices. If any irregularities in employment eligibility (including but not limited to child and forced labour), contract terms, or working conditions are identified, the Group will investigate immediately and take prompt corrective action. By embedding these protections into our operations, the Group strives to create a fair, safe, and respectful workplace for all employees.

For the Reporting Period, the Group is not aware of any cases of non-compliance with laws and regulations regarding the prevention of child and forced labor.

SUPPLY CHAIN MANAGEMENT

The Group recognises that strong partnerships with suppliers and subcontractors are essential to delivering consistent, high-quality services. We are committed to fostering long-term, mutually beneficial relationships built on trust, performance, and shared values. To ensure consistency and accountability, the Group has developed a comprehensive supplier and subcontractor management system that governs the selection, engagement, monitoring, and performance evaluation of all suppliers and subcontractors.

Our procurement process begins with the maintenance of an up-to-date list of approved suppliers and subcontractors. Suppliers and subcontractors are evaluated based on a range of criteria, including their business background, pricing competitiveness, service reliability, track record, and adherence to safety and environmental standards. Preference is given to those holding recognised environmental or social certifications. Suppliers and subcontractors are also expected to demonstrate sound practices in corporate social responsibility, particularly in areas such as environmental protection, occupational health and safety, product quality, and respect for human rights.

Only suppliers and subcontractors included on the approved list may be engaged in our projects. Exceptions are made only upon management's review and approval or in cases where a client specifically requests a particular supplier or subcontractor. Once engaged, all suppliers and subcontractors are subject to ongoing performance assessments to ensure they continue to meet the Group's standards and project requirements.

During the Reporting Period, the Group maintained close partnerships with a total of 238 suppliers and 54 subcontractors (2024: 199 suppliers and 40 subcontractors), over 95% based locally in Hong Kong. Prioritizing local sourcing not only supports the local economy but also helps reduce carbon emissions associated with transportation.

The Group places strong emphasis on ensuring that all suppliers and subcontractors comply with our safety, environmental, and social standards. Where applicable, these requirements are clearly outlined in contractual agreements. Suppliers or subcontractors with a history of non-compliance will not be accepted, and cooperation may be terminated if any significant negative environmental or social impacts are identified. To effectively manage risks across the supply chain, designated staff regularly review and monitor supplier and subcontractor performance, ensuring adherence to relevant laws and the Group's internal policies. Site agents also inspect all materials delivered to project sites to verify quality, with suppliers required to provide replacements or exchanges if issues arise. Subcontracted work is closely supervised by on-site personnel in accordance with our certified Quality Management System under ISO 9001 and Environmental Management System under ISO 14001, and internal safety protocols. In parallel, the Group maintains active communication with clients to understand their expectations and continuously enhance service quality.

The Group will continue to enhance its supplier and subcontractor management practices to uphold high standards of quality, safety, and sustainability. Our commitment to ethical sourcing and operational excellence remains a cornerstone of our service delivery and business growth.

PRODUCT RESPONSIBILITY

The Group is committed to delivering consistent, high-quality service through the implementation of a certified Quality Management System ("**QMS**") in accordance with ISO 9001:2015. This system reflects our dedication to maintaining excellence across all project phases and ensuring client satisfaction.

Under the QMS framework, we have established standardized policies, work procedures, and a staff handbook to guide both employees and subcontractors. Regular internal audits and site inspections are conducted to ensure compliance with quality, safety, and regulatory standards. Any non-conformities are promptly addressed to meet client specifications and statutory requirements.

To support effective execution and maintain high standards, our project teams-including the Directors, Project Manager or Site Agent, Site Supervisor, and Foreman– communicate regularly to monitor:

- Work progress and quality
- Performance of workers and subcontractors
- Safety compliance and resource needs
- Issues raised by clients or main contractors

Daily site records summarizing key activities are submitted to the Project Manager for review, and may be randomly checked by Directors to ensure accuracy and transparency. Regular internal progress meetings are held every two weeks and no less than monthly, with key personnel including the Site Agent, Quantity Surveying Manager, Project Manager, and Directors. These meetings help track milestones, resolve issues, and coordinate upcoming tasks.

In addition, our Project Manager or Site Agent attends progress meetings with the main contractor or client, usually on a biweekly or monthly basis, to:

- Report on project status
- Address feedback or concerns
- Compare progress against the master schedule
- Discuss corrective actions if needed

Any critical issues or client requests – such as site conflicts, labor or machinery demands, or concerns over work quality – are reported to the Directors immediately to ensure swift and appropriate follow-up. Through these structured communication practices and our QMS, we maintain a disciplined, transparent, and client-focused project delivery approach.

We address client concerns and complaints with prudence, fairness, and a commitment to continuous improvement. To ensure complaints are handled efficiently, the Group has established clear complaint-handling procedures that define the responsibilities of relevant personnel.

When a complaint is received, the Project Manager promptly investigates the issue to identify its root cause and recommend an appropriate solution. The matter is resolved internally before the outcome is communicated to the client, ensuring a timely and professional response. After the issue is resolved, the project team is informed to prevent similar problems in the future. If needed, staff receive training to improve their understanding and service quality.

There is no service-related complaints or claims regarding quality issues, whether related to our work or that of our subcontractors, were received during the Reporting Period. Given the nature of our business, the services we provide are not subject to product recalls for safety or health reasons, therefore, no such data is applicable.

We are also committed to protecting client information and ensuring data privacy. All business data collected from clients is handled in strict accordance with the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. Access to client data is limited to authorised personnel, and supervisory staff oversee data handling to prevent improper disclosure, misuse, unauthorised access, loss, or damage.

The organization is committed to safeguarding and upholding its own intellectual property ("**IP**") rights, along with those of other entities. It has acquired licensed software and information from authorized suppliers for its business activities. Employees are expected to refrain from violating copyrights and using unlicensed computer software on their work computers.

Due to the nature of our business, we do not engage in public advertising. Instead, most of our clients are referred through word-of-mouth, with satisfied clients sharing their positive experiences and helping to generate new business. During the Reporting Period, the Group was not aware of any instances of non-compliance with laws or regulations related to health and safety, advertising, labelling, privacy, or redress concerning our services.

ANTI-CORRUPTION

The Group is committed to maintaining the highest standards of ethical conduct and enforces a strict zero-tolerance policy toward corruption, bribery, extortion, fraud, money laundering, insider trading, monopolistic practices, and other anti-competitive behaviors. To support this commitment, we have established clear policies that prohibit all forms of fraudulent and corrupt activities, including the offering or acceptance of prohibited gifts, kickbacks, or any undue advantages.

These policies are effectively communicated to all employees to ensure a full understanding of, and compliance with, applicable anti-corruption laws and regulations. During the Reporting Period, we conducted anti-corruption training for management and directors, focusing on regulatory requirements and practical guidance from the Independent Commission Against Corruption (ICAC). The training covered key internal policies, including our anti-corruption policy, code of conduct, and whistle-blowing procedures – providing essential tools to uphold ethical standards in daily operations.

In line with our commitment to accountability and transparency, the Group has implemented a robust Whistle-blowing Policy. This policy enables employees to report any suspected corruption, money laundering, or other misconduct confidentially – either verbally or in writing – while ensuring protection against retaliation or unfair treatment through strict confidentiality and security protocols.

All reports are independently and thoroughly investigated, with appropriate follow-up actions taken, including referral to legal authorities or regulators when necessary. The Group remains dedicated to enforcing disciplinary measures and fostering a culture of integrity and honesty throughout the organization.

During the Reporting Period, there is no concluded legal cases regarding corrupt practices against us or our employees. Additionally, the Group is not aware of any cases of non-compliance that have had a significant impact on the Group with laws and regulations related to bribery, extortion, fraud, and money laundering, such as the Prevention of Bribery Ordinance (Cap. 201) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).

GIVING BACK TO THE COMMUNITY

We believe that contributing to the community is an ongoing responsibility, not limited to any one group or cause. Instead of targeting a specific beneficiary, we remain open and responsive to identifying meaningful opportunities where our support can make a difference. Over the past year, our efforts spanned a variety of causes – from encouraging wellness through participation in the Standard Chartered Hong Kong Marathon to supporting charitable events that reinforce our commitment to both social and environmental good. Through these diverse engagements, we continue to promote a culture of care, health, and collective responsibility among our people and in the wider society.

Promoting a Healthy Lifestyle – Standard Chartered Hong Kong Marathon

On 9 February 2025, employees of the Group, joined by their family and friends, took part in the Standard Chartered Hong Kong Marathon, with many participating in the 10km race. This event promoted healthy living, strengthened team cohesion, and encouraged work-life balance. We were pleased to see staff enjoy the opportunity to de-stress and embrace physical wellness.

Charitable Engagements – The Community Chest

The Group supported several fundraising initiatives organized by the Community Chest of Hong Kong, reflecting our commitment to social care:

Mooncakes for Charity

We took part in the "Mooncakes for Charity" campaign, co-organized by the Community Chest and Hong Kong Wing Wah Cake Shop. For each mooncake purchased, Wing Wah donated HK$50 to the Community Chest, with proceeds benefiting over 160 social welfare agencies serving the elderly, children, families, and persons with disabilities. As part of our involvement, we purchased mooncakes and shared them with our employees, their families, and friends– turning a simple act of giving into a collective effort that spread festive cheer while supporting a meaningful cause.

Dress Casual Day

On 31 October 2024, the Company also participated in Dress Casual Day, making donations and wearing their favourite casual attire to support the Community Chest's fundraising efforts. Contributions supported social welfare services benefiting children and youth, families in need, and other vulnerable groups.

Skip Lunch Day

The Group participated in Skip Lunch Day 2025 on 14 March 2025, another initiative by the Community Chest. Employees donated the cost of their lunch to support the programme "Services for Street Sleepers, Residents in Cage Homes and Cubicles", providing aid to those living in substandard housing conditions.

Green Low Carbon Day

We proudly supported Green Low Carbon Day, a Community Chest initiative aimed at promoting sustainable development and environmental awareness. As part of the campaign, our employees were encouraged to adopt greener habits-such as using public transport, reducing single-use plastics, and conserving energy-both at work and in their daily lives. Proceeds from the event supported green-related projects run by Community Chest member agencies, including food rescue and assistance programmes, community resource redistribution, organic farming, and urban greening efforts. These initiatives not only address pressing environmental issues but also support underprivileged groups through sustainable means.

Our commitment to community and environmental causes extends beyond workplace initiatives to physically engaging, purpose-driven events.

Oxfam Trailwalker 2024 – 40th Anniversary Edition

After a hiatus due to the COVID-19 pandemic, the Group resumed support for the Oxfam Trailwalker 2024 – 40th Anniversary Edition, one of Hong Kong's largest and most challenging fundraising sporting events. The event requires teams of four to complete a 100-kilometre trail within a 48-hour time limit, testing not only physical endurance but also teamwork and perseverance. The funds raised contribute to Oxfam's poverty alleviation and emergency relief projects across Hong Kong, mainland China, and various regions in Asia and Africa, helping to uplift disadvantaged communities and improve their livelihoods.

Charity Raffle

We also supported the Tung Wah Group of Hospitals' Charity Raffle, which raised funds for the "Parent Education and Support Centre for Families with Newborn Babies". This initiative provides education, counselling, and resources to new parents, promoting positive parenting and stronger family foundations.

Over the past year, we have continued to strengthen our efforts in environmental protection, good governance, and community care. From reducing our environmental impact to supporting those in need, we are committed to creating long-term value for our stakeholders. Our staff play a vital role in driving these efforts, and their active participation has helped make a positive difference. Looking ahead, we will keep exploring ways to improve and grow as a responsible and sustainable company.

PERFORMANCE DATA SUMMARY

Air Emissions		Unit	2024/25	2023/24
Nitrogen Oxide (NO_x)		kg	**1,014.54**	1,401.32
Sulphur Oxide (SOx)		kg	**0.96**	1.58
Particulate Matter (PM)		kg	**81.12**	109.19

GHG Emissions		Unit	2024/25	2023/24
Direct emission or removals from sources (Scope 1)				
GHG emissions from mobile combustion sources	Carbon Dioxide (CO_2)	tonne	**155.37**	255.62
	Methane (CH_4)	tonne	**0.22**	0.36
	Nitrous oxide (N_2O)	tonne	**5.61**	6.81
Energy indirect emissions (Scope 2)				
Electricity purchased from power companies	Carbon Dioxide (CO_2)	tonne	**13.84**	9.82
Total direct and indirect emission (Scope 1 & Scope 2)				
Total emissions		Tonne	**175.04**	272.61
Total emission intensity		Tonne/number of projects*	**4.27**	10.10
Other indirect emissions (Scope 3)				
Paper waste disposed at landfills	Carbon Dioxide (CO_2)	tonne	**2.14**	1.84
Business travel by employee	Carbon Dioxide (CO_2)	tonne	**0.51**	0.67

* The numbers of projects completed during the Reporting Period was used for above calculation was 41 and 27 as at 31 March 2025 and 31 March 2024 respectively

Resources Consumption	Unit	2024/25	2023/24
Electricity Consumption	kWh	**35,475.22**	25,188.11
	kWh/employee	**71.96**	62.04

	Total Workforce No. of People in FY2024/25	Total Workforce No. of People in FY2023/24
By Gender		
Male	457	378
Female	36	28
By Age Group		
18-30 years old	57	51
31-40 years old	131	89
41-50 years old	130	97
51-60 years	105	104
Over 60 years old	70	65
By Geographical Region		
Hong Kong	493	406
By Employee Category		
Senior Management	9	8
Middle Management	20	21
Entry Level	27	27
Casual Employees	437	350

Work-related fatalities Statistics	Unit	2024/25	2023/24	2022/23
Number of work-related fatalities	Case	0	0	0
Rate of work-related fatalities	Percentage	0%	0%	0%

Work Injury Statistics	Unit	2024/25	2023/24
Number of reported accidents (sick leave > 3 days)	Case	10	8
Lost days due to work injury	Day	2,356	2,813

	Percentage of employees being trained in FY2024/25 Rate	Percentage of employees being trained in FY2023/24 Rate
By Gender		
Male	**13%**	12%
Female	**33%**	36%
By Category		
Senior Management	**100%**	63%
Middle Management	**95%**	100%
Entry Level	**48%**	52%
Casual Employees	**7%**	4%

	Average training hours completed in FY2024/25 No. of Hours	Average training hours completed in FY2023/24 No. of Hours
By Gender		
Male	**0.24**	0.20
Female	**1.20**	1.60
By Category		
Senior Management	**6.89**	6.06
Middle Management	**0.50**	1.56
Entry Level	**0.39**	0.54
Casual Employees	**0.17**	0.07

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX

This report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" under Appendix C2 to the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The following table provides an overview of the general disclosures and KPIs of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Report or supplementing the Report with additional information.

Description		Reference	Remark
ENVIRONMENTAL			
Aspect A1: EMISSIONS			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emission, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting the Environment, Emissions & Waste Management	
KPI A1.1	The types of emissions and respective emissions data.	Emissions	
KPI A1.2	GHG in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	We do not generate hazardous waste in our operations.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management	

Description		Reference	Remark
Aspect A2: USE OF RESOURCES			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources	We only recorded a minimal amount of water consumption for sanitation purpose
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources	Water was provided by main contractor in project sites, water efficiency target is not applicable to the Group.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	We do not generate significant packaging material waste in our operations.
Aspect A3: THE ENVIRONMENT AND NATURAL RESOURCES			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and Natural Resources	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources	

Description		Reference	Remark
Aspect A4: CLIMATE CHANGE			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	
EMPLOYMENT AND LABOUR PRACTICES			
Aspect B1: EMPLOYMENT			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hour, rest periods, equal opportunity, diversity, antidiscrimination, other benefits and welfare.	Employment and Labour Practices	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment and Labour Practices – Staff Composition	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices – Staff Composition	
Aspect B2: HEALTH AND SAFETY			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employee from occupational hazards.	Health and Safety	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	
KPI B2.2	Lost days due to work injury.	Health and Safety	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	

Description		Reference	Remark
Aspect B3: DEVELOPMENT AND TRAINING			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training	
KPI B3.2	The average training hours completed per employee gender and employee category.	Development and Training	
Aspect B4: LABOUR STANDARDS			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and labour Practices	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	
Aspect B5: SUPPLY CHAIN MANAGEMENT			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	

Description		Reference	Remark
Aspect B6: PRODUCT RESPONSIBILITY			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility	
KPI B6.1	Percentage to total products sold or shipped subject to recalls for safety and health reasons.	N/A	There were no recalls concerning the provision.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility	There were no validated complaints received during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility	
KPI B6.4	Description of quality assurance process and recall procedures.	N/A	Recall procedures are not relevant to our operations.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility	

Description		Reference	Remark
Aspect B7: ANTI-CORRUPTION			
General Disclosure	Information on (a) the policies: and (b) compliance with relevant laws and regulations that they have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcome of the cases.	Anti-corruption	No concluded legal cases regarding corrupt practices noted
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-Corruption	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	
Aspect B8: COMMUNITY INVESTMENT			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to the Community	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to the Community	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to the Community	

DIRECTORS' REPORT

The directors of the Company (the "**Directors**") presents to the Shareholders their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company while its principal subsidiaries are principally engaged in the provision of foundation and site formation works and machinery leasing. Details of the principal activities of its subsidiaries are set out in notes 1 and 33 to the consolidated financial statements. There is no significant change in the Group's principal activities during the year ended 31 March 2025.

BUSINESS REVIEW

A review on the Group's business for the year ended 31 March 2025 is set out under the section headed "Chairman's Statement" on page 3 and "Management Discussion and Analysis" on pages 4 to 10 in this annual report.

A discussion and analysis of the Group's performance during the Reporting Period and the material factors underlying its financial performance and financial position are set out in the "Five Year Financial Summary" on page 124 and in the "Management Discussion and Analysis" on pages 4 to 10 in this annual report.

There is no important event affecting the Group that had occurred since the end of the Reporting Period and up to the date of this annual report.

In addition, discussion on the Group's environmental policies and performance, key relationships with the Company's key stakeholders as well as compliance with relevant laws and regulations which have significant impact on the Company are set out in the "Environmental, Social and Governance Report" on pages 28 to 54 in this annual report.

RESULTS AND DIVIDENDS

During the Reporting Period, no interim dividend (2024: nil) has been declared and paid.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil). There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Directors are of the view that our employees, customers, sub-contractors and suppliers are the keys to the sustainable development of the Group. The Group strive to achieve corporate sustainability through engaging employees, providing quality products and services to our customers, collaborating with suppliers to deliver quality sustainable products and services and supporting our community.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Group during the Reported Period, is set out under the subsection headed "Risks and Uncertainties" on page 7 in this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss on page 71 of this annual report.

ANNUAL GENERAL MEETING ("AGM")

The 2025 AGM of the Company will be held on Friday, 15 August 2025. The notice of the 2025 AGM of the Company will be published and despatched to the Shareholders of the Company in the manner as required by the Listing Rules and the articles of association of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The 2025 AGM of the Company has been scheduled to be held on Friday, 15 August 2025 to determine the persons who are entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 8 August 2025 to Friday, 15 August 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the Company's branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 August 2025.

PLANT AND EQUIPMENT AND RIGHT-OF-USE-ASSETS

Details of movements in plant and equipment and right-of-use-assets of the Group during the year ended 31 March 2025 are set out in notes 14 and 15 to the consolidated financial statements in this annual report, respectively.

DONATION

During the Reporting Period, HK$39,000 charitable donation had been made by the Group (2024: HK$26,000).

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years are set out on page 124 of this annual report.

SHARE CAPITAL

Details of movement in the Company's share capital during the year ended 31 March 2025 are set out in note 22 to the consolidated financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity on page 73 of this annual report. The Group had retained profit amounted to approximately HK$10.3 million as at 31 March 2025.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements have been entered into during the year ended 31 March 2025 or subsisted at the end of the reporting period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

As at 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in this annual report, the Directors are not aware of any change in the information of Directors and chief executives of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of this annual report.

PERMITTED INDEMNITY PROVISION

Subject to the provisions of the memorandum and articles of association of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Since 20 October 2017 (the "**Listing Date**"), the Company has arranged appropriate Directors' and Officers' Liability Insurance coverage for all the Directors and senior management of the Company.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 21 September 2017. The principal terms of the Share Option Scheme have been summarised in Appendix V to the Prospectus dated 30 September 2017 and set out in note 31 to the consolidated financial statements. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Since the date of the adoption of the Share Option Scheme on 21 September 2017, no share option has been granted, exercised, expired, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme. Therefore the weighted average closing price of the shares immediately before the dates on which the options were exercised or vested pursuant to Rule 17.07(1) (d) of the Listing Rules is not available.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the Share Option Scheme as at 1 April 2024 and 31 March 2025 were 90,000,000 and 90,000,000 respectively.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of share options available for grant under the Share Option Scheme as at 31 March 2025 was 90,000,000 shares, representing approximately 10% of the ordinary shares of the Company at issue on the Listing Date.

Pursuant to Rule 17.09(9) of the Listing Rules, as at 31 March 2025, the remaining life of the Share Option Scheme is 2 years and 6 months.

DIRECTORS

The Directors who held office during the year ended 31 March 2025 and up to the date of this annual report were:

Executive Directors

Mr. Li Cheuk Kam
Ms. Chau Man Chun

Independent Non-executive Directors ("INEDs")

Mr. Wong Chik Kong
Mr. Chan Chung Kik, Lewis
Mr. Lee Kwok Lun

The appointment and re-election of Directors are set out in the subsection headed "Appointment, Re-election and Removal of Directors" in this annual report.

DIRECTORS' REPORT

The Directors' biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

Information regarding Directors' emoluments and the five highest paid individual's remuneration is set out in note 10 and note 11 respectively to the consolidated financial statements of this annual report. An annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules has been received from each of the INEDs. The Group considers all INEDs are independent under the Listing Rules.

DIRECTORS' SERVICE CONTRACT

Each of the Executive Directors has entered into a service contract with the Company for an initial fixed term of three years, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of employment under the service contract but subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association and the termination provisions of the service agreement.

Each of the INEDs has entered into a letter of appointment with the Company for an initial term of three years commencing from 20 September 2020 and the appointment shall be renewed automatically for successive terms of one year each commencing from the next day after the expiry of the then term of appointment unless terminated by either party giving not less than one month's notice in writing or in accordance with the articles of association of the Company and the termination provisions of the service agreement.

None of the Directors who are being proposed for re-election at the forthcoming 2025 AGM has a service contract with any member of the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company has been entered into or existed during the year ended 31 March 2025.

DIRECTORS'/CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Lease Agreements for Office Premises

On 10 June 2019, Lik Shing Engineering Company Limited, an indirect wholly-owned subsidiary of the Company, entered into a lease agreement with a company wholly-owned by Mr. Li Cheuk Kam (an Executive Director, the Chairman of the Board and the controlling shareholder of the Company as defined in the Listing Rules), for leasing an office premises located at "Room 3010, 30/F., Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong" for a term of three years commencing from 1 July 2019 to 30 June 2022 at a monthly rental of HK$40,000 (exclude Government rent, rates, management fee and electricity expenses) (the "**2019 Lease Transaction**"). The 2019 Lease Transaction which had been approved by the Board on 6 June 2019 constitutes a de minimis connected transaction of the Company, that is fully exempt from the reporting, annual review, announcement, circular and shareholders' approval requirements as all the percentage ratios (other than the profits ratio because net loss incurred for the Company for the year ended 31 March 2019) are less than 5% and the total consideration is less than HK$3,000,000. An independent professional third party has been engaged to provide a market rental value opinion.

On 10 June 2022, the Board approved the extension of the 2019 Lease Transaction for a term of 3 years commencing from 1 July 2022 and ending on 30 June 2025 at a monthly rental of HK$50,000 (exclude Government rent, rates, management fee and electricity expenses) ("**2022 Lease Transaction**"). An independent professional third party has been engaged to provide a market rental value opinion.

On 20 June 2025, the Board approved the extension of the 2022 Lease Transaction for a term of 3 years commencing from 1 July 2025 and ending on 30 June 2028 at a monthly rental of HK$48,000 (exclude Government rent, rates, management fee and electricity expenses) ("**2025 Lease Transaction**"). An independent professional third party has been engaged to provide a market rental value opinion.

The 2022 Lease Transaction and 2025 Lease Transaction is conducted on normal commercial terms or better and the monetary amount involved on its own fall within de minimis transactions. According to Chapter 14A.76(1)(c) of the Listing Rules, this lease transaction is fully exempt from the reporting, annual review, announcement, circular and shareholders' approval requirements as all the percentage ratios (other than the profits ratio) are less than 5% and the total consideration is less than HK$3,000,000.

Lease Agreements for Motor Vehicle Parking Spaces

On 19 February 2024, Lik Shing Engineering Company Limited, an indirect wholly-owned subsidiary of the Company, entered into four lease agreements with companies wholly-owned by (i) Mr. Li Cheuk Kam (an Executive Director, the Chairman of the Board and the controlling shareholder of the Company as defined in the Listing Rules) and (ii) Ms. Chau Man Chun (an Executive Director of the Company and the spouse of Mr. Li Cheuk Kam, an Executive Director, the Chairman of the Board and the controlling shareholder of the Company as defined in the Listing Rules), for leasing four motor vehicle parking spaces located at "International Enterprise Centre I, No. 11 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong" for a term of three years commencing from 19 February 2024 to 18 February 2027 at a monthly rental of HK$4,000 each (exclude Government rent, rates, management fee and electricity expenses) (the "**2024 Lease Transaction**"). The 2024 Lease Transaction which had been approved by the Board on 19 February 2024 constitutes a de minimis connected transaction of the Company, that is fully exempt from the reporting, annual review, announcement, circular and shareholders' approval requirements as all the percentage ratios (other than the profits ratio) are less than 5% and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is less than HK$3,000,000. An independent professional third party has been engaged to provide a market rental value opinion.

The 2024 Lease Transaction is conducted on normal commercial terms or better and the monetary amount involved on its own fall within de minimis transactions. According to Chapter 14A.76(1)(c) of the Listing Rules, this lease transaction is fully exempt from the reporting, annual review, announcement, circular and shareholders' approval requirements as all the percentage ratios (other than the profits ratio)are less than 5% and the total consideration is less than HK$3,000,000.

Disposal of Motor Vehicles

On 24 May 2024, Lik Shing Engineering Company Limited, an indirect wholly-owned subsidiary of the Company, agreed to sell a motor vehicle to a company wholly-owned by Mr. Li Cheuk Kam (an Executive Director, the Chairman of the Board and the controlling shareholder of the Company as defined in the Listing Rules) at the consideration of HK$770,000 (the "**Disposal of Motor Vehicle**"). The Disposal of Motor Vehicle which had been approved by the Board on 20 March 2024 constitutes a de minimis connected transaction of the Company, that is fully exempt from the reporting, annual review, announcement, circular and shareholders' approval requirements as all the percentage ratios (other than the profits ratio) are less than 5% and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is less than HK$3,000,000. The transaction price has been referenced to the 2nd hand motor vehicles value in the market.

Save as disclosed above, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent companies was a party and in which a Director or controlling shareholders of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 March 2024.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group since the Listing Date and up to 31 March 2025.

NON-COMPETITION UNDERTAKING

In order to avoid any future competition among our Group with Mr. Li Cheuk Kam and Colourfield Global Limited (collectively, the "**Controlling Shareholders**"), the Controlling Shareholders as covenantors (each of them, a "**Covenantor**" and collectively, the "**Covenantors**") have executed a deed of non-competition dated 21 September 2017 in favour of our Company (for itself and as trustee for and on behalf of its subsidiaries) (the "**Deed of Non-Competition**").

In accordance with the Deed of Non-competition, each Covenantor undertakes that, from the Listing Date and ending on the occurrence of the earliest of (i) the date on which the shares of the Company cease to be listed on the Stock Exchange; or (ii) the date on which that Covenantor and his/its close associates (individually or taken as a whole) cease to be a Controlling Shareholder:

1. Non-competition

   Each Covenantor jointly and severally and irrevocably undertakes and covenants to our Company (for itself and as trustee for and on behalf of its subsidiaries) that each of them will not, and will procure that its/his close associates (except any members of our Group) will not, either on his/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly, amongst other things, carry on, participate or be interested or engaged in or acquire or hold any right or interest (in each case whether as an investor, a shareholder, principal, partner, director, employee, consultant, agent or otherwise and whether for profit, reward, interest or otherwise), or otherwise be involved in any business which is or may be in competition, whether directly or indirectly, with the business carried on by any member of our Group including but not limited to the provision of (i) foundation and site formation works; and (ii) construction machinery rental services or contemplated to be carried on by any member of our Group, in Hong Kong or any other jurisdiction where our Group has conducted business as at the date of the Deed of Non-competition or may conduct business from time to time in the future ("**Restricted Business**").

2. New business opportunity

   Each of the Covenantors represents and warrants that neither it/he nor any of its/his close associates currently carries out, participates in or is interested or engaging in, invests in, acquires or holds, directly or indirectly (in each case whether as a shareholder, director, partner, agent or otherwise and whether for profit, reward, interest or otherwise) or otherwise is involved in the Restricted Business other than through our Group.

   Each of the Covenantors further undertakes to refer to our Company within 10 days any and all new opportunities in connection with the Restricted Business ("**New Business Opportunity**") which are identified by or made available to any of them.

Details of the Deed of Non-competition have been disclosed in the prospectus dated 30 September 2017 published by the Company.

The Company has received from each of the Controlling Shareholders an annual declaration declaring that he/it has complied with the terms of the Deed of Non-competition during the year ended 31 March 2025 (the "**Annual Declaration**"). The Independent Non-executive Directors have reviewed the Annual Declaration and the implementation of the Deed of Non-Competition during the year ended 31 March 2025 and confirmed that they are not aware of any non-compliance of the Deed of Non-competition by the Controlling Shareholders during the year ended 31 March 2025. The Independent Non-executive Directors had not been called to make any decisions in relation to any Restricted Business during the year ended 31 March 2025 and up to the date of the Annual Declaration.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions in the Shares, underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers are as follows:

(i) Long position in the Shares

Name	Capacity/nature	Total number of Shares Held/Interested	Percentage of Shares in issued
Mr. Li Cheuk Kam	Interest in a controlled corporation (Note 1)	484,998,000	51.94%
Ms. Chau Man Chun	Interest of spouse (Note 2)	484,998,000	51.94%

Note 1: The 484,998,000 Shares are held by Colourfield Global Limited ("**Colourfield Global**"). Mr. Li Cheuk Kam beneficially owns 100% of the entire issued share capital of Colourfield Global and is deemed, or taken to be, interested in all the Shares held by Colourfield Global for the purposes of the SFO. Mr. Li Cheuk Kam is the sole director of Colourfield Global.

Note 2: Ms. Chau Man Chun is the spouse of Mr. Li Cheuk Kam and is deemed or taken to be interest in all the Shares in which Mr. Li Cheuk Kam has, or is deemed to have, an interest for the purposes of the SFO.

(ii) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	Total number of Shares Held/Interested	Percentage of Shares in issued
Mr. Li Cheuk Kam	Colourfield Global	Beneficial owner (Note)	5	100%

Note: The 484,998,000 Shares are held by Colourfield Global. Mr. Li Cheuk Kam beneficially owns 100% of the entire issued share capital of Colourfield Global and is deemed, or taken to be, interested in all the Shares held by Colourfield Global for the purposes of the SFO. Mr. Li Cheuk Kam is the sole director of Colourfield Global.

(iii) Short position

As at 31 March 2025, none of the Directors nor chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals (other than a Director or chief executive of the Company) who had or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares of the Company

Name	Capacity/nature	Total number of Shares	Percentage of Shares in issued
Colourfield Global	Beneficial owner (Note 1)	484,998,000	51.94%
Great Pride Global Limited	Beneficial Owner (Note 2)	190,002,000	20.35%
Ms. Yam Yuen Nina	Interest in a controlled corporation (Note 3)	190,002,000	20.35%

Notes:

1. 484,998,000 Shares are beneficially owned by Colourfield Global, which is wholly-owned by Mr. Li Cheuk Kam.

2. 190,002,000 Shares are beneficially owned by Great Pride Global Limited which is wholly-owned by Ms. Yam Yuen Nina.

3. 190,002,000 Shares are held by Great Pride Global Limited. Ms. Yam Yuen Nina beneficially owns 100% of the entire issued share capital of Great Pride Global Limited and is deemed, or taken to be, interested in the Shares held by Great Pride Global Limited for the purposes of the SFO.

Save as disclosed above, as at 31 March 2025, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transaction, arrangement or contracts of significance to which the Company or any of its subsidiaries and the controlling shareholders was a party and in which a Director had a material interest subsisted during and at the end of the year ended 31 March 2025.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme of the Company, at no time during the Reporting Period was the Company, its or any of its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors and the Chief Executive (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

MAJOR CUSTOMERS AND SUPPLIERS

The approximate percentages of revenue and cost of services during the year ended 31 March 2024 attributable to the Group's major customers and suppliers are as follows:

Revenue

– the largest customer	24.7%
– five largest customers	78.4%

Purchase

– the largest supplier	15.6%
– five largest suppliers	44.0%

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors who owned more than 5% of the Company's share capital) had any interest in the top five largest customers nor suppliers during the year ended 31 March 2025.

KEY PERFORMANCE INDICATORS

The following table sets forth key performance indicators of the Group as at the dates or for the years indicated:

	As at or for the year ended 31 March	
	2025	2024
Current Ratio (Note 1)	**1.4**	1.4
Gearing ratio (Note 2)	**25.7%**	19.1%
Return on total assets (Note 3)	**1.3%**	1.1%
Return on equity (Note 4)	**3.3%**	2.8%
Interest coverage (Note 5)	**3.8**	8.2

Notes:

1. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of each reporting period.

2. Gearing ratio is calculated based on the total debts (defined as the sum of the lease liabilities and bank borrowings) divided by the total equity as at the end of each reporting period and multiplied by 100%.

3. Return on total assets is calculated by the profit/(loss) attributable to owners of our Company for the year divided by the total assets as at the end of each reporting period and multiplied by 100%.

4. Return on equity is calculated by the loss attributable to owners of our Company for the year divided by the total equity as at the end of each reporting period and multiplied by 100%.

5. Interest coverage is calculated by the profit/(loss) before interest and tax divided by the interest for the respective year.

Current ratio

The Group's current ratios as at 31 March 2024 and 31 March 2025 remain stable at 1.4 for both 31 March 2024 and 2025. This consistency indicates that the Group has maintained a steady liquidity position over the past two years, with no significant changes in its current assets and liabilities relative to each other. Current ration over the threshold of 1.0 indicates that the Group has sufficient current assets to meet its current obligations and liabilities.

Gearing ratio

The Group's gearing ratio increased from approximately 19.1% as at 31 March 2024 to 25.7% as at 31 March 2025. The increase is primarily due to the fact that more fixed assets acquisition were financed by lease arrangements and bank borrowings, hence, the total debt has increased during the year ended 31 March 2025.

Return on total assets and return on equity

As at 31 March 2025, the Group's return on total assets is approximately 1.3% (a return on total assets of approximately 1.1% as at 31 March 2024) and the return on equity is approximately 3.3% (a return on equity of approximately 2.8% as at 31 March 2024). There is no significant movement for the return on total assets and return on equity during the year ended 31 March 2025.

Interest coverage

The Group's interest coverage decreased from 8.2 times as at 31 March 2024 to 3.8 times as at 31 March 2025. Such decrease is primarily due to the increase in interest expenses during the year ended 31 March 2025.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions as disclosed in note 28 to the consolidated financial statements of this annual report, there is no related party transactions which constitute a disclosable and/or connected transaction as defined under the Listing Rules.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 33 to the consolidated financial statements.

MARKET CAPITALISATION

As at 31 March 2025, the market capitalisation of the listed securities of the Company was approximately HK$54,157,500 based on the total number of 933,750,000 issued shares of the Company and the closing price of HK$0.058 per share.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares are held by the public as at the date of this annual report.

RETIREMENT SCHEME

The Group participates in a mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes for the year ended 31 March 2025.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee comprises three INEDs, namely, Mr. Chan Chung Kik, Lewis, Mr. Wong Chik Kong and Mr. Lee Kwok Lun. The Audit Committee has reviewed the audited financial statements for the year ended 31 March 2025 in conjunction with the Company's Auditors and management and has also discussed auditing, risk management, internal control and financial reporting matters which include accounting practices and principles adopted by the Group.

INDEPENDENT AUDITORS

The consolidated financial statements for the year ended 31 March 2025 have been audited by SHINEWING (HK) CPA Limited, who will retire and, being eligible, offer themselves for reappointment at the forthcoming 2025 annual general meeting of the Company.

CORPORATE GOVERNANCE CODE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 14 to 27 in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group during the Reporting Period.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company recognises its responsibility to protect the environment from its business activities. The Company is committed to the sustainable development of the environment and our society. The Group has endeavored to comply with the laws and regulations regarding environmental protection and has adopted effective environmental practices to ensure that our business meet the required standards and ethics in respect of environmental protection. Information on environmental policies and performance of the Group are set out in the section headed "Environment, Social and Governance Report" on pages 28 to 54 in this annual report.

DIVIDEND POLICY

The Company has adopted a Dividend Policy that aims to provide guidelines for the Board to determine whether dividends are to be declared and paid to the Shareholders and the level of dividend to be paid. Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account a number of factors which include the financial performance, the distributable reserves, the operations and liquidity position, the current and future development plans of the Company and any other factors that the Board deems appropriate.

The declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and is also subject to any restrictions under the Companies Act of the Cayman Islands, the Listing Rules, the laws of Hong Kong and the Company's Memorandum and Articles of Association and any other applicable laws and regulations. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Company will review the Dividend Policy periodically and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

By Order of the Board
Wing Chi Holdings Limited
Li Cheuk Kam
Chairman
Hong Kong, 20 June 2025

INDEPENDENT AUDITOR'S REPORT

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

To the Members of
WING CHI HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Wing Chi Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") set out on pages 71 to 123, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

- Accounting for construction contracts
- Impairment of trade receivables and contract assets

KEY AUDIT MATTERS (Continued)

Accounting for construction contracts

Refer to note 5 to the consolidated financial statements and the accounting policies on pages 81 – 82.

The key audit matter	How the matter was addressed in our audit
The Group recorded revenue from the provision of foundation and site formation works in Hong Kong of approximately HK$773,680,000 for the year ended 31 March 2025. Contract revenue is recognised progressively over time using output method, based on direct measurements of the value of services delivered and the estimated total revenue for the contracts entered into by the Group. When the outcome of a construction contract cannot be reasonably measured, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised when work is performed, together with any provisions for expected contract losses. Management reviews and revises the estimation of contract revenue, contract costs and variation orders for each construction contract by comparing the most current budgeted amounts with corresponding actual amounts as the contract work progresses. We identified accounting for construction contracts as a key audit matter because the estimation of the total contract revenue, total costs to complete contracts and value of works performed by the Group is inherently subjective and requires significant management judgement and estimation and because errors in the forecast of contract revenue and contract costs could result in a material variance in the amount of profit or loss recognised from contracts to date and, therefore, in the current period.	We have assessed the design, implementation and operating effectiveness of key internal controls over the contract revenue recognition processes. We have checked the estimated stage of completion at year end by tracing to certificates issued by customers, progress payment application submitted by the Group to customers and relevant supporting documents, on a sample basis. We have assessed reliability of management's assessment in forecasted costs by considering the historical actual costs and estimation of budgeted costs of completed projects.

KEY AUDIT MATTERS (Continued)

Impairment of trade receivables and contract assets

Refer to notes 17 and 16 to the consolidated financial statements and the accounting policies on pages 86 – 89.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2025, the Group has trade receivables and contract assets of approximately HK$32,028,000 and HK$165,939,000 respectively. We identified the impairment of trade receivables and contract assets as a key audit matter due to the significance to the Group's consolidated financial statements and the involvement of subjective judgement and management estimates based on the historical default rates, past-due status and ageing information of the grouped debtors and the forward-looking information in evaluating the expected credit losses ("**ECL**") of the Group's trade receivables and contract assets at the end of the reporting period.	Our procedures were designed to obtain and review the management's assessment of the impairment of trade receivables and contract assets. We have assessed the design and implementation of key internal controls over the management estimates on the loss allowance for trade receivables and contract assets. We have tested the accuracy of the ECL allowance made by the Group at the end of the reporting period and the information used by management to develop the provision matrix, including trade receivables ageing analysis, on a sample basis, by comparing individual items in the analysis with the relevant contracts, invoices and other supporting documents. We have challenged management's basis and judgement in determining ECL allowance on trade receivables and contract assets at the end of the reporting period, including the reasonableness of management's grouping of trade debtors into different categories of revenue in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Hon Kei, Anthony.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certificate Number: P05591

Hong Kong
20 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	**2025** **HK$'000**	2024 HK$'000
Revenue	5	**808,017**	671,910
Cost of sales		**(765,838)**	(630,591)
Gross profit		**42,179**	41,319
Other income and gains	6	**2,048**	1,680
Administrative expenses		**(37,612)**	(36,297)
Finance costs	7	**(1,756)**	(815)
Profit before taxation		**4,859**	5,887
Income tax expense	8	**(442)**	(2,188)
Profit for the year	9	**4,417**	3,699
Earnings per share:			
Basic and diluted	13	**0.5 cents**	0.4 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Plant and equipment	14	**66,505**	44,473
Right-of-use assets	15	**8,243**	19,392
Deposits paid for acquisition of plant and equipment		**252**	3,051
		75,000	66,916
Current assets			
Contract assets	16	**165,939**	205,862
Trade and other receivables	17	**38,350**	26,055
Tax recoverable		**–**	11
Bank balances	18	**50,046**	45,630
		254,335	277,558
Current liabilities			
Trade and other payables	19	**152,726**	182,383
Lease liabilities	15	**3,168**	7,922
Bank borrowings	20	**28,211**	12,160
Tax payable		**17**	–
		184,122	202,465
Net current assets		**70,213**	75,093
Total assets less current liabilities		**145,213**	142,009
Non-current liabilities			
Deferred tax liabilities	21	**6,641**	6,271
Lease liabilities	15	**3,330**	4,913
		9,971	11,184
Net assets		**135,242**	130,825
Capital and reserves			
Share capital	22	**9,338**	9,338
Reserves		**125,904**	121,487
		135,242	130,825

The consolidated financial statements on pages 71 to 123 were approved and authorised for issue by the board of directors on 20 June 2025 and are signed on its behalf by:

Li Cheuk Kam *Director*	**Chau Man Chun** *Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital HK$'000	Share Premium HK$'000	Merger reserve (Note) HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2023	9,338	115,593	10	2,185	127,126
Profit for the year	–	–	–	3,699	3,699
At 31 March 2024 and 1 April 2024	**9,338**	**115,593**	**10**	**5,884**	**130,825**
Profit for the year	**–**	**–**	**–**	**4,417**	**4,417**
At 31 March 2025	**9,338**	**115,593**	**10**	**10,301**	**135,242**

Note:

Merger reserve represented the difference between the nominal value of the shares issued by the Company and the amount of issued share capital of the subsidiaries acquired pursuant to the group reorganisation.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**4,859**	5,887
Adjustments for:		
Bank interest income	**(40)**	(98)
Finance costs	**1,756**	815
Gain on disposal of plant and equipment	**(1,184)**	(334)
Impairment loss reversed on trade receivables	**(4)**	(103)
Impairment loss reversed on contract assets	**(33)**	(1,094)
Gain on early termination of lease agreement	**(201)**	(19)
Government grants	**(293)**	–
Depreciation of plant and equipment	**18,313**	10,943
Depreciation of right-of-use assets	**6,100**	7,051
Operating cash flows before movements in working capital	**29,273**	23,048
Decrease (increase) in contract assets	**39,956**	(97,136)
(Increase) decrease in trade and other receivables	**(12,291)**	4,414
(Decrease) increase in trade and other payables	**(23,417)**	95,148
Cash from operations	**33,521**	25,474
Income taxes (paid) refunded	**(44)**	113
NET CASH FROM OPERATING ACTIVITIES	**33,477**	25,587
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(35,530)**	(25,318)
Payments for right-of-use assets	**(1,120)**	(184)
Deposits paid for acquisition of plant and equipment	**(252)**	(3,051)
Proceeds from disposal of plant and equipment	**1,540**	1,330
Interest received	**40**	98
NET CASH USED IN INVESTING ACTIVITIES	**(35,322)**	(27,125)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
FINANCING ACTIVITIES		
New bank borrowing raised	**30,000**	12,160
Government grants received	**293**	–
Repayment of bank borrowings	**(13,949)**	–
Repayment of lease liabilities	**(8,327)**	(9,761)
Interest paid for bank borrowings	**(1,218)**	–
Interest paid for lease liabilities	**(538)**	(815)
NET CASH FROM FINANCING ACTIVITIES	**6,261**	1,584
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,416**	46
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**45,630**	45,584
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances	**50,046**	45,630

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Wing Chi Holdings Limited ("**the Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 13 March 2017. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its ultimate holding company and immediate holding company is Colourfield Global Limited, a limited company incorporated in the British Virgin Islands ("**BVI**"). Its ultimate controlling party is Mr. Li Cheuk Kam (the "**Controlling Shareholder**"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The Company is an investment holding company, while the principal subsidiaries are principally engaged in the provision of foundation and site formation works and machineries leasing.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**").

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year 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 the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

*Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020) (the "**2020 Amendments**") and Amendments to HKAS 1 – Non-current Liabilities with Covenants (the "**2022 Amendments**")*

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group's liabilities.

For the year ended 31 March 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

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 for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

For the year ended 31 March 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective (Continued)

HKFRS 19 – Subsidiaries without Public Accountability: Disclosures

HKFRS 19 allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with HKFRS Accounting Standards.

HKFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply HKFRS 19.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The directors are currently assessing the impact of these amendments.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Impairment losses on plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of plant and equipment, and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those services to a customer. Specifically, the Group uses a five-step approach to recognise revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties.

Contract assets

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

The Group recognised revenue from the following major sources:

- Provision of foundation and site formation works (Construction contract)

- Machineries leasing

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on an asset under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

Where the outcome of a construction contract can be estimated reliably, revenue from contract work is recognised based on the progress of the contracts, provided that the progress contract completion and the gross billing value of contracting work can be measured reliably. The progress of a contract is established according to the certificate of completion stage issued by the customers. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with an onerous contract. An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Lease liabilities

At the commencement date, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options, the carrying amount of the relevant right-of-use assets is transferred to plant and equipment.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its machineries. Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits

Retirement benefits cost

Payments to the Mandatory Provident Fund Scheme ("**MPF Scheme**") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax assets related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("**ECL**"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "Other income and gains" line item (Note 6).

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for ECL on financial assets that are measured at amortised cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group concludes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. The Group rebutted the presumption of significant increase in credit risk under ECL model for trade debtors over 30 days past due based on the industry habits, continuous business with the Group and/or other reasonable and supportable information.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'low risk'. Low risk means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 2 years past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, etc, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable (included in "Trade receivables" as disclosed in note 17), the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, value in use of plant and equipment and right-of-use assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Judgments in determining the timing of satisfaction of performance obligations

The recognition of each of the Group's revenue stream requires judgment by the directors of the Company in determining the timing of satisfaction of performance obligations.

In making their judgment, the directors of the Company considered the detailed criteria for recognition of revenue set out in HKFRS 15 and in particular, whether the Group has satisfied all performance obligations over time or at a point in time with reference to the details terms of transactions as stipulated in the contracts entered into with its customers.

For the Group's provision of foundation and site formation works business, the directors of the Company has assessed that the Group's performance creates and enhances an asset that the customer controls as the Group performs. Therefore, the directors of the Company have satisfied that the performance obligation is satisfied over time and recognised the revenue over the construction period.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting for construction contracts

Contract revenue is recognised progressively over time using output method, based on direct measurements of the value of services delivered and the estimated total revenue for the contracts entered into by the Group. Most construction works take 1 to 2 years to complete and the scope of work may change during the construction period. Management estimates the revenue and budgeted costs by considering the historical actual costs and estimation of budgeted costs of completed projects at the commencement of the construction contracts and regularly assesses the progress of construction works as well as the financial impact of scope changes, claims, disputes and liquidation damages. The management's estimate of revenue and the completion status of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised. The construction works performed by the Group would be certified by the customers periodically according to the construction contracts.

When the outcome of a construction contract cannot be reasonably measured (uncertified work or unagreed income), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised when work is performed, together with any provisions for expected contract losses.

The management regularly reviews and revises the estimation of contract revenue, contract costs and variation orders for each construction contract by comparing the most current budgeted amounts with corresponding actual amounts as the contract work progresses.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Onerous contracts

The Group determines whether contracts with customers are onerous contracts based on the latest available budgets of those contracts with reference to the overall contracts consideration of each contract which requires management's best estimates and judgements. Construction revenue is estimated in accordance with the terms set out in the relevant contracts. Because of the nature of the construction industry, the management regularly reviews the progress of the contracts and the estimated construction revenue and budgeted costs. Any change in the estimates of construction revenue or budgeted cost will affect the amount of foreseeable losses arising from onerous contracts recognised in the profit or loss in the year of the change. No provision was made for the year ended 31 March 2025 (2024: nil).

Depreciation of plant and equipment and right-of-use assets

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Right-of-use assets (i.e. motor vehicles and machineries) are depreciated using the straight-line method over the estimated useful life of the underlying assets. The determination of the useful lives involves management's estimation. The Group assesses annually the useful lives of the plant and equipment and right-of-use assets (i.e. motor vehicles and machineries) and if the expectation differs from the original estimates, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Impairment of trade receivables and contract assets

The Group uses provision matrix to calculate ECL allowance for trade receivables and contract assets. The provision matrix is based on the Group's historical default rates taking into consideration of those grouped debtors' past-due status and their ageing information as they have similar loss patterns and forward-looking information that is reasonable and supportable available without undue costs or effort. Contract assets with mutual agreement of longer processing period to obtain the certification of the completed construction work from the customers are assessed for ECL allowance individually. The remaining contract assets are assessed collectively. At each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The information about the ECL allowance on the Group's trade receivables and contract assets are disclosed in notes 17 and 16 respectively.

The carrying amount of trade receivables at 31 March 2025 is approximately HK$32,028,000 (2024: HK$19,031,000), net of accumulated loss allowance of approximately HK$547,000 (2024: HK$551,000). During the year ended 31 March 2025, reversal of impairment loss on trade receivables of approximately HK$4,000 (2024: HK$103,000) was recognised.

The carrying amount of contract assets at 31 March 2025 is approximately HK$165,939,000 (2024: HK$205,862,000), net of accumulated loss allowance of approximately HK$2,199,000 (2024: HK$2,232,000). During the year ended 31 March 2025, reversal of impairment loss for contract assets of approximately HK$33,000 (2024: HK$1,094,000) was recognised.

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from provision of foundation and site formation works and machineries leasing for the year. An analysis of the Group's revenue for the year is as follows:

	2025 **HK$'000**	2024 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
— Provision of foundation and site formation works	**773,680**	651,183
Revenue from other sources		
— Rental income from machineries leasing	**34,337**	20,727
	808,017	671,910

Disaggregation of revenue from contracts with customers by timing of recognition:

	2025 **HK$'000**	2024 HK$'000
Timing of revenue recognition from contracts with customers		
Over time	**773,680**	651,183

Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 March 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK$548,905,000 (2024: HK$592,254,000). The amount represents revenue expected to be recognised in the future from construction contracts. The Group will recognise this revenue as the service is completed, which is expected to occur over the next 1 to 21 months (2024: 1 to 16 months).

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("**CODM**") (the directors of the Company) in order to allocate resources to segments and to assess their performance.

The Group's operating activity is attributable to a single operating segment focusing on the provision of foundation and site formation works and machineries leasing. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRS Accounting Standards, that is regularly reviewed by the CODM. The CODM monitors the revenue from provision of foundation and site formation works and machineries leasing for the purpose of making decisions about resources allocation and performance assessment. The CODM reviews the profit for the year of the Group as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

Geographical information

The Group's revenue from external customers presented based on the location of the operations is derived solely in Hong Kong (country of domicile). Non-current assets of the Group presented based on the location of the assets are all located in Hong Kong. As a result, geographical information has not been presented.

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers

Revenues from external customers contributing over 10% of the total revenue of the Group of the corresponding year are as follows:

	2025 HK$'000	2024 HK$'000
Customer A	199,742	360,254
Customer B	126,048	74,682
Customer C	119,640	115,234
Customer D	97,015	N/A*
Customer E	91,253	N/A*

* The corresponding revenue did not contribute over 10% of total revenue of the Group.

6. OTHER INCOME AND GAINS

	2025 HK$'000	2024 HK$'000
Bank interest income	40	98
Gain on disposal of plant and equipment	1,184	334
Gain on early termination of lease agreement	201	19
Gain on exchange difference	259	–
Reversal of impairment loss on trade receivables	4	103
Reversal of impairment loss on contract assets	33	1,094
Government grants (Note)	293	–
Sundry income	34	32
	2,048	1,680

Note:

During the year ended 31 March 2025, approximately HK$293,000 (2024: nil) were cash subsidies from the Ex-gratia Payment Scheme for Phasing Out Euro IV Diesel Commercial Vehicles granted by the Government to phase out Euro IV diesel commercial vehicles. The Group had complied with all attached conditions during the year ended 31 March 2025 and recognised the amounts in profit or loss in "other income and gains".

7. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interests on:		
— bank borrowings	1,218	–
— lease liabilities	538	815
	1,756	815

For the year ended 31 March 2025

8. INCOME TAX EXPENSE

	2025 **HK$'000**	2024 HK$'000
Current year taxation		
Hong Kong Profits Tax	**72**	13
Deferred taxation (Note 21)	**370**	2,175
	442	2,188

Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands or the BVI for the year ended 31 March 2025 (2024: nil).

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. For the years ended 31 March 2025 and 2024, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Income tax expense for the years can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2025 **HK$'000**	2024 HK$'000
Profit before taxation	**4,859**	5,887
Tax calculated at the tax rate of 16.5% (2024: 16.5%)	**802**	971
Tax effect of expenses not deductible for tax purpose	**595**	518
Tax effect of income not taxable for tax purpose	**(49)**	(219)
Tax effect of deductible temporary difference not recognised	**–**	26
Recognition and utilisation of deductible temporary difference not recognised	**(53)**	–
Tax effect of tax losses not recognised	**496**	993
Utilisation of tax losses previously not recognised	**(1,272)**	(82)
Effect of two-tiered profits tax rates regime	**(75)**	(16)
Effect of tax exemption granted (Note)	**(2)**	(3)
Income tax expense for the year	**442**	2,188

Note: Tax exemption represented a reduction of Hong Kong Profits Tax for the year of assessment 2024/2025 by 100% (2023/2024: 100%), subject to a ceiling of approximately HK$2,000 (2024: HK$3,000) per company.

Details of deferred taxation are set out in note 21.

9. PROFIT FOR THE YEAR

	2025 HK$'000	2024 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Directors' and chief executive's emoluments (Note 10)	**4,349**	4,208
Staff costs (excluding directors' and chief executive's emoluments)		
— Salaries, wages, allowances and other benefits	**242,037**	182,481
— Contributions to retirement benefits scheme	**6,530**	4,972
Total staff costs	**248,567**	187,453
Auditor's remuneration	**900**	880
Depreciation of plant and equipment	**18,313**	10,943
Depreciation of right-of-use assets	**6,100**	7,051
Gain on disposal of plant and equipment	**(1,184)**	(334)
Reversal of impairment loss on trade receivables	**(4)**	(103)
Reversal of impairment loss on contract assets	**(33)**	(1,094)

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of emoluments paid or payable to each of the directors and chief executive of the Company are as follows:

	Year ended 31 March 2025			
	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Contributions to retirement benefits scheme HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings:				
Executive directors				
Mr. Li Cheuk Kam ("**Mr. Li**") (Note i)	–	3,443	18	3,461
Ms. Chau Man Chun (the spouse of Mr. Li ("**Mrs. Li**")) (appointed on 20 March 2024)	–	420	18	438
Independent non-executive directors				
Mr. Wong Chik Kong	150	–	–	150
Mr. Chan Chung Kik, Lewis	150	–	–	150
Mr. Lee Kwok Lun	150	–	–	150
	450	3,863	36	4,349

10. DIRECTOR AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Details of emoluments paid or payable to each of the directors and chief executive of the Company are as follows: (Continued)

	Year ended 31 March 2024			
	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Contributions to retirement benefits scheme HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings:				
Executive directors				
Mr. Li Cheuk Kam ("**Mr. Li**") (Note i)	–	3,435	18	3,453
Ms. Chau Man Chun (the spouse of Mr. Li ("**Mrs. Li**")) (appointed on 20 March 2024)	–	11	1	12
Mr. Li Wai Fong (ceased to serve on 30 November 2023)	–	281	12	293
Independent non-executive directors				
Mr. Wong Chik Kong	150	–	–	150
Mr. Chan Chung Kik, Lewis	150	–	–	150
Mr. Lee Kwok Lun	150	–	–	150
	450	3,727	31	4,208

Note:

i) Mr. Li is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Neither the chief executive nor any of the directors of the Company have waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: nil).

Neither the chief executive nor any of the directors of the Company have received any inducement to join or upon joining the Group or compensation for loss of office during the year ended 31 March 2025 (2024: nil).

11. EMPLOYEES EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2024: one) of them was the director and chief executive of the Company. The emolument of the director and chief executive of the Company are included in the disclosures in note 10 above. The emoluments of the remaining four (2024: four) individuals were as follows:

	2025 HK$'000	2024 HK$'000
Salaries, allowances and other benefits	6,425	5,322
Contributions to retirement benefits scheme	72	72
	6,497	5,394

Their emoluments were within the following bands:

	2025 No. of employees	2024 No. of employees
HK$1,000,001 to HK$1,500,000	3	3
HK$1,500,001 to HK$2,000,000	1	1
	4	4

None of the five highest paid individuals have received any inducement to join or upon joining the Group or compensation for loss of office during the year ended 31 March 2025 (2024: nil).

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025 HK$'000	2024 HK$'000
Earnings		
— Profit for the year attributable to the owners of the Company	4,417	3,699

	2025	2024
Number of shares		
— Weighted average number of ordinary shares for the purpose of basic earnings per share	933,750,000	933,750,000

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

For the year ended 31 March 2025

14. PLANT AND EQUIPMENT

	Machineries and equipment HK$'000	Motor vehicles HK$'000	Leasehold improvement HK$'000	Computer equipment HK$'000	Total HK$'000
COST					
At 1 April 2023	77,847	12,826	1,477	223	92,373
Additions	29,757	1,985	–	–	31,742
Transfer from right-of-use assets (Note 15)	3,500	1,285	–	–	4,785
Transfer to right-of-use assets (Note 15)	(1,840)	–	–	–	(1,840)
Disposals	–	(4,599)	–	–	(4,599)
Written off	(308)	–	–	–	(308)
At 31 March 2024	**108,956**	**11,497**	**1,477**	**223**	**122,153**
Additions	**31,405**	**936**	**–**	**–**	**32,341**
Transfer from right-of-use assets (Note 15)	**17,783**	**–**	**–**	**–**	**17,783**
Disposals	**(180)**	**(4,460)**	**–**	**–**	**(4,640)**
Written off	**(684)**	**–**	**–**	**–**	**(684)**
At 31 March 2025	**157,280**	**7,973**	**1,477**	**223**	**166,953**
ACCUMULATED DEPRECIATION					
At 1 April 2023	56,860	9,674	1,477	148	68,159
Charge for the year	9,689	1,231	–	23	10,943
Transfer from accumulated depreciation of right-of-use assets (Note 15)	1,820	761	–	–	2,581
Transfer to accumulated depreciation of right-of-use assets (Note 15)	(92)	–	–	–	(92)
Eliminated on disposals	–	(3,603)	–	–	(3,603)
Eliminated on written off	(308)	–	–	–	(308)
At 31 March 2024	**67,969**	**8,063**	**1,477**	**171**	**77,680**
Charge for the year	**17,248**	**1,045**	**–**	**20**	**18,313**
Transfer from accumulated depreciation of right-of-use assets (Note 15)	**9,423**	**–**	**–**	**–**	**9,423**
Eliminated on disposals	**(13)**	**(4,271)**	**–**	**–**	**(4284)**
Eliminated on written off	**(684)**	**–**	**–**	**–**	**(684)**
At 31 March 2025	**93,943**	**4,837**	**1,477**	**191**	**100,448**
CARRYING VALUES					
At 31 March 2025	**63,337**	**3,136**	**–**	**32**	**66,505**
At 31 March 2024	40,987	3,434	–	52	44,473

14. PLANT AND EQUIPMENT (Continued)

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Machineries and equipment	20% per annum
Motor vehicles	20% per annum
Leasehold improvement	Over the shorter of lease term or 3 years
Computer equipment	20% per annum

As at 31 March 2025, certain Group's machineries with an aggregate carrying amounts of approximately HK$26,668,000 (2024: HK$15,010,000) were pledged to secure the bank borrowings granted to the Group (Note 35).

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	2025 HK$'000	2024 HK$'000
Premises	**1,282**	4,290
Machineries	**6,961**	15,102
	8,243	19,392

The Group has lease arrangement for premises and machineries. The lease terms are generally over two to four years (2024: two to five years) for the years ended 31 March 2025.

In respect of lease arrangement for renting machineries, the Group has options to purchase machineries for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such lease.

Additions to the right-of-use assets for the year ended 31 March 2025 amounted to approximately HK$978,000 and HK$4,450,000, due to new leases of premises and machineries respectively (2024: approximately HK$1,271,000 and HK$1,840,000 respectively).

During the year ended 31 March 2025, the Group transferred the leased machineries of approximately HK$8,360,000 (2024: leased machineries and motor vehicle of approximately HK$1,680,000 and HK$524,000) from right-of-use assets to plant and equipment upon the end of lease terms.

During the year ended 31 March 2024, the Group transferred the leased machineries of approximately HK$1,748,000, with cost of HK$1,840,000 less accumulated depreciation of HK$92,000 (2025: nil), from plant and equipment to right-of-use assets at the commencement of lease term.

During the year ended 31 March 2025, the Group early terminated leases of premises and derecognised right-of-use assets and lease liabilities of approximately HK$2,117,000 (2024: HK$682,000) and HK$2,318,000 (2024: HK$701,000) respectively, resulting in a gain on early termination of lease agreement of approximately HK$201,000 (2024: HK$19,000) being recognised in the consolidated statement of profit or loss for the year.

For the year ended 31 March 2025

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(ii) Lease liabilities

	2025 HK$'000	2024 HK$'000
Non-current	**3,330**	4,913
Current	**3,168**	7,922
	6,498	12,835

Amounts payable under lease liabilities	2025 HK$'000	2024 HK$'000
Within one year	**3,168**	7,922
After one year but within two years	**1,977**	3,185
After two years but within five years	**1,353**	1,728
	6,498	12,835
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(3,168)**	(7,922)
Amount due for settlement after 12 months	**3,330**	4,913

For the year ended 31 March 2025, the Group entered into new lease agreements for premises and machineries and recognised lease liabilities of approximately HK$978,000 and HK$3,330,000 respectively (2024: premises and machineries and recognised lease liabilities of approximately HK$1,271,000 and HK$1,656,000 respectively).

As at 31 March 2025, the lease liabilities in respect of leased machineries under hire purchase agreements amounted to approximately HK$5,187,000 (2024: leased machineries under hire purchase agreements amounted to approximately HK$8,318,000) was secured by the lessor's title to the leased assets. Machineries under hire purchase agreements amounted to approximately HK$5,187,000 have been guaranteed by the Company (2024: Machineries under hire purchase agreements amounted to approximately HK$8,318,000 have been guaranteed by the Company).

(iii) Amounts recognised in profit and loss

	2025 HK$'000	2024 HK$'000
Depreciation on right-of-use assets		
— Premises	**1,869**	2,213
— Motor vehicles	**–**	236
— Machineries	**4,231**	4,602
Interest expense on lease liabilities	**538**	815

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(iv) Others

For the year ended 31 March 2025, the total cash outflow for leases amounted to approximately HK$8,865,000 (2024: approximately HK$10,576,000).

Restrictions or covenants on leases

As at 31 March 2025, lease liabilities of approximately HK$6,498,000 are recognised with related right-of-use assets of approximately HK$8,243,000 (2024: lease liabilities of approximately HK$12,835,000 are recognised with related right-of-use assets of approximately HK$19,392,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. CONTRACT ASSETS

	2025 **HK$'000**	2024 HK$'000
Analysed as current:		
Unbilled revenue of construction contracts (Note a)	**110,738**	156,912
Loss allowance	**(67)**	(116)
	110,671	156,796
Retention receivables of construction contracts (Note b)	**57,400**	51,182
Loss allowance	**(2,132)**	(2,116)
	55,268	49,066
Total contract assets	**165,939**	205,862

As at 1 April 2023, contract assets amounted to HK$107,632,000.

Notes:

a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers. The balance of unbilled revenue of construction contracts is expected to be recovered within one year. The decrease in unbilled revenue of construction contracts in 2025 is the result of the decrease in ongoing foundation and site formation works at the end of the year.

b) Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. Included in retention receivables of construction contracts of approximately HK$29,971,000 (2024: HK$12,596,000) is expected to be recovered after one year. The increase in retention receivables of construction contracts in 2025 is the result of the increase in projects completion during the year.

The Group classifies these contract assets under current assets because the Group expects to realise them in its normal operating cycle.

For the year ended 31 March 2025

16. CONTRACT ASSETS (Continued)

The Group has applied the simplified approach permitted by HKFRS 9 to measure the allowance for credit losses at lifetime ECL. The ECL on contract assets are estimated using a provision matrix by reference to historical credit loss experience, adjusted for factors that are specific to the retention receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate, at the reporting date.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customers, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

There has been no change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance for contract assets.

The movement in the loss allowance of unbilled revenue is set out below:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**116**	469
Decrease during the year	**(49)**	(353)
At the end of the year	**67**	116

During the year ended 31 March 2025, the change in loss allowance of unbilled revenue was due to a decrease in expected loss rate of unbilled revenue.

The movement in the loss allowance of retention receivables is set out below:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**2,116**	2,857
Increase (decrease) during the year	**16**	(741)
At the end of the year	**2,132**	2,116

During the year ended 31 March 2025, the change in loss allowance of retention receivables was due to increase in the gross amount of the retention receivables.

17. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Receivables at amortised cost comprise:		
Trade receivables (Note)	32,575	19,582
Loss allowance	(547)	(551)
	32,028	19,031
Other receivables	4,983	5,364
Prepayments and deposits	1,339	1,660
	38,350	26,055

Note:

As at 31 March 2025, gross amount of approximately HK$25,916,000 (2024: HK$10,500,000) included in the trade receivables arose from the provision of foundation and site formation works in accordance with HKFRS 15.

The Group does not hold any collateral over these balances.

The Group allows an average credit period of 15 to 75 days to its trade customers. The following is an aged analysis of trade receivables, net of accumulated loss allowance, presented based on the certified date which approximates the respective revenue recognition dates and invoice dates at the end of the reporting period:

	2025 HK$'000	2024 HK$'000
0 to 30 days	31,603	18,309
31 to 60 days	52	301
61 to 180 days	239	421
181 to 365 days	55	–
Over 365 days	79	–
	32,028	19,031

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. As at 31 March 2025 and 2024, the ECL on trade receivables are estimated using a provision matrix by reference to historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate, at the reporting date.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customers, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

For the year ended 31 March 2025

17. TRADE AND OTHER RECEIVABLES (Continued)

The Group's lifetime ECL for trade receivables based on the past due ageing of customers as follows:

As at 31 March 2025	Weighted average expected loss rate %	Gross carrying amount HK$'000	Impairment loss allowance HK$'000
Current (not past due)	*	31,621	18
0 to 30 days	*	52	–#
31 to 60 days	*	70	–#
61 to 180 days	*	170	–#
181 to 365 days	7%	143	10
Over 365 days	100%	519	519
		32,575	547

As at 31 March 2024	Weighted average expected loss rate %	Gross carrying amount HK$'000	Impairment loss allowance HK$'000
Current (not past due)	*	18,319	10
0 to 30 days	*	302	–#
31 to 60 days	*	323	1
61 to 180 days	1%	99	1
Over 365 days	100%	539	539
		19,582	551

* The weighted average expected loss rate is less than 1%.

\# The amount is less than HK$1,000.

There has been no change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance for trade receivables.

The movement in the loss allowance of trade receivables is set out below:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	551	654
Decrease during the year	(4)	(103)
At the end of the year	547	551

During the year ended 31 March 2025, the change in loss allowance of trade receivables was mainly due to slightly decrease in past due balances over 365 days of trade receivables.

17. TRADE AND OTHER RECEIVABLES (Continued)

For deposits and other receivables, the Group measures the loss allowance at an amount equal to 12-month ECL since the credit risk is considered to be low and there is no significant increase in credit risk during the year. The loss allowance is insignificant to the Group as at 31 March 2025 and 2024.

There has been no change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance for deposits and other receivables.

18. BANK BALANCES

Bank balances carry interest at prevailing market rates ranging from 0.25% to 3.70% per annum (2024: 0.75% to 2.50% per annum) for the year ended 31 March 2025.

The Group's bank balances that are denominated in currency other than the functional currency of the Group is set out below:

	2025 HK$'000	2024 HK$'000
Japanese Yen ("**JPY**")	**–#**	2,088

The amount is less than HK$1,000.

19. TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**116,754**	144,336
Retention payables	**10,931**	11,571
Payables for acquisition of machineries	**–**	6,240
Accrued expenses and other payables	**25,041**	20,236
	152,726	182,383

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by suppliers and subcontractors were stipulated in the relevant contracts and the payables were usually due for settlement within 30 to 90 days in 2025 (2024: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is the aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025 HK$'000	2024 HK$'000
0 to 90 days	**116,754**	144,336

For the year ended 31 March 2025

20. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Secured and guaranteed	**28,211**	12,160

Carrying amount repayable based on scheduled repayment dates set out in the loan agreements:

	2025 HK$'000	2024 HK$'000
Within one year	**5,991**	2,144
More than one year but not exceeding two years	**6,319**	2,279
More than two years but not exceeding five years	**15,901**	7,737
	28,211	12,160
Carrying amount of bank borrowings that are not repayable on demand or within one year from the end of the reporting period but contain a repayment on demand clause	**22,220**	10,016
Carrying amount of bank borrowings that are repayable within one year from the end of the reporting period and contain a repayment on demand clause	**5,991**	2,144
	28,211	12,160
Amounts shown under current liabilities	**(28,211)**	(12,160)
Amounts shown under non-current liabilities	**–**	–

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2025 HK$'000	2024 HK$'000
Floating rate		
– expiring beyond one year	**44,327**	57,478

Notes:

(a) During the year, the Group obtained new bank borrowings in the amount of approximately HK$30,000,000 and repaid bank borrowings in amount of approximately HK$13,949,000 (2024: HK$12,160,000 obtained and repaid during the year ended 31 March 2024). The bank borrowings bear interest at HKD Prime (2024: HKD Prime). The effective interest rate of bank borrowings during the year ended 31 March 2025 was 5.3% to 5.5% (2024: 6.1%) per annum. The proceeds were used to finance the purchase of machineries of the Group.

(b) As at 31 March 2025, the Group has unutilised banking facilities of approximately HK$17,480,000 (2024: HK$17,480,000) which were granted in August 2023. Such banking facilities are guaranteed by the Company.

(c) As at 31 March 2025, secured and guaranteed bank borrowings with carrying amount of approximately HK$28,211,000 (2024: HK$12,160,000) were secured by machineries of the Group and jointly guaranteed by Mr. Li, Mrs. Li and the Company. Details are disclosed in note 35 and 28.

For the year ended 31 March 2025

21. DEFERRED TAXATION

Deferred tax liability arising from accelerated tax depreciation recognised by the Group and movements thereon during the current and prior years was as follows:

	Accelerated tax depreciation HK$'000
At 1 April 2023	(4,096)
Charged to profit or loss (Note 8)	(2,175)
At 31 March 2024	**(6,271)**
Charged to profit or loss (Note 8)	**(370)**
At 31 March 2025	**(6,641)**

At 31 March 2025, the Group has approximately HK$91,192,000 (2024: HK$95,896,000) unused tax losses available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 31 March 2025, the Group has temporary differences of approximately HK$2,116,000 (2024: HK$2,440,000). No deferred tax asset has been recognised in relation to such temporary difference as it is not probable that taxable profit will be available against which the temporary differences can be utilised.

22. SHARE CAPITAL

	Number of shares		**Share capital**	
	2025	2024	**2025** **HK$'000**	2024 HK$'000
Ordinary shares of HK$0.01 each				
Authorised				
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**2,000,000,000**	2,000,000,000	**20,000**	20,000
Issued and fully paid				
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**933,750,000**	933,750,000	**9,338**	9,338

Note:

All shares issued rank pari passu with all the existing shares in all respects.

23. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings disclosed in note 20, lease liabilities disclosed in note 15, bank balances disclosed in note 18, and equity attributable to the owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and the issue of new borrowings or the redemption of existing borrowings.

24. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Financial assets at amortised cost (including bank balances)	**87,564**	70,610
Financial liabilities		
Financial liabilities at amortised cost	**180,937**	194,543

Financial risk management objectives and policies

The Group's major financial assets and financial liabilities include trade and other receivables and deposits, bank balances, trade and other payables, and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments included market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign currency risk

Certain bank balances of the Group are denominated in JPY which are currency other than the functional currency of the Group. The carrying amounts of the Group's major foreign currency denominated monetary assets at the end of the reporting period are as follows:

	2025 **HK$'000**	2024 HK$'000
JPY	**–**[#]	2,088

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in the functional currency of the Group against the relevant foreign currency. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

A positive number below indicates an increase in post-tax profit where the respective foreign currency strengthens 5% (2024: 5%) against the relevant functional currency. For a 5% (2024: 5%) weakening of the respective foreign currency against the relevant functional currency, there would be an equal and opposite impact on the profit or loss.

	JPY impact	
	2025	2024
	HK$'000	HK$'000
JPY	**–[#]**	87

[#] The amount is less than HK$1,000.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balance (see note 18) and variable-rate bank borrowings (see note 20). As no significant impacts on the results of the Group would arise from possible changes in interest rates for variable-rate bank balances, accordingly sensitivity analysis in this respect is not presented.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of the HKD Prime lending rate (the "**Prime rate**") arising from the Group's Hong Kong dollar denominated bank borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure of the Group's variable-rate bank borrowings to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding as at 31 March 2025 were outstanding for the whole reporting period. A 50 basis points (2024: 50 basis points) increase or decrease is used for the year ended 31 March 2025 when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2024: 50 basis points) higher/lower for the year ended 31 March 2025 and all other variables were held constant, the Group's post-tax profit would decrease/increase by approximately HK$118,000 for the year ended 31 March 2025 (2024: HK$51,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 March 2025 and 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from bank balances, trade receivables and contract assets, deposits and other receivables. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively for trade receivables and contract assets by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. ECL for contract assets with mutual agreement of longer processing period to obtain the certification of the completed construction work from the customers are individually determined. ECL for the remaining contract assets are collectively determined. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For deposits and other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and thus the measurement of the loss allowance was limited to 12-month ECL.

As at 31 March 2025, the Group concentration of credit risk as 26% (2024: 2%) of the total trade receivables due from the Group's largest customer while 68% (2024: 82%) of the total trade receivables was due from the Group's five largest customers.

The Group's concentration of credit risk by geographical locations is in Hong Kong, which accounted for 100% (2024: 100%) of the total trade receivables as at 31 March 2025.

For the year ended 31 March 2025

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's exposure to credit risk

In order to minimise credit risk, the Group has tasked its management team to develop and maintain the Group's credit risk grading to categories exposures according to their degree of risk of default. The management team uses publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Basis for recognising ECL
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Watchlist	Debtor frequently repays after due dates but usually settle after due date	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The credit quality of the Group's financial assets and contract assets as well as the Group's maximum exposure to credit risk by credit risk rating grades are disclosed below:

31 March 2025	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Trade receivables	(Note)	lifetime ECL	32,575	(547)	32,028
Contract assets	(Note)	lifetime ECL assessed collectively	168,138	(2,199)	165,939
Deposits and other receivables	Low risk	12-month ECL	5,490	–	5,490
				(2,746)	

31 March 2024	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Trade receivables	(Note)	lifetime ECL	19,582	(551)	19,031
Contract assets	(Note)	lifetime ECL assessed collectively	206,213	(2,231)	203,982
Contract assets	(Note)	lifetime ECL assessed individually	1,881	(1)	1,880
Deposits and other receivables	Low risk	12-month ECL	5,949	–	5,949
				(2,783)	

Note:

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Contract assets with mutual agreement of longer processing period to obtain the certification of the completed construction work from the customers with gross carrying amount of approximately HK$1,881,000 as at 31 March 2024 (2025: nil) are assessed individually. The remaining contract assets are collectively assessed. Notes 17 and 16 include movements of the loss allowance for these assets respectively.

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the Group relies on bank borrowings as a significant source of liquidity and the management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and the maturity profile of its lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay and the agreed repayment dates.

The table includes both interest and principal cash flows.

	At 31 March 2025					
	Weighted average interest rate %	On demand or within 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables (Note 19)	–	152,726	–	–	152,726	152,726
Bank borrowings (Note 20)	5.6	28,211	–	–	28,211	28,211
		180,937	–	–	180,937	180,937
Lease liabilities (Note 15)	6.0	3,438	2,104	1,399	6,941	6,498

	At 31 March 2024					
	Weighted average interest rate %	On demand or within 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables (Note 19)	–	182,383	–	–	182,383	182,383
Bank borrowings (Note 20)	6.1	12,160	–	–	12,160	12,160
		194,543	–	–	194,543	194,543
Lease liabilities (Note 15)	3.7	8,330	3,341	1,778	13,449	12,835

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 March 2025, the aggregate undiscounted principal amounts of these bank loans amounted to HK$28,211,000 (2024: HK$12,160,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK$31,652,000 (2024: HK$14,151,000), with the details as follow:

	less than 1 year HK$'000	**1-2 years HK$'000**	**2-5 years HK$'000**	**Undiscounted cash flows HK$'000**	**Carrying amount HK$'000**
At 31 March 2025	**7,352**	**7,352**	**16,948**	**31,652**	**28,211**

	less than 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 March 2024	2,830	2,830	8,491	14,151	12,160

Fair value measurement

The directors of the Company consider that the carrying amounts of current financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values due to their immediate or short-term maturities.

25. RETIREMENT BENEFITS SCHEME

Defined contribution plans

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. The Group contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The total cost charged to profit or loss of approximately HK$6,566,000 (2024: HK$5,003,000) represents contributions payable to the MPF Scheme by the Group in respect of the current accounting period.

Long Service Payment Liabilities

*Obligation to long service payments ("**LSP**") under Hong Kong Employment Ordinance*

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula: Last monthly wages (before termination of employment) × 2/3 × Years of service. Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

For the year ended 31 March 2025

25. RETIREMENT BENEFITS SCHEME (Continued)

Long Service Payment Liabilities (Continued)

*Obligation to long service payments ("**LSP**") under Hong Kong Employment Ordinance (Continued)*

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the "**Eligible Offset Amount**"), for the purpose of offsetting LSP payable to an employee (the "**Offsetting Arrangement**").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment Ordinance will come into effect prospectively from 1 May 2025 (the "**Transition Date**"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The Group has considered the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

26. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group has engaged in the machinery leasing activities under operating leases. As all the leases were short-term leases, no operating lease commitments in respect of machineries as at 31 March 2025 and 2024.

27. CAPITAL COMMITMENT

	2025 **HK$'000**	2024 HK$'000
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements	**1,008**	16,473

28. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following transactions with related parties:

(a) Compensation of key management personnel

The remuneration of the directors of the Company and key management personnel during the years ended 31 March 2025 and 2024 are as follows:

	2025 HK$'000	2024 HK$'000
Short-term benefits	**9,945**	8,615
Post-employment benefits	**108**	106
	10,053	8,721

The remuneration of the directors of the Company and key management personnel is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

(b) Other related party transaction

i) One of the directors of the Company has beneficial interest in Famous Smart International (HK) Limited ("**Famous Smart**"). The below transaction was at terms determined and agreed by the Company and the relevant party.

During the year ended 31 March 2023, the Group entered into a three-year lease in respect of office premises from Famous Smart. The amount of rent payable by the Group under the lease is HK$50,000 per month. As at 31 March 2025, the carrying amount of such lease liabilities is approximately HK$149,000 (2024: HK$721,000). During the year ended 31 March 2025, the Group has made lease payment of approximately HK$600,000 (2024: HK$600,000) to Famous Smart.

ii) One of the directors of the Company has beneficial interest in Easy Best Creation Limited ("**Easy Best**"). The below transaction was at terms determined and agreed by the Company and the relevant party.

During the year ended 31 March 2024, the Group entered into two three-year leases in respect of carparks from Easy Best. The amount of rent payable by the Group under the lease is HK$4,000 per month. As at 31 March 2025, the carrying amounts of such lease liabilities are approximately HK$85,000 and HK$85,000 (2024: HK$128,000 and HK$128,000). During the year ended 31 March 2025, the Group has made lease payments of approximately HK$48,000 and HK$48,000 (2024: HK$8,000 and HK$8,000) to Easy Best.

During the year ended 31 March 2025, the Group sold a motor vehicle to Easy Best with proceeds of HK$770,000, and the carrying amount of that motor vehicle is nil.

For the year ended 31 March 2025

28. RELATED PARTY TRANSACTIONS (Continued)

Saved as disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following transactions with related parties: (Continued)

(b) Other related party transaction (Continued)

iii) One of the directors of the Company has beneficial interest in Easy High Investment Limited ("**Easy High**"). The below transaction was at term determined and agreed by the Company and the relevant party.

During the year ended 31 March 2024, the Group entered into two three-year leases in respect of carparks from Easy High. The amount of rent payable by the Group under the lease is HK$4,000 per month. As at 31 March 2025, the carrying amount of such lease liabilities is approximately HK$85,000 and HK$85,000 (2024: HK$128,000 and HK$128,000). During the year ended 31 March 2025, the Group has made lease payment of approximately HK$48,000 and HK$48,000 (2024: HK$8,000 and HK$8,000) to Easy High.

iv) As at 31 March 2025, the Group has unutilised banking facility of HK$10,000,000 (2024: HK$10,000,000). Such banking facility is jointly guaranteed by Mr. Li and Mrs. Li.

v) As at 31 March 2025, the Group has unutilised banking facility of HK$30,000,000 (2024: HK$30,000,000). Such banking facility is secured by bank deposit of Mr. Li.

vi) As at 31 March 2025, the Group has bank borrowing of HK$28,211,000 (2024: HK$12,160,000). Such bank borrowing is jointly guaranteed by Mr. Li, Mrs. Li and the Company.

29. MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 March 2025, the Group entered into new lease agreements and recognised right-of-use assets for premises and machineries of approximately HK$978,000 and HK$4,450,000 (2024: approximately HK$1,271,000 and HK$1,840,000) and lease liabilities for premises and machineries of approximately HK$978,000 and HK$3,330,000 respectively (2024: approximately HK$1,271,000 and 1,656,000 respectively).

(b) During the year ended 31 March 2025, the Group transferred the leased machineries of approximately HK$8,360,000 (2024: leased machineries and motor vehicle of HK$1,680,000 and HK$524,000) from right-of-use assets to plant and equipment upon the end of lease terms.

(c) During the year ended 31 March 2025, the Group early terminated leases of premises and derecognised right-of-use assets for premises of approximately HK$2,117,000 (2024: HK$682,000) and lease liabilities for premises of approximately HK$2,318,000 (2024: HK$701,000) and resulted in gain on early termination of lease agreement of approximately HK$201,000 (2024: HK$19,000).

(d) During the year ended 31 March 2024, the Group transferred the leased machineries of approximately HK$1,748,000 (2025: nil) from plant and equipment to right-of-use assets at the commencement of lease term.

(e) At 31 March 2024, amount of approximately HK$6,240,000 (2025: nil) purchase of the plant and equipment was accrued and included in other payables.

30. CONTINGENT LIABILITIES

At 31 March 2025 and 2024, the Group has been involved in a number of litigations and potential claims against the Group in relation to work-related injuries and civil litigation.

In the opinion of the directors of the Company, the litigations and potential claims are not expected to have a material impact on the consolidated financial statements. Accordingly, no provision has been made to the consolidated financial statements (2024: nil).

31. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "**Scheme**"), was adopted pursuant to written resolution of the Company passed on 21 September 2017 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 19 October 2027. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The Company may not grant any options if the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other schemes exceeds 30% of the shares in issue from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

The option will be offered for acceptance for a period of not less than five trading days from the date on which the option is granted. Upon acceptance of the option, directors and eligible employees shall pay HK$1.00 to the Company by way of consideration for the grant. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Company's shares on the date of grant; and (iii) the average closing price of the shares for the five business days immediately preceding the date of grant.

No share options have been granted since the adoption of the scheme on 21 September 2017, and there is no outstanding share option as at 31 March 2025 and 2024.

For the year ended 31 March 2025

32. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK$'000	2024 HK$'000
Non-current asset			
Investments in subsidiaries	33	**167,800**	167,800
Less: Impairment losses		**(90,981)**	(87,621)
		76,819	80,179
Current assets			
Trade and other receivables		**230**	248
Bank balances		**2,560**	1,998
		2,790	2,246
Current liability			
Trade and other payables		**1,411**	1,295
Net current assets		**1,379**	951
Total assets less current liabilities		**78,198**	81,130
Capital and reserves			
Share capital	22	**9,338**	9,338
Reserves	(a)	**68,860**	71,792
		78,198	81,130

Note (a):

Movements in reserves

	Share Premium HK$'000	Other reserve HK$'000 (Note)	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	115,593	74,778	(86,278)	104,093
Loss for the year	–	–	(32,301)	(32,301)
At 31 March 2024 and 1 April 2024	**115,593**	**74,778**	**(118,579)**	**71,792**
Loss for the year	**–**	**–**	**(2,932)**	**(2,932)**
At 31 March 2025	**115,593**	**74,778**	**(121,511)**	**68,860**

Note: Other reserve represents the difference between the nominal value of the shares issued and the net asset value of the subsidiaries of the Company at the date of acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2025 and 2024 are as follows:

Name of company	Place of incorporation or operations	Class of shares held	Issued and fully paid ordinary share capital		Percentage of equity interest/voting power held by the Company				Principal activities
			2025	2024	2025		2024		
					Direct	Indirect	Direct	Indirect	
Infinite Merit Global Limited	the BVI	Ordinary	United Sates Dollars ("US$") $10	US$10	100%	–	100%	–	Investment holding
Novel Sign Investments Limited	the BVI	Ordinary	US$1	US$1	–	100%	–	100%	Investment holding
Harvest Year Ventures Limited	the BVI	Ordinary	US$1	US$1	–	100%	–	100%	Investment holding
Glory Ease Ventures Limited	the BVI	Ordinary	US$1	US$1	–	100%	–	100%	Investment holding
Billion Talent Enterprises Limited	the BVI	Ordinary	US$1	US$1	–	100%	–	100%	Investment holding
Crystal Future Global Limited	the BVI	Ordinary	US$1	US$1	–	100%	–	100%	Investment holding
Lik Shing Engineering Company Limited	Hong Kong	Ordinary	HK$54,010,000	HK$54,010,000	–	100%	–	100%	Provision of foundation and site formation work and machineries leasing
Lik Shing Construction Company Limited	Hong Kong	Ordinary	HK$1	HK$1	–	100%	–	100%	Provision of machineries leasing
Lik Shing Construction Engineering Limited	Hong Kong	Ordinary	HK$1	HK$1	–	100%	–	100%	Provision of repairing service and vehicle rental service

Note:

(a) None of the subsidiaries had any debt securities outstanding as at the end of the reporting period or at any time during the reporting period.

For the year ended 31 March 2025

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows from financing activities.

			Non-cash changes			
	1 April 2024 HK$'000	Financing cash flows HK$'000	Finance costs incurred (Note 7) HK$'000	New lease recognised (Note 29(a)) HK$'000	Early termination of lease agreement (Note 29(c)) HK$'000	31 March 2025 HK$'000
Liabilities						
Accrued interest	–	(1,218)	1,218	–	–	–
Bank borrowings (Note 20)	12,160	16,051	–	–	–	28,211
Lease liabilities (Note 15)	12,835	(8,865)	538	4,308	(2,318)	6,498
	24,995	5,968	1,756	4,308	(2,318)	34,709

			Non-cash changes			
	1 April 2023 HK$'000	Financing cash flows HK$'000	Finance costs incurred (Note 7) HK$'000	New lease recognised (Note 29(a)) HK$'000	Early termination of lease agreement (Note 29(c)) HK$'000	31 March 2024 HK$'000
Liabilities						
Bank borrowings (Note 20)	–	12,160	–	–	–	12,160
Lease liabilities (Note 15)	20,370	(10,576)	815	2,927	(701)	12,835
	20,370	1,584	815	2,927	(701)	24,995

35. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks and finance lease companies to secure banking facilities and lease liabilities granted to the Group:

	2025 HK$'000	2024 HK$'000
Right-of-use assets (Note 15)	6,961	15,102
Machineries (Note 14)	26,668	15,010
	33,629	30,112

FIVE YEAR FINANCIAL SUMMARY

The financial summary of the Group for the last five year is set as follows:

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**808,017**	671,910	537,299	421,120	411,845
Cost of sales	**(765,838)**	(630,591)	(493,976)	(391,509)	(441,413)
Gross profit/(loss)	**42,179**	41,319	43,323	29,611	(29,568)
Other income and gains	**2,048**	1,680	6,606	2,550	5,559
Administrative expenses	**(37,612)**	(36,297)	(39,264)	(25,813)	(21,798)
Finance costs	**(1,756)**	(815)	(1,401)	(359)	(451)
Profit/(loss) before taxation	**4,859**	5,887	9,264	5,989	(46,258)
Income tax (expense)/credit	**(442)**	(2,188)	559	(1,621)	(97)
Profit/(loss) for the year	**4,417**	3,699	9,823	4,368	(46,355)
Earnings/(loss) per share:					
Basic and diluted	**0.5 cents**	0.4 cents	1.1 cents	0.5 cents	(5.0) cents

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and Liabilities					
Non-current assets	**75,000**	66,916	50,524	53,070	48,459
Current assets	**254,335**	277,558	183,719	161,909	169,331
Non-current liabilities	**9,971**	11,184	14,967	8,655	6,260
Current liabilities	**184,122**	202,465	92,150	89,021	98,595
Total equity	**135,242**	130,825	127,126	117,303	112,935