



**TYSAN HOLDINGS LIMITED**

**泰昇集團控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code : 687)

# Annual Report 2024



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香港社會服務聯會頒發

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## Chairman's Statement

I am pleased to present the annual report of Tysan Holdings Limited (the “Company”) together with its subsidiaries (the “Group”) for the year ended 31 December 2024. During the year under review, the Group recorded a profit attributable to equity holders of the Company of HK\$41 million, equivalent to an earning of HK1.21 cents per share of the Company (the “Share”) (31 December 2023: loss attributable to equity holders of the Company of HK\$13 million, equivalent to a loss of HK0.39 cents per Share) while turnover was HK\$2,403 million (31 December 2023: HK\$2,703 million).

### Dividend

The board (the “Board”) of directors of the Company (the “Directors”) has resolved to recommend a final dividend payment of HK\$0.025 (year ended 31 December 2023: HK\$0.015) per Share of the Company to shareholders whose names appear on the Company’s register of members on 3 June 2025.

An interim dividend of HK\$0.01 per Share was declared for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

Subject to the shareholders’ approval at the forthcoming annual general meeting to be held on 26 May 2025, the proposed final dividend will be paid on 24 June 2025.

### Business Review

#### Foundation Piling

During the year under review, turnover of the Group’s foundation piling segment was about HK\$2,403 million (31 December 2023: HK\$2,703 million). The segment recorded a profit of approximately HK\$53 million (31 December 2023: profit of HK\$25 million).

The Group’s major contracts on hand include various commercial and residential development projects at Kowloon Inland Lot No. 11273, junction of Sai Yee Street and Argyle Street, Mong Kok, rental housing projects at Fanling North Area 15 East Phase 2, Tung Chung Area 42, warehouse development at Kwai Chung Container Terminal 2 and light public housing at Tuen Mun Area 54 and at Sheung On Street/Sheung Ping Street, Chai Wan.

### Prospects

The prospects for the construction industry in 2025 are challenging, primarily due to a sluggish economic recovery and unfavorable property market conditions, which have led to a decline in new construction projects. However, despite the recent economic downturn, major government-led projects, such as the development of the Northern Metropolis, are still proceeding, which are expected to create new opportunities for the construction industry in the coming years.

As we remain vigilant in the short term while cautiously optimistic about the future, we are committed to continuous improvement in making our operations more efficient and effective so as to better equip the Company to seize any upcoming opportunities.

## Financial Review

### Financial position, liquidity and financial resources

As at 31 December 2024, the Group's cash on hand was about HK\$887 million (31 December 2023: HK\$747 million) while total assets and net assets were about HK\$1,915 million (31 December 2023: HK\$1,915 million) and HK\$1,239 million (31 December 2023: HK\$1,283 million), respectively. Total liabilities were about HK\$676 million (31 December 2023: HK\$632 million), out of which financial liabilities were about HK\$433 million (31 December 2023: HK\$420 million) and the remaining were mainly accruals, contract liabilities and current or deferred tax provision.

As at 31 December 2024, the Group had interest-bearing borrowings of about HK\$104 million (31 December 2023: HK\$129 million).

The Group's gearing ratio, calculated on the basis of net debt (including financial liabilities less cash on hand) divided by total equity of the Group, was Nil as at 31 December 2024 as the Group had a net cash position.

### Funding and treasury policy

The Group continues to maintain a prudent funding and treasury policy and sustain a sound good capital structure with healthy cash flows. Surplus funds are maintained in the form of deposits with leading banks. Borrowings are denominated in Hong Kong dollar and subject to floating interest rates. Currency exposure is being closely monitored and forward contracts will be considered as required.

### Capital expenditure and capital commitments

During the year ended 31 December 2024, the Group invested about HK\$28 million on purchase of machinery and equipment. As at 31 December 2024, the Group had capital commitments in relation to purchase of machinery and equipment of about HK\$2 million. Capital expenditure is principally financed by internal resources.

### Pledge of assets

As at 31 December 2024, an office premise of the Group with a carrying amount of about HK\$107 million and a bank deposit of about HK\$5 million were pledged to banks to secure the instalment loans granted to the Group.

### Contingent liabilities

Contingent liabilities in relation to corporate guarantees provided by the Group to banks for issue of performance bonds increased from about HK\$332 million as at 31 December 2023 to about HK\$354 million as at 31 December 2024. Save for the above, the Group did not have any other material contingent liabilities.

## Chairman's Statement

### Remuneration Guidelines and Employment

The Group, including its subsidiaries in Hong Kong, Macau and Mainland China, employed 733 employees as at 31 December 2024. The Group's remuneration guidelines are primarily based on prevailing market salary levels and the performance of the respective business units and individuals concerned. Fringe benefits include provident fund, medical insurance and training. In addition, share options may also be granted in accordance with the terms of the Group's approved share option scheme.

### Appreciation

On behalf of the Board, I would also like to express my sincere gratitude to all our staff for their dedication, hard work and contribution during the year and to thank all our shareholders for their support.

On behalf of the Board

**Justin WAI**  
*Chairman*

Hong Kong  
19 March 2025



## Directors and Senior Management Profiles

### Executive Directors

**Mr. FUNG Chiu Chak Victor**, aged 70, joined the Group in May 1994 as an Executive Director of the Company. He is a Vice Chairman of the Board, a member of each of the Nomination Committee and Remuneration Committee of the Board, an authorized representative of the Company as required under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and an authorized representative of the Company pursuant to the Companies Ordinance of Hong Kong. Mr. Fung is also a director of various subsidiaries of the Company. He is primarily responsible for business development, strategic planning as well as general and project management of the Group. Mr. Fung has over 45 years' experience in the field of consulting engineering, construction management and property development.

**Mr. CHIU Chin Hung**, aged 72, joined the Group in July 1994. Mr. Chiu was an Executive Director of the Company from July 2003 to July 2017 and was re-appointed as an Executive Director of the Company in July 2020. He is also a director of various subsidiaries of the Company. Mr. Chiu graduated from The University of Aberdeen, Scotland. He has over 46 years' experience in foundation design and construction works and is a Fellow Member of The Institute of Civil Engineers and The Hong Kong Institution of Engineers as well as a Chartered Engineer.

**Mr. LAU Kin Fai**, aged 63, joined the Group in July 2008. Mr. Lau was an Executive Director of the Company from October 2010 to July 2017 and was re-appointed as an Executive Director of the Company in July 2020. Mr. Lau is the President of the Foundation Division, as well as the President of the Property Development & Investment Division of the Group and is primarily responsible for the business development and management of the Group's foundation business and property development business. In addition, he is the Head of Cost and Commercial Management and a director of various subsidiaries of the Company, and performs various responsibilities delegated by members of the Board. Mr. Lau has around 41 years' experience in the field of quantity surveying and property development and investment. He is a Fellow Member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He is currently a Council Member of The Hong Kong Construction Association representing Tysan Foundation Limited.

## Directors and Senior Management Profiles

### Non-Executive Directors

**Mr. Justin WAI**, aged 41, re-joined the Group in April 2019 as a Non-executive Director of the Company. Mr. Wai is the Chairman of the Board, the Chairman of the Nomination Committee of the Board, a member of the Remuneration Committee of the Board, an authorized representative of the Company as required under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and an authorized representative of the Company pursuant to the Companies Ordinance of Hong Kong. Mr. Wai is also a director of various subsidiaries of the Company. Mr. Wai is a senior managing director of the Real Estate Group of Blackstone based in Hong Kong. Since joining Blackstone in 2007, Mr. Wai has focused on acquiring and managing real estate investments in Greater China. Mr. Wai was a non-executive director of the Company from 1 April 2014 to 29 July 2016.

**Mr. CHO Wen Wai Mark**, aged 49, joined the Group in March 2025 as a Non-executive Director of the Company. Mr. Cho is a managing director of the Real Estate Group of Blackstone based in Shanghai. Mr. Cho is currently involved in the asset management of Blackstone's real estate investments in China.

**Mr. YUEN Pak Man**, aged 36, joined the Group in April 2019 as a Non-executive Director of the Company. Mr. Yuen currently acts as a member of each of the Nomination Committee and Remuneration Committee of the Board. Mr. Yuen is also the alternate to Mr. Fung Chiu Chak, Victor as an authorized representative of the Company as required under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Mr. Yuen received a degree of Master of Science in Management Science and Engineering and a degree of Bachelor of Science in Computer Science from Stanford University. Mr. Yuen is a managing director of the Real Estate Group of Blackstone based in Hong Kong and he focuses on acquiring and managing real estate investments in Greater China.

**Ms. GU Ye**, aged 34, joined the Group in April 2020 as a Non-executive Director of the Company. Ms. Gu is a managing director of the Real Estate Group of Blackstone based in Hong Kong. Since joining Blackstone in 2013, Ms. Gu has focused on acquiring real estate investments in the Greater China and Japan.

**Ms. HOU Xiangjia**, aged 41, joined the Group in April 2020 as a Non-executive Director of the Company. Ms. Hou is a senior vice president at Blackstone and she manages the Asian tax affairs for the Real Estate Group of Blackstone.

## Directors and Senior Management Profiles

### Independent Non-Executive Directors

**Mr. LUNG Chee Ming George**, aged 68, was appointed as an Independent Non-executive Director of the Company in August 2007. Mr. Lung currently acts as the Chairman of the Remuneration Committee of the Board and a member of each of the Audit Committee and Nomination Committee of the Board. He is a senior executive regional director of Manulife (International) Limited leading a team of around 1,400 insurance/financial advisers. He first joined Manulife in 1990 and has since achieved outstanding results. Actively involved in community services, Mr. Lung was amongst one of the Ten Outstanding Young Persons of Hong Kong in 1995 and was the chairman of The Outstanding Young Persons Association from 2003 to 2004. Mr. Lung was awarded the Medal of Honour, Bronze Bauhinia Star and Silver Bauhinia Star by the Government of Hong Kong Special Administrative Region in 2001, 2014 and 2024. Furthermore, Mr. Lung is a committee member of the Board of Governors of Hong Kong Shue Yan University, a member of the Guangdong Daya Bay Nuclear Power Station and Ling Ao Nuclear Power Station Nuclear Safety Consultative Committee, the founding chairman of Hong Kong Youth Exchange Promotion United Association and a chairperson of “Passing on the Torch” National Education Activity Series of Education Bureau. He is also the executive vice chairman of Federation of Hong Kong Guangdong Community Organisations. Mr. Lung is a member of the National Committee of the 10th to 13th Chinese People’s Political Consultative Conference and Justice of the Peace of Hong Kong Special Administrative Region.

**Mr. LI Kit Chee**, aged 70, was appointed as an Independent Non-executive Director of the Company in March 2013. Mr. Li currently acts as the Chairman of the Audit Committee of the Board, a member of each of the Remuneration Committee and Nomination Committee of the Board. He holds a Bachelor Degree of Social Sciences from the University of Hong Kong. He has over 40 years of experience in auditing, accounting and secretarial services and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. He is a managing director of Arthur Li, Yau & Lee C.P.A. Limited, and also a director of Cheong Yip Secretary Limited which is principally engaged in the provision of corporate services. He served as an independent non-executive director of National Arts Group Holdings Limited (formerly known as National Arts Entertainment and Culture Group Limited, a company previously listed on the GEM of The Stock Exchange of Hong Kong Limited, stock code: 8228, which delisted in August 2023) from June 2014 to November 2022.

**Ms. Jennifer KWOK**, aged 58, was appointed as an Independent Non-executive Director of the Company in July 2020. Ms. Kwok currently acts as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. She first joined the Group in January 1997 and served as an executive director of the Company from January 1998 to July 2014. She resigned as an executive director and as a director of the subsidiaries of the Company in July 2014 following the completion of a voluntary general offer made by a subsidiary of The Blackstone Group Inc. (formerly known as The Blackstone Group L.P.) for all the issued shares in the Company. During her tenure with the Company, Ms. Kwok was primarily responsible for the Company’s planning and development, corporate governance, corporate finance and investment strategies. She also established and participated in the Audit Committee, Remuneration Committee and Nomination Committee of the Board. Prior to first joining the Company in 1997, Ms. Kwok was an associate director of an investment bank during 1993 to 1996 with a focus on initial public offerings, merger and acquisitions and various corporate finance activities and providing financial advisory services to listed companies in Hong Kong. She has over 32 years’ of experience in the finance field specializing in corporate finance and direct investment and holds a Master of Science Degree in Management from Massachusetts Institute of Technology Sloan School of Management.

**Ms. YANG Jing**, aged 43, was appointed as an Independent Non-executive Director of the Company in September 2023. Ms. Yang currently acts as a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. Ms. Yang obtained a master’s degree in management from Xi’an Jiaotong University in the PRC in June 2008. She has around 16 years of experience in auditing, accounting, financial planning and budgeting and has been a member of the Chinese Institute of Certified Public Accountants since November 2013. She joined JD.com, Inc. (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, stock code: 9618 and listed on NASDAQ, symbol: JD) and served as the vice president from May 2011 to February 2023, the director of financial reporting department from May 2011 to February 2016 and the head of financial budgeting and analysis department from March 2016 to June 2020 respectively. She was the chief financial officer of JINGDONG Property, Inc. (formerly known as JD Property Group Corporation) from September 2020 to February 2023. From February 2022 to October 2022, Ms. Yang was an executive director of China Logistics Property Holdings Co., Ltd. (a company previously listed on the Main Board of The Stock Exchange of Hong Kong Limited, stock code: 1589, which delisted in July 2022). Prior to joining JD.com, Inc., Ms. Yang worked in the audit department of PricewaterhouseCoopers Zhong Tian CPAs Ltd. from September 2008 to July 2010 and served as the financial manager and GRD Administrator of Mars Foods (China) Co., Ltd. from August 2010 to May 2011.



## Directors and Senior Management Profiles

### Senior Management

**Ms. YIP Pui Shan**, aged 46, joined the Group in November 2010. Ms. Yip received a bachelor's degree in accounting and finance from The University of Hong Kong in 2000. Ms. Yip was appointed as the Financial Controller of the Group in January 2020. She is responsible for overall financial and accounting matters of the Group. Ms. Yip has over 24 years' experience in the field of auditing, internal control, accounting and financial management. Prior to joining the Group, Ms. Yip had been working in an international audit firm for over 10 years from 2000 to 2010, accumulating experience in auditing and financial consultancy for acquisition and initial public offering. She is qualified as a member of Hong Kong Institute of Certified Public Accountants.

**Mr. LAI Kok Wai**, aged 66, joined the Group in July 1994. As a director of Tysan Foundation Limited, Tysan Foundation Geotechnical Limited and various subsidiaries of the Company, Mr. Lai is responsible for the planning, coordinating and controlling of the technical operations and administration of the Group's Foundation Division. He has over 44 years' experience in civil engineering, building and foundation design and construction works and is a member of both The Hong Kong Institution of Engineers (MHKIE) and The Institution of Civil Engineers United Kingdom (MICE). Mr. Lai also represents Tysan Foundation Limited to sit in various Government's panels and committees.

**Ms. WONG Suk Han Kitty**, aged 61, joined the Group in June 2007. As the Company Secretary of the Group and Director of Corporate Affairs, Ms. Wong is primarily responsible for company secretarial matters, legal, human resources and administration, and investor relations matters. She is also the alternate to Mr. Justin Wai as an authorized representative of the Company as required under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. She has over 27 years of experience in the corporate finance and legal fields. Ms. Wong is a Solicitor qualified in Hong Kong and has been admitted as a Solicitor of the Supreme Court of England and Wales.

# Corporate Governance Report

Tysan Holdings Limited (the “Company”) is committed to maintaining good corporate governance and has adopted the principles of good corporate governance (the “Principles”) and code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). For the financial year ended 31 December 2024, the Company has fully complied with the Principles and code provisions of the CG Code save as disclosed in section (D) below.

The Company remains resolute in its application of the Principles to the corporate governance of the Group. In terms of board composition and nomination, the Company has adopted a revised director nomination policy on 16 December 2022 with an aim of ensuring that the board (the “Board”) of directors of the Company (“Directors”) has a balance of skills, experience and diversity of perspectives appropriate to the Company’s business, and that the criteria for evaluating suitability of candidates as directors include considering whether the person is able to devote sufficient time and make contributions to the Company. In relation to risk management and internal control, the audit committee of the Board (the “Audit Committee”) conducted an annual review of the effectiveness of the internal control system of the Group covering the financial, operational and compliance controls and risk management functions, and after considering the results of the review, the Board concluded that the risk management and internal control systems were effective and adequate. In terms of shareholders engagement, the shareholders’ communication policy was also updated on 20 February 2025 to better facilitate and encourage shareholders of the company (the “Shareholder(s)”) participation.

## (A) Board of Directors

The Board oversees the management, business, strategic directions and financial performance of the Company and its subsidiaries (the “Group”), and establishes the Company’s purpose, vision, mission, strategy and core values to align with the Company’s culture. The Group aligned its strategies with the Company’s core value and adopted strategies for sustainable development, quality assurance, professional training and continuous monitoring. The Group’s business model and core values, together with the implementation and elaboration of the Group’s corporate culture, are disclosed in the section headed “Business Model and Core Values” under the Corporate Information section of the Company’s website ([www.tysan.com](http://www.tysan.com)) (the “Company’s website”). It has delegated the day-to-day responsibility to the executive Director(s) (the “Executive Director(s)”) and senior management of the Company (the “Senior Management”) who perform their duties under the leadership of the chairman of the Company (the “Chairman”). At the time of delegation, the Board gives clear directions to the Executive Director(s) as to the matters that must be approved by the Board before decisions can be made on behalf of the Group. The functions reserved to the Board and delegated to the Executive Director(s) and Senior Management are reviewed by the Board from time to time to ensure that such delegation remains appropriate to the needs of the Group. The management ensures that sufficient explanation and information is provided to the Board to enable it to make an informed assessment of the financial and other information tabled for approval. The Board members have access to appropriate business documents and information about the Group on a timely basis.

## (B) Board Composition

As at the date of this report, the Board comprises a total of 12 Directors, with three Executive Directors, being Mr. Fung Chiu Chak, Victor, Mr. Chiu Chin Hung and Mr. Lau Kin Fai; five non-executive Directors (the “Non-executive Director(s)”), being Mr. Justin Wai, Mr. Cho Wen Wai, Mark, Mr. Yuen Pak Man, Ms. Gu Ye and Ms. Hou Xiangjia and four independent non-executive Directors (the “Independent Non-executive Director(s)”), being Mr. Lung Chee Ming, George, Mr. Li Kit Chee, Ms. Jennifer Kwok and Ms. Yang Jing. The Board comprises Directors with diverse backgrounds and/or extensive expertise in the Group’s business. The Independent Non-executive Directors have a wide range of business and financial experience. They represent one-third of the Board, and consistently exercise independent judgment and provide an independent assessment of matters brought before the Board for consideration. With a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors), there is a strong independent element on the Board. The balance of skills, experience and diversity of perspectives of the Board continue to contribute to the effective direction of the Company.

## Corporate Governance Report

### (B) Board Composition (Cont'd)

The Company has received written confirmations of independence from all the Independent Non-executive Directors for the financial year ended 31 December 2024 in accordance with Rule 3.13 of the Listing Rules. The Board is of the view that all the Independent Non-executive Directors are independent in character and judgement and that all of them meet the specific independence criteria as required by the Listing Rules.

Changes in information of members of the Board and Board committees since the publication of the interim report of the Company for the six months ended 30 June 2024 and up to the date of this report are as follows:

- (1) Mr. Vikram Garg resigned as a Non-executive Director with effect from 11 March 2025;
- (2) Mr. Cho Wen Wai, Mark was appointed as a Non-executive Director with effect from 11 March 2025;
- (3) Mr. Chiu Chin Hung (i) retired as the President of the Foundation Division of the Group with effect from 1 April 2025; and (ii) will retire as an Executive Director with effect from 1 January 2026; and
- (4) Mr. Lau Kin Fai, an Executive Director, was appointed as the President of the Foundation Division of the Group with effect from 1 April 2025.

An updated list of Directors identifying their roles and functions and whether they are Executive Directors, Non-executive Directors or Independent Non-executive Directors has been maintained on the Company's website and Hong Kong Exchanges and Clearing Limited's website ([www.hkexnews.hk](http://www.hkexnews.hk)) (the "HKEX's website").

### (C) Chairman

Mr. Justin Wai, the Chairman, leads the Board and is responsible for the formation of the Group's strategies, overall policy making, and direction of its business development. He is also responsible for leading and effective running of the Board and ensuring that all significant and key issues are discussed and where required, resolved by the Board in a timely manner.

The Chairman takes primary responsibility for the following matters:

- (1) to ensure that all Directors are properly briefed on issues arising at Board meetings;
- (2) to ensure that Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable;
- (3) to ensure that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner; drawing up and approving the agenda for each Board meeting. The Chairman should take into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda. The Chairman may delegate this responsibility to a designated Director or the company secretary of the Company (the "Company Secretary");
- (4) to ensure good corporate governance practices and procedures are established;
- (5) to encourage all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company, and to encourage Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect Board consensus;
- (6) to hold meetings at least annually with the Independent Non-executive Directors without the other Directors' presence;

### (C) Chairman (Cont'd)

- (7) to ensure that appropriate steps are taken to provide effective communication with the Shareholder(s) and that their views are communicated to the Board as a whole; and
- (8) to promote a culture of openness and debate by facilitating the effective contribution of Non-executive Directors in particular and ensuring constructive relations between Executive and Non-executive Directors.

Mr. Fung Chiu Chak, Victor, the vice chairman of the Company (“Vice Chairman”), is responsible for business development, strategic planning as well as general and project management of the Group. He is responsible for implementing the Group’s strategy to achieve business objectives with the assistance of other Executive Directors and Senior Management.

During the financial year ended 31 December 2024, no chief executive officer was appointed.

### (D) Board Proceedings

The Board meets at least four times a year at approximately quarterly intervals and additional meetings will be held as and when required. During the financial year ended 31 December 2024, the Board held five meetings (excluding the executive Board meetings held between the Executive Directors during the normal course of business of the Company). Attendance by a Director at a meeting by means of a conference telephone or other communications equipment is allowed under the bye-laws of the Company (the “Bye-laws”).

The Company Secretary assists the Chairman in establishing the meeting agenda and each Director may request inclusion of items in the agenda. Pursuant to CG Code Provision C.5.3, notice of at least 14 days is given to all Directors for regular Board meetings. Pursuant to CG Code Provision C.5.8, an agenda and accompanying Board papers should be sent, in full, to all Directors for regular Board meetings and as far as practicable in all other cases. These should be sent in a timely manner and at least 3 days before the intended date of a Board or Board committee meeting (or other agreed period).

With the assistance of the Company Secretary, the Chairman ensures that all Directors are properly briefed on issues arising at Board meetings, and that they receive in a timely manner, adequate information which is accurate, clear, complete and reliable to assist them to make informed decisions and discharge their duties as Directors. The Board members have separate and independent access to the Senior Management whenever necessary. Upon reasonable request, the Directors and Board committees will also have access to independent professional advice in appropriate circumstances at the Company’s expense. The Company has also arranged appropriate insurance cover for Board members and Senior Management in respect of potential legal action against them, and the Company reviews the coverage on an annual basis or as appropriate.

Meeting minutes of the Board and Board committees are recorded in appropriate detail and draft minutes are circulated to respective members for comments before being approved by the Board and Board committees. All minutes are kept by the Company Secretary or the secretary to the committee as the case may be, and are open for inspection by the Directors.

According to the Bye-laws and the Listing Rules, any matter that involves a conflict of interest for a substantial Shareholder(s) or a Director(s) which the Board determines to be material will be considered and dealt with by the Board at a duly convened Board meeting. Save and except the instances provided for in the Bye-laws, interested Director(s) shall abstain from voting and shall not be counted in the quorum at meetings for approving transactions in which such Director(s) or any of his/their associates has/have a material interest.

The Company provides Board members with monthly management reports which contain changes and developments of the Group’s business and facilitate them to make informed decisions and discharge their duties and responsibilities as Board members.

# Corporate Governance Report

## (D) Board Proceedings (Cont'd)

The Company held one general meeting during the financial year ended 31 December 2024, being the annual general meeting held on 30 May 2024. The attendance of each Board member for the Board meetings and the general meeting held during the financial year ended 31 December 2024 is as follows:

Name of Directors	Board Meeting Attendance	Annual General Meeting Attendance
<i>Executive Directors</i>		
Mr. Fung Chiu Chak, Victor ( <i>Vice Chairman</i> )	5/5	1/1
Mr. Chiu Chin Hung	5/5	1/1
Mr. Lau Kin Fai	5/5	1/1
<i>Non-executive Directors</i>		
Mr. Justin Wai ( <i>Chairman</i> )	5/5	1/1
Mr. Yuen Pak Man	5/5	1/1
Ms. Gu Ye	2/5	1/1
Ms. Hou Xiangjia	3/5	0/1
Mr. Vikram Garg <sup>(1)</sup>	3/5	0/1
<i>Independent Non-executive Directors</i>		
Mr. Lung Chee Ming, George	5/5	1/1
Mr. Li Kit Chee	5/5	1/1
Ms. Jennifer Kwok	5/5	1/1
Ms. Yang Jing	5/5	1/1

Note:

1. Resignation effective from 11 March 2025.

Code Provision C.1.6 stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Vikram Garg and Ms. Hou Xiangjia, both Non-executive Directors, did not attend the annual general meeting (the “AGM”) of the Company held on 30 May 2024 due to other business commitments. However, there were sufficient number of Directors, including Executive Directors, Non-executive Directors and Independent Non-executive Directors, presented at the AGM to enable the Board to develop a balanced understanding of the views of the Shareholders.



## Corporate Governance Report

## (E) Directors' Continuous Professional Development

All Board members are encouraged to attend training courses relevant to changes and developments in the Group's business and to the legislative and regulatory environments in which the Group operates at the Company's expense.

During the financial year ended 31 December 2024, Board members have participated in continuous professional development to develop and refresh their knowledge and skills as listed company directors, and provided the Company with their records of the training received for the year which comprised of attending seminars and talks, and reading legal and regulatory updates and other reference materials. A summary of the records of their training is as follows:

Name of Directors	Reading Regulatory Updates	Attending trainings/ briefings/seminars/ conference relevant to Directors' duties
<i>Executive Directors</i>		
Mr. Fung Chiu Chak, Victor ( <i>Vice Chairman</i> )	✓	✓
Mr. Chiu Chin Hung	✓	✓
Mr. Lau Kin Fai	✓	✓
<i>Non-executive Directors</i>		
Mr. Justin Wai ( <i>Chairman</i> )	✓	✓
Mr. Yuen Pak Man	✓	✓
Ms. Gu Ye	✓	✓
Ms. Hou Xiangjia	✓	✓
Mr. Vikram Garg <sup>(1)</sup>	✓	✓
<i>Independent Non-executive Directors</i>		
Mr. Lung Chee Ming, George	✓	✓
Mr. Li Kit Chee	✓	✓
Ms. Jennifer Kwok	✓	✓
Ms. Yang Jing	✓	✓

Note:

1. Resignation effective from 11 March 2025.

**(F) Appointment, Re-election and Removal of Directors**

The Company has a formal, considered and transparent procedure for the appointment and removal of Directors, including but not limited to following the director nomination policy as amended from time to time. The nomination committee of the Board (the “Nomination Committee”) plays an important role to identify and nominate suitable candidates for the Board’s consideration as additional Directors or to fill in casual vacancies on the Board and to make recommendations to the Shareholders for nomination of Directors for re-election at general meetings. According to the Bye-laws, all Directors newly appointed to fill a casual vacancy are subject to re-election at the next following general meeting after their appointment. During the financial year ended 31 December 2024, the Company has complied with the code provisions of the CG Code in respect of the appointment, re-election and removal of Directors.

For the financial year ended 31 December 2024, four Non-executive Directors, namely, Mr. Justin Wai, Mr. Yuen Pak Man, Ms. Gu Ye and Ms. Hou Xiangjia, and four Independent Non-executive Directors, namely, Mr. Lung Chee Ming, George, Mr. Li Kit Chee, Ms. Jennifer Kwok and Ms. Yang Jing have been appointed without a specific term but are nevertheless subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

For the financial year ended 31 December 2024, Mr. Vikram Garg, a Non-executive Director, was appointed for a specific term of three years and he resigned as a Non-executive Director with effect from 11 March 2025.

All Directors, including the Non-executive Directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

The names and biographical details of the Directors who will offer themselves for election or re-election at the next annual general meeting will be included in the circular to Shareholders containing the notice of the forthcoming annual general meeting.

**(G) Responsibilities of Directors**

The Board members acknowledge their responsibility for preparing the consolidated financial statements of the Group for the financial year ended 31 December 2024.

Every Director is required to know his responsibilities as a Director and of the conduct, business activities and development of the Group, and should act in good faith, exercise due diligence and act in the best interests of the Group and its Shareholders. On appointment, new Director will receive a comprehensive, formal induction on the Group’s business and his responsibilities as a Director.

Mr. Cho Wen Wai, Mark has been appointed as a Non-executive Director with effect from 11 March 2025. On 31 December 2024, Mr. Cho obtained the legal advice referred to under Rule 3.09D of the Listing Rules and has confirmed that he understood his obligations as a Director of the Company.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (“Model Code”) as the code of conduct regarding Directors’ securities transactions. Having made specific enquiry, all the Directors, who served during the financial year ended 31 December 2024, have confirmed that they have fully complied with the required standard set out in the Model Code and its code of conduct regarding Directors’ securities transactions for the year under review.

## (G) Responsibilities of Directors *(Cont'd)*

The Board reviews regularly the contribution required from a Director to perform his responsibilities to the Company, and whether he/she is spending sufficient time performing them.

To monitor the ability of Directors to devote sufficient time and make contributions in respect of the affairs of the Company which are commensurate with their role on the Board, all Directors are required to disclose to the Company the number and nature of offices held in other public companies or organizations or other significant commitments and will update the Company if there are any changes.

## (H) Board Committees

The Board has established its Audit Committee, remuneration committee (the “Remuneration Committee”) and Nomination Committee.

### Audit Committee

The Audit Committee was first established in 1999. The latest version of the terms of reference of the Audit Committee was adopted on 7 May 2019 and were published on the Company’s website and the HKEX’s website.

The Audit Committee is responsible for reviewing and supervising the financial reporting process, risk management and internal control system of the Group, reviewing the Group’s financial information, compliance and providing advice and comments to the Board.

#### **Name of Audit Committee Members**

##### *Independent Non-executive Directors*

Mr. Li Kit Chee (*Chairman of the Audit Committee*)

Mr. Lung Chee Ming, George

Ms. Jennifer Kwok

Ms. Yang Jing

All members of the Audit Committee possess in-depth experience in their respective profession. Mr. Li Kit Chee, Ms. Jennifer Kwok and Ms. Yang Jing possess appropriate accounting or relevant financial management expertise as specified in Rule 3.10(2) of the Listing Rules. The Audit Committee meets the requirements of Rule 3.21 of the Listing Rules and other requirements in relation to chairmanship and composition as required by the Listing Rules. The Company Secretary is the secretary of the Audit Committee.

# Corporate Governance Report

## (H) Board Committees (Cont'd)

### Audit Committee (Cont'd)

During the financial year ended 31 December 2024, the Audit Committee held three meetings. The attendance of each committee member is as follows:

Name of Audit Committee Members	Attendance
<i>Independent Non-executive Directors</i>	
Mr. Li Kit Chee ( <i>Chairman of the Audit Committee</i> )	3/3
Mr. Lung Chee Ming, George	3/3
Ms. Jennifer Kwok	3/3
Ms. Yang Jing	3/3

During the financial year ended 31 December 2024, the Audit Committee reviewed, inter alia, the Group's final results for the financial year ended 31 December 2023, the Group's interim results for the six months ended 30 June 2024 and payment of dividend. The Audit Committee reviewed with the management the accounting principles and practices adopted by the Group, the reports on risk assessment and internal audit of the Group and discussed with the management and the external auditor in relation to auditing, systems of internal control and risk management and financial reporting matters. The Audit Committee also reviewed the connected transaction(s)/ related party transaction(s) entered into by the Group during the financial year ended 31 December 2024, made recommendation to the Board on the reappointment of the external auditor and reviewed and approved the remuneration of the external auditor.

The Company adopted the revised whistleblowing policy on 25 May 2021 for employees to directly report serious concerns about any suspected misconduct, malpractice or deviation from required standards which he/she has become aware of or genuinely suspects that the Group has been or may become involved in. The Audit Committee has the overall responsibility for the whistleblowing policy, but has delegated day-to-day responsibility for overseeing and implementing it to the Head of Human Resources and Administration Department and the Company Secretary. Responsibility for monitoring and reviewing the whistleblowing policy and any recommendations for action resulting from investigations into complaints rests with the Audit Committee.

The Company regards integrity as one of our core values that must be upheld by all officers, Directors and employees of the Company at all times. To assist the Company in upholding its commitment in relation to corruption and bribery-related issues, the Company adopted the anti-bribery and anti-corruption compliance policy on 30 June 2014 which is applicable to all directors, officers, employees, agents, representatives and other persons acting on behalf of the Group.

The Audit Committee reviews the terms of reference of the Audit Committee, the dividend policy, whistleblowing policy and anti-bribery and anti-corruption compliance policy of the Company from time to time.

## (H) Board Committees (Cont'd)

### Remuneration Committee

The Remuneration Committee was established in 2005. The latest version of the terms of reference of the Remuneration Committee were adopted on 27 March 2023 and were published on the Company's website and the HKEX's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's remuneration policy and structure for all Directors and members of the Senior Management. It is the Group's policy to provide remuneration packages in line with market trends in order to attract and retain high quality staff. No Director or any of his/her associates, is involved in determining his/her own remuneration.

#### **Name of Remuneration Committee Members**

##### *Executive Director*

Mr. Fung Chiu Chak, Victor

##### *Non-executive Directors*

Mr. Justin Wai

Mr. Yuen Pak Man

##### *Independent Non-executive Directors*

Mr. Lung Chee Ming, George (*Chairman of the Remuneration Committee*)

Mr. Li Kit Chee

Ms. Jennifer Kwok

Ms. Yang Jing

The Remuneration Committee complies with the requirements of chairmanship and composition of the Listing Rules.



# Corporate Governance Report

## (H) Board Committees (Cont'd)

### Remuneration Committee (Cont'd)

During the financial year ended 31 December 2024, the Remuneration Committee held three meetings and the attendance of each committee member is as follows:

Name of Remuneration Committee Members	Attendance
<i>Executive Director</i>	
Mr. Fung Chiu Chak, Victor	3/3
<i>Non-executive Directors</i>	
Mr. Justin Wai	3/3
Mr. Yuen Pak Man	2/3
<i>Independent Non-executive Directors</i>	
Mr. Lung Chee Ming, George ( <i>Chairman of the Remuneration Committee</i> )	3/3
Mr. Li Kit Chee	3/3
Ms. Jennifer Kwok	3/3
Ms. Yang Jing	3/3

During the financial year ended 31 December 2024, the Remuneration Committee made recommendation to the Board on the remuneration packages and/or discretionary bonuses of the Executive Directors, the Non-executive Directors and Senior Management for the Board's consideration. The Directors' remuneration policies are primarily based on his/her duties and responsibilities with the Company, the Company's performance, the individual Director's performance (applicable to Executive Directors) and the qualifications and experience of each Director and the prevailing market salary levels. Such packages include benefits in kind, pension rights (or its equivalent, where appropriate) and compensation payments, including any compensation payable for loss or termination of their office or appointment, as the case may be. Share options may also be granted in accordance with the terms of the Group's approved share option scheme. There were no material matters relating to the share option scheme of the Company which required the Remuneration Committee to review and/or approve during the financial year ended 31 December 2024.

**(H) Board Committees (Cont'd)****Remuneration Committee (Cont'd)**

The Remuneration Committee reviews the terms of reference of the Remuneration Committee from time to time.

Pursuant to code provision E.1.5 of the CG Code, details of the annual remuneration of the members of the Senior Management by band for the financial year ended 31 December 2024 is as follows:

	Number of employees
HK\$2,000,001 to HK\$2,500,000	0
HK\$2,500,001 to HK\$3,000,000	2
HK\$3,000,001 to HK\$3,500,000	0
HK\$3,500,001 to HK\$4,000,000	0
HK\$4,000,001 to HK\$4,500,000	1
HK\$4,500,001 to HK\$5,000,000	0
	<hr/>
	3
	<hr/>

Details of the remuneration of each Director for the financial year ended 31 December 2024 are set out in note 8 to the consolidated financial statements of the Group.

**Nomination Committee**

The Nomination Committee was established on 28 March 2012. The latest version of the terms of reference of the Nomination Committee were adopted on 16 December 2022 and were published on the Company's website and the HKEX's website.

The Nomination Committee is responsible for, among other things, reviewing the performance, structure, size, composition and diversity (including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on the appointment and re-appointment of Board members as well as succession planning for Directors to the Board.

# Corporate Governance Report

## (H) Board Committees (Cont'd)

### Nomination Committee (Cont'd)

#### Name of Nomination Committee Members

##### *Executive Director*

Mr. Fung Chiu Chak, Victor

##### *Non-executive Directors*

Mr. Justin Wai (*Chairman of the Nomination Committee*)

Mr. Yuen Pak Man

##### *Independent Non-executive Directors*

Mr. Lung Chee Ming, George

Mr. Li Kit Chee

Ms. Jennifer Kwok

Ms. Yang Jing

The Nomination Committee complies with the requirements of chairmanship and composition of the Listing Rules.

During the financial year ended 31 December 2024, the Nomination Committee held two meetings and the attendance of each committee member is as follows:

#### Name of Nomination Committee Members

#### Attendance

##### *Executive Director*

Mr. Fung Chiu Chak, Victor

2/2

##### *Non-executive Directors*

Mr. Justin Wai (*Chairman of the Nomination Committee*)

2/2

Mr. Yuen Pak Man

2/2

##### *Independent Non-executive Directors*

Mr. Lung Chee Ming, George

2/2

Mr. Li Kit Chee

2/2

Ms. Jennifer Kwok

2/2

Ms. Yang Jing

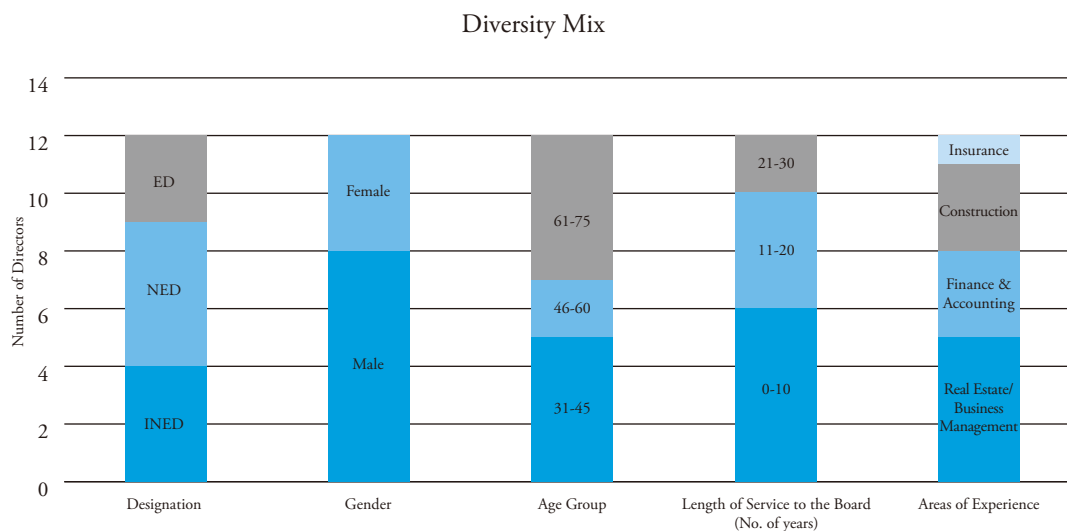
2/2

**(H) Board Committees (Cont'd)****Board Diversity Policy**

In order to maintain a diversity of perspectives among Board members, the Company adopted a revised Board diversity policy on 16 December 2022 and published the same on the Company's website. The Board diversity policy stated that the Company considers a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service, in addition to factors based on the Group's business models and specific needs from time to time.

The Company recognises the benefit and value of diversity across the organisation. The Board has a broad spectrum of connections and intelligence across multiple commercial fields. Collectively, the Board has a diverse mix of knowledge and skills, including knowledge and experience in foundation piling, real estate, construction, property development and investment, insurance and finance and accounting.

The current Board composition reflects a balanced mix of educational background, professional knowledge, industry experience and length of service to the Board. The diversity mix of the Board as at 31 March 2025 is summarized in the following chart:

**Remarks:**

ED – Executive Director

NED – Non-executive Director

INED – Independent NED

The Board diversity policy reinforces the importance of gender diversity in the membership of the Board and the significant role it plays in the Company's business, and pledges to ensure a strong female representation at Board level. During the financial year ended 31 December 2024, the Nomination Committee reviewed the implementation and effectiveness of the Board diversity policy and the gender ratio of the Board. Female Directors made up 33% of our Board members as at 31 December 2024. The Company is committed to maintaining the ratio of female Directors at no less than 33% and with an aim to increase the ratio over time.

# Corporate Governance Report

## (H) Board Committees (Cont'd)

### Director nomination policy

The Company adopted a revised Director nomination policy on 16 December 2022 and published the same on the Company's website. The Director nomination policy aims to:

- (1) set out the criteria and process for the nomination and appointment of Directors;
- (2) ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business; and
- (3) ensure the Board's continuity and appropriate leadership at the Board level.

In relation to the nomination process, in the case of appointment of new Directors, we may select candidates from various channels, including but not limited to internal promotion, re-designation, referral by other members of the management of the Company and external recruitment agents. The Nomination Committee and/or the Board would then evaluate such candidate(s) based on the relevant criteria to determine whether such candidate(s) is/are qualified for directorship. Where appropriate, the Nomination Committee and/or the Board would make recommendation to the Shareholders in respect of the proposed election of Director(s) at the general meeting of the Company.

In the case of re-election of Directors, the Nomination Committee and/or the Board would review the overall contribution and service to the Company of the retiring Director who has offered himself/herself up for re-election and his/her level of participation and performance on the Board. If the retiring Director continues to meet the relevant criteria, the Nomination Committee and/or the Board will then make recommendation to the Shareholders in respect of the proposed re-election of such retiring Director at the general meeting of the Company.

The criteria for the nomination and appointment of Directors include, among others, the following:-

- (1) character and integrity;
- (2) qualifications including professional qualifications, skills, knowledge and experience and diversity criteria under the Board diversity policy of the Company which are relevant to the Company's business and corporate strategy;
- (3) the potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence, gender diversity and diversity of perspectives;
- (4) willingness and ability to devote sufficient time to discharge duties and make contributions to the Company as a member of the Board and/or Board committee(s); and
- (5) such other criteria which are appropriate to the Company's business and corporate strategy and the Board's succession plan and, where applicable, which may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

During the financial year ended 31 December 2024, the Nomination Committee reviewed the Director nomination policy. It also reviewed the performance, structure, size and composition of the Board, the re-appointment of Directors in accordance with the Listing Rules, Board diversity policy, Director nomination policy, succession planning for Directors and the needs of the Company at the relevant time and made recommendations to the Board. The members of the Nomination Committee are familiar with the business and strategy of the Group which is taken into consideration when identifying those with suitable qualifications and attributes as potential candidates to the Board.



**(H) Board Committees (Cont'd)****Board independence and contribution**

During the financial year ended 31 December 2024, the Nomination Committee has conducted an annual review of the independence and time contribution of the Independent Non-executive Directors and was satisfied with the results of the review. The Nomination Committee also reviewed and confirmed that the implementation and effectiveness of the mechanisms for ensuring independent views and input are available to the Board after considering the following practices:

- The Company currently has four Independent Non-executive Directors and it maintains the proportion of the Independent Non-executive Directors to at least one-third of the Board in line with the requirements of Listing Rules.
- The Company has duly received written confirmations of independence from all the Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that all the Independent Non-executive Directors are independent in character and judgement and that all of them meet the specific independence criteria as required by the Listing Rules.
- Despite the fact that Mr. Lung Chee Ming, George and Mr. Li Kit Chee have served as Independent Non-executive Directors for more than nine years, the positive contributions of Mr. Lung and Mr. Li to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by their skills, expertise and qualifications and from their active participation at meetings have proven to be invaluable to the Group. It is considered that the length of service of Mr. Lung and Mr. Li has not affected their independence, given both of them have consistently demonstrated strong independence in judgement and have provided effective oversight of the management during their tenure.
- Ms. Jennifer Kwok and Ms. Yang Jing have also continued to make significant contributions to the Company by offering valuable guidance from their areas of expertise and extensive experience in business planning and development, corporate governance, corporate finance and investment strategies (in the case of Ms. Kwok) and auditing, accounting, financial planning and budgeting (in the case of Ms. Yang), all of which are relevant to the Group's business.
- Each Independent Non-executive Director has disclosed to the Company the number and nature of offices held by him/her in public companies or organisations and other significant commitments in a timely manner and confirmed that they are able to devote adequate attention and sufficient time to the affairs of the Company. Biographical details of Directors (including gender, age and length of service) are set out in the section headed "Directors and Senior Management Profiles" on pages 5 to 8 of this annual report.
- External independent professional advice would be available to the Independent Non-executive Directors upon reasonable request to assist them to perform their duties.
- The Board diversity policy will be reviewed annually by the Nomination Committee to ensure that the mechanisms for independent views and input remain effective and properly implemented.

The Nomination Committee reviews the terms of reference of the Nomination Committee from time to time, and reviews the Board diversity policy and the Director nomination policy of the Company at least annually.

# Corporate Governance Report

## (I) Gender Diversity of Workforce

The Company is committed to maintaining an appropriate level of female staff in the workforce. As at 31 December 2024, two out of three members of the senior management of the Group (the Financial Controller of the Group and the Company Secretary) are female. Apart from the Board and Senior Management level, the Board also assesses the Group's diversity profile annually of all levels of employees and considers the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent. As at 31 December 2024, the Group had 733 employees, of whom the number of female employees accounted for approximately 18% which was in line with the normal range of the construction industry which, due to the nature of the industry, tends to attract a larger number of male employees to the workforce. The Company is committed to maintaining the current level of female employees in the workforce and the Group would take the gender ratio of the workforce into consideration in its hiring decision going forward.

## (J) External Auditor

The responsibilities of the external auditor with respect to the consolidated financial statements of the Group are set out in the "Independent Auditor's Report" on pages 43 to 47.

Details of the fees paid/payable to the Company's auditor, Ernst & Young, during the financial year ended 31 December 2024 are as follows:

	<i>HK\$'000</i>
Annual audit services	2,182
Non-audit services	260
	<hr/>
	2,442
	<hr/>

## (K) Company Secretary

The Company Secretary supports the Board by ensuring good information flow within the Board and the Board policy and procedures are followed. The Company Secretary is primarily responsible for advising the Board through the Chairman on governance matters and facilitating induction and professional development of Directors. The Board will approve the selection, appointment and dismissal of the Company Secretary who reports to the Chairman and/or the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures, and all applicable laws, rules and regulations are followed. The Company Secretary, Ms. Wong Suk Han Kitty who is an employee of the Group, has duly complied with the relevant training requirement under the Listing Rules for the financial year ended 31 December 2024.

## (L) Risk Management and Internal Control

The Board has overall responsibility to ensure that the Group maintains sound and effective controls to safeguard its assets and the Shareholders' investments.

During the financial year ended 31 December 2024, the Group complied with the CG Code by establishing appropriate and effective risk management and internal control systems. The management is responsible for the design, implementation and monitoring of such systems, while the Board oversees the management in performing its duties on an ongoing basis.

Main features of the risk management and internal control systems are described in the sections below:

### 1. Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Devise risk response plans and ensure effective communication to the Board and monitor the relevant risks on an on-going basis.

### 2. Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring Activities: Ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.

## Corporate Governance Report

### (L) Risk Management and Internal Control (Cont'd)

#### 3. Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- (a) is aware of its obligations under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that inside information should be disclosed immediately unless relevant exceptions apply;
- (b) conducts its affairs with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in June 2012;
- (c) restricts the access of information to a limited number of employees on a need-to-know basis and ensures employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality;
- (d) has set out relevant guidelines in the employee’s handbook of the Group, which includes a strict prohibition on the unauthorised use of confidential or inside information; and
- (e) has established and implemented procedures for responding to external enquiries about the Group’s affairs.

#### 4. Internal Audit Function

The Board engaged an independent third party consultant, to provide the internal audit function for the financial year ended 31 December 2024, so as to improve the internal control systems of the Company and strengthen the management’s effective control over the operations of the Company. The internal audit function is independent of the Group’s daily operations and such independent third party consultant carries out an appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

Pursuant to an internal audit plan which has been approved by the Board, review of the risk management and internal control systems is conducted annually and the results of the review for the financial year ended 31 December 2024 have been reviewed and reported by the Audit Committee to the Board.

## (L) Risk Management and Internal Control (Cont'd)

### 5. Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring the effectiveness of these systems will be reviewed annually. Several areas have been considered during the Board's reviews, which include but not limited to (i) the changes in the nature and extent of significant risks (including risks related to environmental, social and governance ("ESG") matters) since the last annual review, and the Group's ability to respond to changes in its business and the external environment; and (ii) the scope and quality of the management's ongoing monitoring of risks (including ESG risks) and of the internal control systems.

With the assistance of the external consultant, the Audit Committee conducted an annual review of the effectiveness of the internal control system of the Group covering the financial, operational and compliance controls and risk management functions. During the review for the financial year ended 31 December 2024, no significant areas of concern that might affect the financial, operational and compliance aspects and risk management functions were identified by the external consultant. The Board, through its review made by the internal audit function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting provided were sufficient.

## (M) Corporate Governance Functions

The Board is responsible for performing the corporate governance duties and has established the "Corporate Governance Policy" on 28 March 2012. The corporate governance functions are listed below:

- (1) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (2) to review and monitor the training and continuous professional development of Directors and Senior Management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees of the Group; and
- (5) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report to be issued by the Company.



## Corporate Governance Report

### (N) Communication with Shareholders

The Company maintains a high level of transparency in communicating with Shareholders. In order to maintain an effective on-going dialogue with Shareholders and institutional investors of the Company, the shareholders' communication policy was updated on 20 February 2025 (the "Shareholders' Communication Policy") and published the same on the Company's website. The Board shall ensure effective and timely dissemination of information to Shareholders and encourage their participation at general meetings of the Company. The Shareholders could communicate their views on various matters affecting the Company and the Company could solicit and understand the views of Shareholders and other stakeholders in a number of ways as set out in the Shareholders' Communication Policy below:

#### (1) By corporate communication:

Shareholders may access the Company's information from its annual reports, interim reports, announcements, circulars, notices of meetings or other publications of the Company ("Corporate Communication(s)"). These information and documents are available on the Company's website and published on the HKEX's website. Corporate Communications will be disseminated to Shareholders and Shareholders are reminded to provide their up-to-date addresses and/or email addresses to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited (the "Branch Share Registrar"), in order to receive the Corporate Communications effectively.

Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communications (in printed form or by electronic means) free of charge, at any time by reasonable notice in writing.

Shareholders are encouraged to subscribe to the HKEX News Alert service to receive emails whenever new Corporate Communication is released by the Company on the HKEX's website to keep themselves apprised of the latest development of the Company.

#### (2) At the Shareholders' meetings:

Shareholders are encouraged to attend and participate in the annual general meeting and general meetings of the Company or appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend. The questions from the Shareholders will be addressed in the Shareholders' meetings of the Company. To this end, Board members, including the Chairman of the Board, Senior Management, and if required, Chairman of the Board committees or their delegates and the external auditor will be available to answer Shareholders' questions at the general meetings of the Company. Shareholders may also express their views, discuss the progress of the Company and understand the operations of the Company through the annual general meeting of the Company.

In order for Shareholders to effectively understand and consider the resolutions in general meetings, the Company generally avoids "bundling" of resolutions in general meetings unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of the relevant general meeting.

The chairman of a meeting should ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from Shareholders on voting by poll.

**(N) Communication with Shareholders (Cont'd)****(3) Through Shareholders' enquiries:**

Shareholders may refer to information disclosed publicly or send their enquiries to the Company's registered office or its principal place of business for the time being, for the attention of the Company Secretary. For enquiries on their shareholdings, Shareholders should direct their questions about their shareholdings to the Branch Share Registrar.

- (4) Enquiries and questions on the procedures for convening or putting forward proposals may be put to the Board by contacting either the Company Secretary through the Company's general line at (852) 2882 3632, e-mail at [info@tysan.com](mailto:info@tysan.com), directly by questions at an annual general meeting or special general meeting of the Company or by post to the Company's registered office or its principal place of business for the time being.

Taking into account the following channels, the Company considered that the Shareholders' Communication Policy is effective and properly implemented for the financial year ended 31 December 2024.

- (1) A number of formal channels are used to report to the Shareholders on the performance and operations of the Company, particularly through the annual and interim reports. Generally, the Company announces interim results, annual results or any major transactions in accordance with the relevant regulatory requirements to provide the Shareholders, investors and the general public with additional information so as to facilitate their understanding of the Group's operations.
- (2) The annual general meetings provide the Board with the opportunity to meet and engage directly with the Shareholders. At the annual general meetings, the Board always makes efforts to fully address the questions raised by the Shareholders. During the financial year ended 31 December 2024, the Group held the annual general meeting on 30 May 2024, which was fully virtual. The set-up of the virtual annual general meeting enabled live streaming and an interactive platform for questions-and-answers and submission of Shareholder votes online. All the resolutions proposed in the annual general meeting of the Company were duly approved by Shareholders by way of poll.
- (3) The Company's website serves as a communication channel with the Shareholders which includes, among others, the business model and core values, corporate information, management team, corporate governance information, information on the Board and its committees as well as the Directors' biographies and annual reports, interim reports, announcements, circulars and notices of meetings.

In keeping with the effectiveness and implementation of the Shareholders' Communication Policy, the Company reviews the Shareholders' Communication Policy annually.

The Company also established a dividend policy on 7 May 2019 and published the same on the Company's website. The Company reviews the policy from time to time to ensure the principles and guidelines that the Company intends to apply in relation to the declaration, payment and distribution of its net profits as dividends to the Shareholders remain appropriate.

# Corporate Governance Report

## (O) Shareholders' Rights

Since the Shareholders may convene a special general meeting and make any proposals such as proposing a person other than an existing Director for election as a Director at such meeting, the detailed procedures of convening a special general meeting and making any proposals are set out in a document entitled "Shareholders' rights to put forward a proposal at a general meeting" which has been published on the Company's website and set out below:

- (1) According to Bye-law 58 of the Bye-laws, a Shareholder holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting ("SGM") to be called by the Board for the transaction or any business specified in such requisition.
- (2) The written request must state the objects of the meeting, signed by the Shareholders concerned and may consist of several documents in like form, each signed by one or more of those requisitionists ("Requisitionists").
- (3) The request by the Requisitionists will be verified with the Branch Share Registrar and upon their confirmation that the request by the Requisitionists is proper and in order, the Company Secretary will request the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements and in compliance with the Listing Rules to all the registered Shareholders. On the contrary, if the request by the Requisitionists has been verified as not in order, the Requisitionists will be advised of this outcome and accordingly, a SGM will not be convened as requested.
- (4) If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the Requisitionists themselves may convene the meeting themselves in accordance with Section 74(3) of the Companies Act 1981 of Bermuda, as amended from time to time.
- (5) If a Shareholder wishes to put forward proposals at a SGM ("Proposals"), he can deposit a written notice to that effect at the principal place of business of the Company or the office of the Branch Share Registrar, for the attention of the Company Secretary. The request by the Requisitionists will be verified as stated above.
- (6) In accordance with the Bye-law 59 of the Bye-laws, the notice period to be given to all the registered Shareholders for consideration of a proposal raised by the Shareholders concerned shall be (i) the longer of fourteen (14) clear days' and ten (10) clear business days' notice in writing for all other general meetings (including a special general meeting); and (ii) the longer of twenty-one (21) clear days' and twenty (20) clear business days' notice in writing for an annual general meeting.

A general meeting may be called by shorter notice if it is so agreed and permitted by the Listing Rules:

- (a) in the case of a meeting called as an annual general meeting, by all the Shareholders entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Shareholders.

## (O) Shareholders' Rights *(Cont'd)*

### (6) *(Cont'd)*

Whether a proposal will be put to a general meeting will be decided by the Board in its discretion, unless the proposal put forward by a Shareholder is (i) pursuant to a requisition by a Shareholder to convene a SGM or (ii) forms part of ordinary business to be considered at an annual general meeting as described in Bye-law 61(1) of the Bye-laws.

- (7) Enquiries and questions may be put to the Board by contacting either the Company Secretary through the Company's general line at (852) 2882 3632, e-mail at [info@tysan.com](mailto:info@tysan.com), directly by questions at an annual general meeting or SGM or by post to the Company's registered office or its principal place of business for the time being.

## (P) Investor Relations

A copy of the constitutional documents of the Company has been published on the Company's website and the HKEX's website. During the financial year ended 31 December 2024, there was no change to the Company's constitutional documents.

## Report of the Directors

The board (the “Board”) of directors (the “Director(s)”) of Tysan Holdings Limited (the “Company”) herein present their report and the audited financial statements of the Company with its subsidiaries (the “Group”) for the year ended 31 December 2024.

### Principal activities and business review

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries and a joint operation are set out in note 1 to the financial statements.

There were no significant changes in the nature of the Group’s principal activities during the year.

Details of the business review information are set out in the section headed “Chairman’s Statement” on pages 2 to 4 of this annual report.

### Environmental Policies and Performance

The Group recognises environmental protection is of vital importance to the long term development of the Group. In order to minimise the environmental impact, the Group will continue to review and improve the effectiveness of its management practices from time to time.

The “Environmental, Social and Governance Report” is published at the same time as the publication of this annual report. The electronic versions of the Environmental, Social and Governance Report (in both English and Chinese versions) are available on the websites of Hong Kong Exchange and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.tysan.com](http://www.tysan.com)), under section “Investor Relations”.

### Compliance with Laws and Regulations

The Group’s operations are mainly carried out by the Company’s subsidiaries in Hong Kong while the Company itself was incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The Group has allocated resources to ensure its operations are in compliance with relevant laws and regulations in Hong Kong, Bermuda, the British Virgin Islands, the Cayman Islands, the People’s Republic of China and Macau.

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

### Risks and Uncertainties

Principal risks and uncertainties that the Company may face have been disclosed in the section headed “Chairman’s Statement” on pages 2 to 4 of this annual report. In addition, details of the Group’s financial risk management are disclosed in note 34 to the financial statements.



# Report of the Directors

## Principal activities and business review (Cont'd)

### Relationships with Employees, Customers and Suppliers

The Directors are of view that maintaining a good working relationship with its employees, customers and suppliers are the keys to the sustainable development of the Group. During the year, there was no significant dispute between the Group and its employees, customers and suppliers.

### Results and dividends

The Group's profit for the year ended 31 December 2024 and the Group's financial position at that date are set out in the financial statements on pages 48 to 123.

An interim dividend of HK\$0.01 per ordinary share of the Company ("Share") was paid on 27 September 2024. The Board recommends the payment of a final dividend of HK\$0.025 per Share in respect of the year to the shareholders of the Company on the register of members of the Company on 3 June 2025.

### Summary financial information

The following table summarises the consolidated results, assets and liabilities of the Group for the last five financial years ended 31 December, as extracted from the published audited financial statements. The summary does not form part of the audited financial statements.

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Profit/(loss) attributable to ordinary equity holders of the Company	<b>40,793</b>	(13,038)	4,525	(107)	(104,882)
Total assets	<b>1,915,493</b>	1,914,834	2,128,153	2,080,696	2,267,268
Total liabilities	<b>676,269</b>	631,502	784,964	665,604	834,141
Equity attributable to ordinary equity holders of the Company	<b>1,239,224</b>	1,283,332	1,343,189	1,415,092	1,433,127
	<b>1,915,493</b>	1,914,834	2,128,153	2,080,696	2,267,268

## Report of the Directors

### Share capital and share options

There were no movements in the Company's share capital during the year. Details of movements in the Company's share options during the year are set out in the section headed "Equity-linked Arrangements".

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws ("Bye-laws") or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

### Purchase, redemption or sale of listed securities of the Company

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

### Distributable reserves

At the end of the reporting period, the Company's reserves available for distribution, calculated in accordance with the Bermuda Companies Act 1981, amounted to HK\$737,949,000.

### Major customers and suppliers

During the year under review, sales to the Group's five largest customers accounted for 77% of the total sales for the year and sales to the largest customer included therein amounted to 43%. Purchases from the Group's five largest suppliers accounted for 36% of the total purchases for the year and purchases from the largest supplier included therein amounted to 15%.

None of the Directors or any of their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

### Directors

The Directors for the year and up to the date of this report were:

#### Executive Directors:

Mr. Fung Chiu Chak, Victor  
Mr. Chiu Chin Hung  
Mr. Lau Kin Fai

# Report of the Directors

## Directors (Cont'd)

### Non-executive Directors:

Mr. Justin Wai	
Mr. Cho Wen Wai, Mark	(appointed with effect from 11 March 2025)
Mr. Yuen Pak Man	
Ms. Gu Ye	
Ms. Hou Xiangjia	
Mr. Vikram Garg	(resigned with effect from 11 March 2025)

### Independent non-executive Directors:

Mr. Lung Chee Ming, George  
 Mr. Li Kit Chee  
 Ms. Jennifer Kwok  
 Ms. Yang Jing

In accordance with the Bye-laws, the Directors who will retire and being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Lung Chee Ming, George, Mr. Li Kit Chee, Ms. Jennifer Kwok and Ms. Yang Jing and as at the date of this report each of them still considers themselves to be independent.

## Directors' and senior management's biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 5 to 8 of the annual report.

## Directors' service contracts

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which requires the Company, in order to terminate such contract, to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments.

# Report of the Directors

## Permitted indemnity provision

Pursuant to the Bye-laws and subject to the relevant provisions therein, the Directors, the company secretary of the Company and other officers acting in relation to the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain by or by reason of any act done about the execution of the duties of their respective offices.

The Company has arranged appropriate insurance cover for the Directors, the company secretary of the Company and other officers in respect of legal actions against one or more of them in the course of execution of their respective duties in good faith during the year.

## Directors' interests in transactions, arrangements or contracts

Save as disclosed in note 32 to the financial statements, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding companies of the Company or any of the Company's subsidiaries was a party during the year.

## Directors' and Chief Executive's interests and long positions in shares and underlying shares

At 31 December 2024, the interests and long positions of the Directors and chief executive of the Company ("Chief Executive") in Share and underlying Shares or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), was as follows:

### (i) Long position in Shares:

Name of Director	Number of Shares indirectly beneficially owned
Mr. Fung Chiu Chak, Victor	168,380,000

### (ii) Long position in share options of the Company ("Share Options"):

Name of Directors	Number of Share Options directly beneficially owned
Mr. Fung Chiu Chak, Victor	22,000,000
Mr. Chiu Chin Hung	11,000,000
Mr. Lau Kin Fai	10,000,000

Save as disclosed above, as at 31 December 2024, none of the Directors or Chief Executive had registered any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

# Report of the Directors

## Directors' and Chief Executive's rights to acquire Shares or debentures

Apart from those disclosed under the heading "Directors' and Chief Executive's interests and long positions in Shares and underlying Shares" above and in the section headed "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company granted to any Director or their respective spouses or minor children or Chief Executive or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## Equity-linked arrangements

### Share option scheme

The Company currently operates a share option scheme which was adopted on 3 December 2020 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Share Option Scheme are disclosed in note 26 to the financial statements.

The following table discloses the movements in the Share Options outstanding during the year ended 31 December 2024:

Name/category of participants	Number of Share Options					
	Outstanding as at 1 January 2024, including:	Granted during the year ended 31 December 2024, including:	Exercised during the year ended 31 December 2024, including:	Cancelled during the year ended 31 December 2024, including:	Lapsed in accordance with the terms of the Share Option Scheme during the year ended 31 December 2024	Outstanding as at 31 December 2024, including:
	(i) date of grant (ii) exercise price (iii) exercise period (iv) vesting period	(i) date of grant (ii) exercise price (iii) exercise period (iv) vesting period (v) performance targets (vi) closing price of Shares immediately before the date of grant (vii) fair value of Share Options at the date of grant	(i) exercise price (ii) weighted average closing price of Shares immediately before the date of which the Share Options were exercised	(i) exercise price		(i) date of grant (ii) exercise price (iii) exercise period (iv) vesting period
<b>Directors</b>						
Fung Chiu Chak, Victor	22,000,000	–	–	–	–	22,000,000
	(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1					(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1
Chiu Chin Hung	11,000,000	–	–	–	–	11,000,000
	(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1					(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1



# Report of the Directors

## Equity-linked arrangements (Cont'd)

### Share option scheme (Cont'd)

Name/category of participants	Number of Share Options					
	Outstanding as at 1 January 2024, including:	Granted during the year ended 31 December 2024, including:	Exercised during the year ended 31 December 2024, including:	Cancelled during the year ended 31 December 2024, including:	Lapsed in accordance with the terms of the Share Option Scheme during the year ended 31 December 2024	Outstanding as at 31 December 2024, including:
	(i) date of grant (ii) exercise price (iii) exercise period (iv) vesting period	(i) date of grant (ii) exercise price (iii) exercise period (iv) vesting period (v) performance targets (vi) closing price of Shares immediately before the date of grant (vii) fair value of Share Options at the date of grant	(i) exercise price (ii) weighted average closing price of Shares immediately before the date of which the Share Options were exercised	(i) exercise price		(i) date of grant (ii) exercise price (iii) exercise period (iv) vesting period
Lau Kin Fai	10,000,000	–	–	–	–	10,000,000
	(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1					(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1
<b>Other employee participants</b>						
Fung Wen Yuan Brian (son of Mr. Fung Chiu Chak, Victor) (Note 4)	4,500,000	–	–	–	(4,500,000)	–
	(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1					(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1
Other employees (in aggregate)	114,600,000	–	–	–	(2,500,000)	112,100,000
	(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1					(i) 25 May 2021 (ii) HK\$0.49 per Share (iii) 1 January 2022 to 24 May 2025 (iv) Note 1
<b>Total</b>	<b>162,100,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7,000,000)</b>	<b>155,100,000</b>

## Equity-linked arrangements (Cont'd)

### Share option scheme (Cont'd)

Notes to the table of Share Options during the year ended 31 December 2024:

1. Subject to the terms of the Share Option Scheme, each grantee is allowed to exercise up to 30% of the Share Options granted from 1 January 2022 up to and including 24 May 2025. Thereafter, each grantee is allowed to exercise a further 30% of the Share Options granted from 1 January 2023 up to and including 24 May 2025 and to exercise the remaining 40% of Share Options granted from 1 January 2024 up to and including 24 May 2025.
2. The exercise price of the Share Options set out in the table above is correct as at the dates stated in the table. The exercise price is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
3. At the special general meeting of the Company held on 3 December 2020 (the "SGM"), a resolution was approved by the shareholders of the Company that the total number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of the SGM. As at the date of the SGM, the maximum number of Shares which may be allotted and issued pursuant to the Share Option Scheme was 336,603,570 Shares, representing 10% of the total number of Shares in issue as at the date of the SGM (the "Scheme Mandate Limit").

During the year ended 31 December 2024, no Share Option was granted and 7,000,000 Share Options had lapsed.

As at 1 January 2024 and 31 December 2024, the number of Share Options available for grant under the Scheme Mandate Limit was 169,003,570 Shares.

The number of Shares that may be issued under the Share Option Scheme as at 1 January 2024 was 162,100,000 Shares (being the sum of 30%, 30% and 40% of the Share Options granted which were exercisable from 1 January 2022, 1 January 2023 and 1 January 2024 respectively, less the number of Share Options lapsed) divided by 3,366,035,709, being the weighted average number of Shares in issue, represented approximately 4.82% of the total number of Shares in issue as at 1 January 2024. The number of Shares that may be issued under the Share Option Scheme as at 31 December 2024 was 155,100,000 Shares (being the sum of 30%, 30% and 40% of the Share Options granted which were exercisable from 1 January 2022, 1 January 2023 and 1 January 2024 respectively, less the number of Share Options lapsed) divided by 3,366,035,709, being the weighted average number of Shares in issue, represented approximately 4.61% of the total number of Shares in issue as at 31 December 2024.

4. In April 2024, Mr. Fung Wen Yuan Brian resigned as an employee of the Group, his Share Options lapsed in April 2024 in accordance with the terms of the Share Option Scheme.

Save for the above, at no time during the year ended 31 December 2024 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or Chief Executive or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate under the Share Option Scheme.

# Report of the Directors

## Substantial shareholders' interests in Shares and underlying Shares

At the end of the reporting period, the following interests of more than 5% of the issued Share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

### Long positions in Shares:

Name	Capacity	Number of Shares held	Approximate percentage of the Company's issued Share capital
Blackstone Group Management L.L.C. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Holdings IV GP L.P. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Holdings IV GP Limited Partner L.L.C. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Holdings IV GP Management (Delaware) L.P. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Holdings IV GP Management L.L.C. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Holdings IV GP Sub L.P. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Holdings IV L.P. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
SCHWARZMAN Stephen A. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
The Blackstone Group Inc. <sup>(1)</sup>	Interest of controlled corporation	2,356,146,781	70.00
Blackstone Real Estate Associates Asia II L.P. <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
Blackstone Real Estate Partners Asia II L.P. <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
BREP Asia II Holdings I (NQ) L.P. <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
BREP Asia II Holdings I (NQ) Pte. Ltd. <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
BREP Asia II L.L.C. <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
BREP Asia II Ltd. <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
Times Holdings I Limited <sup>(2)</sup>	Interest of controlled corporation	2,291,316,850	68.07
Times Holdings II Limited	Beneficial owner	2,291,316,850	68.07

## Report of the Directors

## Substantial shareholders' interests in Shares and underlying Shares (Cont'd)

## Long positions in Shares: (Cont'd)

Name	Capacity	Number of Shares held	Approximate percentage of the Company's issued Share capital
Chen Wai Wai Vivien <sup>(3)</sup>	Executor or administrator	235,106,000	6.98
Chow Suk Han, Anna <sup>(3)</sup>	Executor or administrator	235,106,000	6.98
Lee Pui Ling, Angelina <sup>(3)</sup>	Executor or administrator	235,106,000	6.98
Chen's Group International Limited <sup>(4)</sup>	Interest of controlled corporation	235,106,000	6.98
Chen's Group Holdings Limited <sup>(4)</sup>	Interest of controlled corporation	235,106,000	6.98
Nan Fung International Holdings Limited <sup>(4)</sup>	Interest of controlled corporation	235,106,000	6.98
Nan Fung Group Holdings Limited <sup>(4)</sup>	Interest of controlled corporation	235,106,000	6.98
NF Investment Holdings Limited <sup>(4)</sup>	Interest of controlled corporation	235,106,000	6.98
Keymark Associates Limited <sup>(4)</sup>	Interest of controlled corporation	235,106,000	6.98
Gavast Estates Limited	Beneficial owner	235,106,000	6.98
中國交通建設股份有限公司 <sup>(5)</sup>	Interest of controlled corporation	171,000,000	5.08
中國路橋工程有限責任公司 <sup>(5)</sup>	Interest of controlled corporation	171,000,000	5.08
中交疏浚(集團)股份有限公司 <sup>(5)</sup>	Interest of controlled corporation	171,000,000	5.08
香港海事建設有限公司 (now known as 香港海洋投資發展有限公司)	Beneficial owner	171,000,000	5.08
Fung Chiu Chak, Victor ("Mr. Fung") <sup>(6)(7)</sup>	Interest of controlled corporation and beneficial owner	190,380,000	5.66
Dragon's Eye Pacific Limited	Beneficial owner	168,380,000	5.00

## Report of the Directors

### Substantial shareholders' interests in Shares and underlying Shares (Cont'd)

#### Long positions in Shares: (Cont'd)

Notes:

1. These parties were deemed to have interests in long positions in 2,356,146,781 Shares under the SFO by virtue of their equity interests in Tides Holdings II Ltd. and Times Holdings II Limited.
2. These parties were deemed to have interests in long positions in 2,291,316,850 Shares under the SFO by virtue of their equity interests in Times Holdings II Limited.
3. These parties were executors of estate of Chen Din Hwa and deemed to have interests in long positions in 235,106,000 Shares under the SFO by a trust holding equity interests in Gavast Estates Limited.
4. These parties were deemed to have interests in long positions in 235,106,000 Shares under the SFO by virtue of their equity interests in Gavast Estates Limited.
5. These parties were deemed to have interests in long positions in 171,000,000 Shares under the SFO by virtue of their equity interests in 香港海事建设有限公司 (now known as 香港海洋投資發展有限公司).
6. Mr. Fung was deemed to have interests in long positions in 168,380,000 Shares under the SFO by virtue of his equity interests in Dragon's Eye Pacific Limited.
7. Mr. Fung was deemed to have interests in long positions in 22,000,000 Shares under the SFO as he is entitled to subscribe for such Shares under the Share Option Scheme.

Apart from the foregoing, as at 31 December 2024, no person, other than the Directors and Chief Executive, whose interests are set out in the section headed "Directors' and Chief Executive's interests and long positions in Shares and underlying Shares" above, had registered any interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to section 336 of the SFO.

### Sufficiency of public float

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

### Auditor

Ernst & Young retires and a resolution for reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

**Justin Wai**  
Chairman

Hong Kong  
19 March 2025



## Independent Auditor's Report



**To the shareholders of Tysan Holdings Limited**  
*(Incorporated in Bermuda with limited liability)*

## OPINION

We have audited the consolidated financial statements of Tysan Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 48 to 123, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“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 judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Independent Auditor's Report

### KEY AUDIT MATTERS (Cont'd)

#### Key audit matter

##### *Revenue recognition contributed from construction services*

During the year ended 31 December 2024, the Group has recognised revenue from construction services. Such revenue was recognised over time using an input method and it was based on progress towards complete satisfaction of the construction services which involved significant management judgement and estimation. The contract revenue was estimated by management based on contract sum and work values from variation orders, taking into account the financial impact of scope changes, claims, disputes and negotiation with employers. The Group reviewed and revised the estimates of both contract revenue and contract costs in the budget prepared for each construction contract as the contract progressed.

When determining the total budgeted costs, significant estimation is required and management makes reference to information such as (i) current or recent offers from subcontractors and suppliers, (ii) variation orders received from customers, and (iii) estimation on project material costs, labour costs and other costs for the completion of the projects provided by the quantity survey department.

The accounting policies, accounting judgements and estimates and disclosures for recognition of revenue from construction services are included in notes 2.4, 3 and 5 to the consolidated financial statements.

#### How our audit addressed the key audit matter

Our procedures included performing analyses of revenue, gross profit trend, cost of the construction contracts and their fluctuations. We checked contract revenue, on a sample basis, to amounts stated in contracts, variation orders and instructions from architects and final accounts agreed with customers. We compared budgeted costs prepared by the quantity survey department of the Group to accounting records of selected contracts and source documents such as the quotations and payment applications from subcontractors, and correspondence with customers, architects and subcontractors. We also checked the budgeted costs by comparing them with costs incurred by other similar projects and prior year budgets prepared by management. In addition, we also checked payment records to subcontractors, worker payroll records and other supporting documents such as the final accounts with subcontractors and cost allocation schedules prepared by management for the selected construction projects.

# Independent Auditor's Report

## KEY AUDIT MATTERS (Cont'd)

### Key audit matter

### How our audit addressed the key audit matter

#### *Impairment assessment of trade receivables and contract assets*

As at 31 December 2024, the Group's trade receivables and contract assets amounted to approximately HK\$148 million and HK\$564 million, respectively, which in aggregate represented approximately 43% of the current assets of the Group.

Significant management judgement is required to assess the recoverability of trade receivables and contract assets. Management performed a detailed analysis taking into account customers' ageing profile, credit history and historical payment pattern and the forward-looking information for the estimation of expected credit losses ("ECLs") on trade receivables and contract assets.

The accounting policies, accounting judgements and estimates and disclosures for the impairment of trade receivables and contract assets are included in notes 2.4, 3, 16 and 17 to the consolidated financial statements.

Our procedures included obtaining an understanding of and evaluating the Group's process and control over the collection and the assessment of the recoverability of trade receivables and contract assets. We obtained and evaluated management's assessment on the ECLs of trade receivables and contract assets with reference to the historical payment records, public available information and credit history of the Group's customers and the correspondence with customers. We tested the ageing of trade receivables and contract assets at the end of the reporting period on a sampling basis. We also checked the subsequent settlements and the latest amounts of revenue certified by customers on a sampling basis.

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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.

## Independent Auditor's Report

### RESPONSIBILITIES OF THE DIRECTORS 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, 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 HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional scepticism 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Independent Auditor's Report

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

- Conclude on the appropriateness of the 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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 the 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 the 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 Chung Yuk Man.

**Ernst & Young**  
*Certified Public Accountants*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

19 March 2025



# Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>REVENUE</b>	5	<b>2,402,834</b>	2,703,266
Cost of sales		<u>(2,320,590)</u>	<u>(2,640,126)</u>
Gross profit		<b>82,244</b>	63,140
Other income and gains	5	<b>40,929</b>	31,534
Administrative expenses		<b>(71,249)</b>	(73,349)
Other expenses, net		<b>(5,499)</b>	(11,201)
Finance costs	6	<u><b>(6,597)</b></u>	<u>(7,744)</u>
<b>PROFIT BEFORE TAX</b>	7	<b>39,828</b>	2,380
Income tax credit/(expense)	10	<u><b>965</b></u>	<u>(15,418)</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u><b>40,793</b></u>	<u>(13,038)</u>
Attributable to:			
Ordinary equity holders of the Company		<u><b>40,793</b></u>	<u>(13,038)</u>
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	12		
Basic		<u><b>HK1.21 cents</b></u>	<u>(HK0.39 cents)</u>
Diluted		<u><b>HK1.21 cents</b></u>	<u>(HK0.39 cents)</u>

# Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>40,793</b>	<b>(13,038)</b>
<b>OTHER COMPREHENSIVE EXPENSES</b>		
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:		
Exchange difference:		
Exchange difference on translation of foreign operations	(750)	(626)
<b>OTHER COMPREHENSIVE EXPENSES FOR THE YEAR, NET OF TAX</b>	<b>(750)</b>	<b>(626)</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR</b>	<b>40,043</b>	<b>(13,664)</b>
Attributable to:		
Ordinary equity holders of the Company	<b>40,043</b>	<b>(13,664)</b>

# Consolidated Statement of Financial Position

31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	130,481	167,917
Right-of-use assets	14(a)	103,909	97,661
Prepayments, deposits and other receivables	18	1,395	3,340
Deferred tax assets	24	4,792	3,762
Total non-current assets		240,577	272,680
<b>CURRENT ASSETS</b>			
Inventories	15	42,608	91,711
Trade receivables	16	148,162	125,111
Contract assets	17(a)	563,817	639,893
Prepayments, deposits and other receivables	18	27,725	32,927
Tax prepaid		533	–
Pledged time deposit	19	5,460	5,460
Time deposits with original maturity of over three months	19	155,122	178,749
Cash and cash equivalents	19	731,489	568,303
Total current assets		1,674,916	1,642,154
<b>CURRENT LIABILITIES</b>			
Trade and retention payables, accruals and provision	20	515,071	435,065
Other payables and receipts in advance	21	2,488	5,196
Contract liabilities	17(b)	20,308	17,326
Interest-bearing bank borrowings	22	24,476	24,036
Lease liabilities	14(b), 23	11,007	9,708
Tax payable		1,129	19,100
Total current liabilities		574,479	510,431
<b>NET CURRENT ASSETS</b>		<b>1,100,437</b>	<b>1,131,723</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,341,014</b>	<b>1,404,403</b>

## Consolidated Statement of Financial Position

31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings	22	80,001	104,528
Lease liabilities	14(b), 23	12,169	3,592
Deferred tax liabilities	24	9,620	12,951
Total non-current liabilities		101,790	121,071
Net assets		1,239,224	1,283,332
<b>EQUITY</b>			
Equity attributable to ordinary equity holders of the Company			
Issued capital	25	336,603	336,603
Reserves	27	902,621	946,729
Total equity		1,239,224	1,283,332

JUSTIN WAI  
Director

FUNG CHIU CHAK VICTOR  
Director

## Consolidated Statement of Changes in Equity

Year ended 31 December 2024

		Attributable to ordinary equity holders of the Company							
	Notes	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Statutory reserves HK\$'000 (note 27)	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 January 2023		336,603	2,481	638,344	24,507	2,188	(9,406)	348,472	1,343,189
Loss for the year		–	–	–	–	–	–	(13,038)	(13,038)
Other comprehensive expense for the year:									
Exchange difference on translation of foreign operations		–	–	–	–	–	(626)	–	(626)
Total comprehensive expenses for the year		–	–	–	–	–	(626)	(13,038)	(13,664)
Equity-settled share option arrangements	26	–	–	–	4,298	–	–	–	4,298
Transfer of share option reserve upon the expiry of share options		–	–	–	(107)	–	–	107	–
2022 final dividend declared and paid	11	–	–	–	–	–	–	(50,491)	(50,491)
At 31 December 2023		336,603	2,481*	638,344*	28,698*	2,188*	(10,032)*	285,050*	1,283,332



## Consolidated Statement of Changes in Equity

Year ended 31 December 2024

Notes		Attributable to ordinary equity holders of the Company							
		Issued capital	Share premium account	Contributed surplus	Share option reserve	Statutory reserves	Exchange fluctuation reserve	Retained profits	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(note 27)							
At 1 January 2024		336,603	2,481	638,344	28,698	2,188	(10,032)	285,050	1,283,332
Profit for the year		–	–	–	–	–	–	40,793	40,793
Other comprehensive expense for the year:									
Exchange difference on translation of foreign operations		–	–	–	–	–	(750)	–	(750)
Total comprehensive income/ (expenses) for the year		–	–	–	–	–	(750)	40,793	40,043
Transfer of share option reserve upon the expiry of share options		–	–	–	(1,241)	–	–	1,241	–
2023 final dividend declared and paid		11	–	–	–	–	–	(50,491)	(50,491)
2024 interim dividend declared and paid		11	–	–	–	–	–	(33,660)	(33,660)
At 31 December 2024		<u>336,603</u>	<u>2,481*</u>	<u>638,344*</u>	<u>27,457*</u>	<u>2,188*</u>	<u>(10,782)*</u>	<u>242,933*</u>	<u>1,239,224</u>

\* These reserve accounts comprise the consolidated reserves of HK\$902,621,000 (2023: HK\$946,729,000) in the consolidated statement of financial position.

# Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		39,828	2,380
Adjustments for:			
Finance costs	6	6,597	7,744
Finance costs included in cost of sales	6	147	149
Interest income	5	(29,765)	(23,329)
Loss on disposal and write-off of items of property, plant and equipment	7	1,836	8,182
Equity-settled share option expense	7	–	4,298
Depreciation of property, plant and equipment	7	56,766	56,583
Depreciation of right-of-use assets	7	15,317	13,565
Impairment/(write-back of impairment) of trade receivables	7	(226)	657
Impairment/(write-back of impairment) of contract assets	7	(46)	106
		<b>90,454</b>	<b>70,335</b>
Decrease in inventories		49,103	1,400
Increase in trade receivables		(22,825)	(1,705)
Decrease in contract assets		76,122	188,716
Decrease/(increase) in prepayments, deposits and other receivables		1,178	(1,870)
Increase/(decrease) in trade and retention payables, accruals and provision		82,574	(124,415)
Increase/(decrease) in other payables and receipts in advance		(2,708)	3,203
Increase/(decrease) in contract liabilities		2,982	(13,799)
		<b>276,880</b>	<b>121,865</b>
Cash generated from operations			
Taxes paid in the People's Republic of China:			
Hong Kong		(21,878)	(2,149)
Elsewhere		(11)	(28)
		<b>254,991</b>	<b>119,688</b>
Net cash flows from operating activities			

## Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		32,394	18,725
Purchases of items of property, plant and equipment		(26,919)	(68,242)
Deposits paid for acquisition of items of property, plant and equipment		–	(3,340)
Proceeds from disposal of items of property, plant and equipment		6,554	2,799
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		23,627	(87,329)
Net cash flows from/(used in) investing activities		35,656	(137,387)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(6,006)	(7,126)
Interest element of lease payments		(656)	(591)
New bank borrowings		–	50,000
Repayment of bank borrowings		(24,198)	(74,116)
Principal portion of lease payments		(11,689)	(9,921)
Dividends paid		(84,151)	(50,491)
Net cash flows used in financing activities		(126,700)	(92,245)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		163,947	(109,944)
Cash and cash equivalents at beginning of year		568,303	678,879
Effect of foreign exchange rate changes, net		(761)	(632)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		731,489	568,303
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		230,369	201,916
Non-pledged time deposits with original maturity of less than three months when acquired		501,120	366,387
Cash and cash equivalents as stated in the consolidated statement of financial position	19	731,489	568,303

# Notes to Financial Statements

31 December 2024

## 1. CORPORATE AND GROUP INFORMATION

Tysan Holdings Limited is a limited liability company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong.

During the year, the Group was involved in the following principal activities:

- foundation piling and site investigation
- property development and investment

There were no significant changes in the nature of the Group’s principal activities during the year.

The immediate holding company of the Company is Times Holdings II Limited, which is incorporated in the Cayman Islands and ultimately controlled by The Blackstone Group Inc., a company listed on The New York Stock Exchange and considered as the ultimate holding company of the Company.

### Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued share/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			2024	2023	
Tysan Foundation (Hong Kong) Limited	Hong Kong	Ordinary HK\$100	100	100	Investment holding
Bright Team Management Limited (note 1)	Hong Kong	Ordinary HK\$5	100	100	Investment holding
Tysan Construction (Macau) Limited (note 1)	Macau	Ordinary MOP25,000	100	100	Foundation piling
Tysan Foundation Limited (notes 1 and 2)	Hong Kong	Ordinary HK\$141,000,000 Deferred HK\$3,000,000	100	100	Foundation piling and site investigation
Tysan Foundation Geotechnical Limited (note 1)	Hong Kong	Ordinary HK\$220,000,000	100	100	Foundation piling and site investigation
Tysan Foundation Building Limited (note 1)	Hong Kong	Ordinary HK\$1	100	100	Foundation piling
Tysan Machinery Hire Limited (notes 1 and 2)	Hong Kong	Ordinary HK\$10,000 Deferred HK\$200,000	100	100	Machinery leasing
Foundation Testing Services Limited (note 1)	Hong Kong	Ordinary HK\$1	100	100	Provision of testing services
Proficiency Equipment Limited (note 1)	Hong Kong	Ordinary HK\$24,480,000	100	100	Machinery leasing and trading

## Notes to Financial Statements

31 December 2024

**1. CORPORATE AND GROUP INFORMATION (Cont'd)****Information about subsidiaries (Cont'd)**

Particulars of the Company's principal subsidiaries are as follows: (Cont'd)

Name	Place of incorporation/ registration and business	Issued share/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			2024	2023	
Tysan Management Limited (note 2)	Hong Kong	Ordinary HK\$16,720,850 Deferred HK\$2	100	100	Corporate management
Tysan Property Development & Investment Limited	Hong Kong	Ordinary HK\$2	100	100	Investment holding
Top Class Properties Limited (note 1)	Hong Kong	Ordinary HK\$2	100	100	Property holding
Sure Faith Investment Limited (note 1)	Hong Kong	Ordinary HK\$2	100	100	Property holding

Notes:

- Held through subsidiaries
- The deferred shares carry no rights to dividends (other than a fixed non-cumulative dividend at the rate of 5% per annum for any financial year during which the net profit of the relevant company available for dividends exceeds HK\$1 billion), no rights to vote at general meetings, and no rights to receive any surplus on a return of capital on a winding-up (other than the amount paid up on such shares, provided that the holders of the ordinary shares of that company have been distributed in such a winding-up of a sum of HK\$1,000 billion in respect of each ordinary share).



# Notes to Financial Statements

31 December 2024

## 1. CORPORATE AND GROUP INFORMATION (Cont'd)

### Information about a joint operation

Particulars of the Company's joint operation are as follows:

Name	Form of business structure	Place of registration/ operation	Percentage of attributable interest of the Group		Principal activities
			2024 (Note)	2023 (Note)	
Vibro-Tysan-Chun Wo JV	Unincorporated	Hong Kong	30	30	Foundation piling

Note:

The Group's attributable interest is less than 50% in this body unincorporate. However, under the joint venture agreement, the joint operators have contractually agreed on the sharing of control over the relevant activities of this body unincorporate, and hence this body unincorporate is jointly controlled by the Group and the other joint operators. Furthermore, the relevant joint venture agreement specifies that the Group and the other parties to the joint arrangement have rights to the assets and obligations to the liabilities relating to the joint arrangement in accordance with the attributable interest of the Group as disclosed above and the interests attributable to the other joint operators, respectively, and therefore this body unincorporate is classified as a joint operation.

The above tables list the subsidiaries and a joint operation of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

## 2.1 BASIS OF PREPARATION (Cont'd)

### Basis of consolidation (Cont'd)

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributable to the ordinary equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16

Amendments to HKAS 1

Amendments to HKAS 1

Amendments to HKAS 7 and HKFRS 7

*Lease Liability in a Sale and Leaseback*

*Classification of Liabilities as Current or Non-current*  
(the "2020 Amendments")

*Non-current Liabilities with Covenants* (the "2022 Amendments")

*Supplier Finance Arrangements*

# Notes to Financial Statements

31 December 2024

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) 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.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effect of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

## Notes to Financial Statements

31 December 2024

## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

## Notes to Financial Statements

31 December 2024

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (*Cont'd*)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.



## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

# Notes to Financial Statements

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES

### Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

### Impairment of non-financial assets

When an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g. a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

# Notes to Financial Statements

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Building	5%
Equipment and machinery	10% to 33⅓%
Furniture and fixtures	20%
Motor vehicles	20%
Leasehold improvements	10% to 33⅓%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Leases

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

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	35 to 40 years
Buildings	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### (b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.



# Notes to Financial Statements

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Leases (Cont'd)

#### Group as a lessee (Cont'd)

##### (c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office properties, warehouses and machinery (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

#### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

### Investments and other financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Investments and other financial assets (Cont'd)

#### Initial recognition and measurement (Cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

##### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

# Notes to Financial Statements

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Impairment of financial assets (Cont'd)

#### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Impairment of financial assets (Cont'd)

#### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and retention payables, other payables and interest-bearing bank borrowings.

## Notes to Financial Statements

31 December 2024

### 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

#### Financial liabilities (Cont'd)

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at amortised cost (trade and other payables, and borrowings)*

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

##### *Financial guarantee contracts*

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are stated at the lower of cost, on the first-in, first-out basis, and net realisable value after making due allowance for any obsolete or slow-moving items. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.



## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and bank balances comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside statement of profit or loss is recognised, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



# Notes to Financial Statements

31 December 2024

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Income tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

### Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

#### *Construction services*

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the most likely amount method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

## Notes to Financial Statements

31 December 2024

### 2.4 MATERIAL ACCOUNTING POLICIES (*Cont'd*)

#### Revenue recognition (*Cont'd*)

##### Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

##### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### Employee benefits

##### Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

## 2.4 MATERIAL ACCOUNTING POLICIES (*Cont'd*)

### Employee benefits (*Cont'd*)

#### Share-based payments (*Cont'd*)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

#### Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

#### Pension schemes

The Group operated a defined contribution provident fund (the “Fund”) for certain of its employees in Hong Kong, the assets of which were held separately from those of the Group and were managed by an independent professional fund manager. Contributions under the Fund were made based on a percentage of the eligible employees’ basic salaries and were charged to the statement of profit or loss as they became payable in accordance with the rules of the scheme. The ongoing contributions to the Fund were terminated on 1 April 1999.

Following the introduction of the Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”), the Group has restructured its retirement scheme arrangements to comply with the Mandatory Provident Fund Schemes Ordinance. The Group has secured a Mandatory Provident Fund exemption status for the Fund and, in addition, has participated in an approved defined contribution MPF Scheme with effect from 1 December 2001, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

## Notes to Financial Statements

31 December 2024

### 2.4 MATERIAL ACCOUNTING POLICIES (Cont'd)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.



### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### **Current and deferred tax**

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made. Further details are disclosed in notes 10 and 24 to the financial statements.

#### Estimation uncertainty

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 causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### **Provision for expected credit losses on trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on historical loss records of trade receivables for groupings of days past due or for groupings of various customer segments that have similar loss patterns (i.e., by customer type of different credit risk) and actual default cases.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 16 and 17 to the financial statements, respectively.



# Notes to Financial Statements

31 December 2024

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (*Cont'd*)

### Estimation uncertainty (*Cont'd*)

#### Revenue recognition of construction works

During the year ended 31 December 2024, the Group has recognised revenue from construction services of HK\$2,402,701,000 (2023: HK\$2,703,266,000). Revenue from construction services is recognised according to the percentage of completion of the individual contract of construction works. The Group's management estimates the percentage of completion of construction works based on actual costs incurred over the total budgeted costs. Corresponding contract revenue was also estimated by management based on contract sum and work values from variation works. Because of the nature of the activities undertaken for the construction contracts, the date at which the contracts are entered into and the date when the contract are completed usually fall into different accounting periods. The Group reviewed and revised the estimates of both contract revenue and contract costs in the budget prepared for each construction contract as the contract progressed.

When determining the total budgeted costs, management makes reference to information such as (i) current or recent offers from subcontractors and suppliers, (ii) variation orders received from customers, and (iii) estimation on material costs, labour costs and other costs for the completion of the projects provided by quantity survey department.

## 4. OPERATING SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Operating segments are reported in a manner consistent with internal reporting to the Company's key management personnel as follows:

- (a) the foundation piling segment (including site investigation operation);
- (b) the property development and investment segment; and
- (c) the "corporate and others" segment comprises, principally, the Group's corporate operation, and machinery leasing and trading businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax.

The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income and non-lease related finance costs are excluded from such measurement.

Segment assets exclude tax prepaid, deferred tax assets and time deposits as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

## Notes to Financial Statements

31 December 2024

## 4. OPERATING SEGMENT INFORMATION (Cont'd)

For the years ended 31 December 2024 and 2023

	Foundation piling		Property development and investment		Corporate and others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue: (note 5)</b>								
Sales to external customers	2,402,834	2,703,266	–	–	–	–	2,402,834	2,703,266
Other income and gains	10,861	7,895	52	212	251	98	11,164	8,205
Total segment revenue	<u>2,413,695</u>	<u>2,711,161</u>	<u>52</u>	<u>212</u>	<u>251</u>	<u>98</u>	<u>2,413,998</u>	<u>2,711,471</u>
<b>Segment results</b>	<u>52,984</u>	<u>25,490</u>	<u>(892)</u>	<u>(798)</u>	<u>(35,941)</u>	<u>(38,339)</u>	<u>16,151</u>	<u>(13,647)</u>
Interest income							29,765	23,329
Finance costs (other than interest on lease liabilities)							(6,088)	(7,302)
Profit before tax							39,828	2,380
Income tax credit/(expense)							965	(15,418)
Profit/(loss) for the year							<u>40,793</u>	<u>(13,038)</u>

## Notes to Financial Statements

31 December 2024

## 4. OPERATING SEGMENT INFORMATION (Cont'd)

For the years ended 31 December 2024 and 2023

	Foundation piling		Property development and investment		Corporate and others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets and liabilities</b>								
Segment assets	<u>1,087,518</u>	<u>1,190,168</u>	<u>855</u>	<u>819</u>	<u>160,093</u>	<u>169,489</u>	<u>1,248,466</u>	<u>1,360,476</u>
Unallocated							<u>667,027</u>	<u>554,358</u>
							<u>1,915,493</u>	<u>1,914,834</u>
Segment liabilities	<u>554,539</u>	<u>463,478</u>	<u>563</u>	<u>624</u>	<u>5,941</u>	<u>6,785</u>	<u>561,043</u>	<u>470,887</u>
Unallocated							<u>115,226</u>	<u>160,615</u>
							<u>676,269</u>	<u>631,502</u>
<b>Other segment information:</b>								
Depreciation of property, plant and equipment	52,178	52,035	–	–	4,588	4,548	56,766	56,583
Depreciation of right-of-use assets	11,594	9,415	10	10	3,713	4,140	15,317	13,565
Impairment/(write-back of impairment) of trade receivables	24	(35)	–	–	(250)	692	(226)	657
Impairment/(write-back of impairment) of contract assets	(46)	106	–	–	–	–	(46)	106
Loss/(gain) on disposal and write-off of items of property, plant and equipment, net	2,001	10,788	–	–	(165)	(2,606)	1,836	8,182
Capital expenditure	<u>27,702</u>	<u>60,889</u>	<u>–</u>	<u>–</u>	<u>18</u>	<u>697</u>	<u>27,720</u>	<u>61,586</u>

## Geographical information

## (a) Revenue from external customers

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	<u>2,402,834</u>	<u>2,703,266</u>

The revenue information above is based on the locations of the customers.

## Notes to Financial Statements

31 December 2024

## 4. OPERATING SEGMENT INFORMATION (Cont'd)

## Geographical information (Cont'd)

## (b) Non-current assets

	2024 HK\$'000	2023 HK\$'000
Hong Kong	<u>235,785</u>	<u>268,918</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

## Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the Group's revenue, is set out below:

	2024 HK\$'000	2023 HK\$'000
Customer A <sup>1</sup>	1,023,132	836,022
Customer B <sup>1</sup>	282,654	N/A <sup>2</sup>
Customer C <sup>1</sup>	N/A <sup>2</sup>	364,524
Customer D <sup>1</sup>	<u>N/A<sup>2</sup></u>	<u>280,631</u>

<sup>1</sup> Revenue was derived from the foundation piling segment.

<sup>2</sup> The corresponding revenue did not contribute over 10% of the Group's revenue.

## 5. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers	2,402,701	2,703,266
Revenue from other sources		
Gross rental income from machinery leasing	<u>133</u>	<u>—</u>
Total	<u>2,402,834</u>	<u>2,703,266</u>

## Notes to Financial Statements

31 December 2024

## 5. REVENUE AND OTHER INCOME AND GAINS (Cont'd)

## Revenue from contracts with customers

## (i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Foundation piling HK\$'000	Property development and investment HK\$'000	Corporate and others HK\$'000	Total HK\$'000
<b>Types of goods or services</b>				
Construction services	<u>2,402,701</u>	<u>—</u>	<u>—</u>	<u>2,402,701</u>
<b>Geographical market</b>				
Hong Kong	<u>2,402,701</u>	<u>—</u>	<u>—</u>	<u>2,402,701</u>
<b>Timing of revenue recognition</b>				
Services transferred over time	<u>2,402,701</u>	<u>—</u>	<u>—</u>	<u>2,402,701</u>

For the year ended 31 December 2023

Segments	Foundation piling HK\$'000	Property development and investment HK\$'000	Corporate and others HK\$'000	Total HK\$'000
<b>Types of goods or services</b>				
Construction services	<u>2,703,266</u>	<u>—</u>	<u>—</u>	<u>2,703,266</u>
<b>Geographical market</b>				
Hong Kong	<u>2,703,266</u>	<u>—</u>	<u>—</u>	<u>2,703,266</u>
<b>Timing of revenue recognition</b>				
Services transferred over time	<u>2,703,266</u>	<u>—</u>	<u>—</u>	<u>2,703,266</u>

## Notes to Financial Statements

31 December 2024

## 5. REVENUE AND OTHER INCOME AND GAINS (Cont'd)

## Revenue from contracts with customers (Cont'd)

## (i) Disaggregated revenue information (Cont'd)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

## For the year ended 31 December 2024

Segments	Foundation piling HK\$'000	Property development and investment HK\$'000	Corporate and others HK\$'000	Total HK\$'000
<b>Revenue from contracts with customers</b>				
External customers	<u>2,402,701</u>	<u>—</u>	<u>—</u>	<u>2,402,701</u>

## For the year ended 31 December 2023

Segments	Foundation piling HK\$'000	Property development and investment HK\$'000	Corporate and others HK\$'000	Total HK\$'000
<b>Revenue from contracts with customers</b>				
External customers	<u>2,703,266</u>	<u>—</u>	<u>—</u>	<u>2,703,266</u>

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Construction services	<u>15,149</u>	<u>30,774</u>



## Notes to Financial Statements

31 December 2024

## 5. REVENUE AND OTHER INCOME AND GAINS (Cont'd)

## Revenue from contracts with customers (Cont'd)

## (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

*Construction services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024 HK\$'000	2023 HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	2,168,681	1,774,326
After one year	550,192	577,339
Total	2,718,873	2,351,665

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are mainly to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

## An analysis of other income and gains is as follows:

	2024 HK\$'000	2023 HK\$'000
Interest income	29,765	23,329
Scrap sales*	4,880	4,546
Sale of site facilities*	4,200	1,360
Insurance claims	1,287	1,512
Write-back of impairment of trade receivables	226	—
Write-back of impairment of contract assets	46	—
Others	525	787
Total other income and gains	40,929	31,534

\* These incomes are recognised at a point in time when control of assets is transferred to the customer, generally on delivery of the assets.

## Notes to Financial Statements

31 December 2024

## 6. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	6,088	7,302
Interest on lease liabilities	656	591
Subtotal	6,744	7,893
Less: Interest included in cost of sales	(147)	(149)
Total	6,597	7,744

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2024 HK\$'000	2023 HK\$'000
Cost of services rendered		2,320,590	2,640,126
Depreciation of property, plant and equipment	13	56,766	56,583
Depreciation of right-of-use assets	14(a)	15,317	13,565
Lease payments not included in the measurement of lease liabilities	14(c)	24,525	35,492
Auditor's remuneration		2,182	2,168
Employee benefit expense (including directors' remuneration – note 8):			
Salaries, wages and other benefits		465,757	492,774
Equity-settled share option expense		–	4,298
Pension scheme contributions**		11,857	12,701
Total		477,614	509,773
Foreign exchange differences, net*		286	302
Impairment of financial and contract assets:			
Impairment/(write-back of impairment) of trade receivables*	16	(226)	657
Impairment/(write-back of impairment) of contract assets*	17(a)	(46)	106
Loss on disposal and write-off of items of property, plant and equipment*		1,836	8,182

\* These amounts are included in “Other expenses, net” or “Other income and gains” in the consolidated statement of profit or loss.

\*\* There are no forfeited contributions that may be used by the Group as employer to reduce the existing level of contributions.

## Notes to Financial Statements

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## 8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 HK\$'000	2023 HK\$'000
Fees:		
Executive directors	—	—
Non-executive directors	—	—
Independent non-executive directors	1,440	1,395
Other emoluments of executive directors:		
Salaries, allowances and benefits in kind	35,152	34,329
Equity-settled share option expense	—	1,130
Pension scheme contributions	18	18
Total	<u>36,610</u>	<u>36,872</u>

During the year ended 31 December 2021, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 26 to the financial statements and the report of the directors. The fair value of such options, which had been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the last year was included in the above directors' remuneration disclosures.

## Notes to Financial Statements

31 December 2024

## 8. DIRECTORS' REMUNERATION (Cont'd)

The remuneration paid or payable to each of the directors is as follows:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Equity- settled share option expense HK\$'000	Pension scheme contributions HK\$'000	Total HK\$'000
<b>2024</b>					
<b>Executive directors:</b>					
Mr. Fung Chiu Chak, Victor ("Mr. Fung")	–	23,438	–	–	23,438
Mr. Chiu Chin Hung	–	6,062	–	–	6,062
Mr. Lau Kin Fai	–	5,652	–	18	5,670
Subtotal	–	35,152	–	18	35,170
<b>Non-executive directors:</b>					
Mr. Justin Wai	–	–	–	–	–
Mr. Vikram Garg	–	–	–	–	–
Mr. Yuen Pak Man	–	–	–	–	–
Ms. Gu Ye	–	–	–	–	–
Ms. Hou Xiangjia	–	–	–	–	–
Subtotal	–	–	–	–	–
<b>Independent non-executive directors:</b>					
Mr. Lung Chee Ming, George	360	–	–	–	360
Mr. Li Kit Chee	360	–	–	–	360
Ms. Jennifer Kwok	360	–	–	–	360
Ms. Yang Jing	360	–	–	–	360
Subtotal	1,440	–	–	–	1,440
Total	1,440	35,152	–	18	36,610

## Notes to Financial Statements

31 December 2024

8. DIRECTORS' REMUNERATION (*Cont'd*)

The remuneration paid or payable to each of the directors is as follows: (*Cont'd*)

	Fees <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Equity- settled share option expense <i>HK\$'000</i>	Pension scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
2023					
<b>Executive directors:</b>					
Mr. Fung	–	23,121	578	–	23,699
Mr. Chiu Chin Hung	–	5,746	289	–	6,035
Mr. Lau Kin Fai	–	5,462	263	18	5,743
Subtotal	–	34,329	1,130	18	35,477
<b>Non-executive directors:</b>					
Mr. Justin Wai	–	–	–	–	–
Mr. Vikram Garg	–	–	–	–	–
Mr. Yuen Pak Man	–	–	–	–	–
Ms. Gu Ye	–	–	–	–	–
Ms. Hou Xiangjia	–	–	–	–	–
Subtotal	–	–	–	–	–
<b>Independent non-executive directors:</b>					
Mr. Lung Chee Ming, George	360	–	–	–	360
Mr. Li Kit Chee	360	–	–	–	360
Ms. Chow Wai Lee*	214	–	–	–	214
Ms. Jennifer Kwok	360	–	–	–	360
Ms. Yang Jing*	101	–	–	–	101
Subtotal	1,395	–	–	–	1,395
Total	1,395	34,329	1,130	18	36,872

\* During the year ended 31 December 2023, Ms. Chow Wai Lee resigned as an independent non-executive director, and Ms. Yang Jing was appointed as an independent non-executive director.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

## Notes to Financial Statements

31 December 2024

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2023: two) non-director highest paid employees are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and benefits in kind	7,028	6,711
Equity-settled share option expense	–	458
Pension scheme contributions	18	27
Total	<u>7,046</u>	<u>7,196</u>

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Numbers of employees	
	2024	2023
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,000,001 to HK\$3,500,000	–	1
HK\$4,000,001 to HK\$4,500,000	1	1
HK\$4,500,001 to HK\$5,000,000	–	–
Total	<u>2</u>	<u>2</u>

During the year ended 31 December 2021, share options were granted to the above non-director and non-chief executive highest paid employees in respect of their services to the Group. Further details of which are included in the disclosures in note 26 to the financial statements. The fair value of such options, which had been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the last year was included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.



## Notes to Financial Statements

31 December 2024

## 10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits of this subsidiary are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere in the People's Republic of China (the "PRC") have been calculated at the applicable tax rates prevailing in the areas in which the Group operates.

	2024 HK\$'000	2023 HK\$'000
Current:		
Provision for tax in respect of profit for the year:		
PRC:		
Hong Kong	3,549	15,922
Elsewhere	8	25
	<u>3,557</u>	<u>15,947</u>
Overprovision in the prior years:		
PRC:		
Hong Kong	(171)	(6)
	<u>(171)</u>	<u>(6)</u>
Deferred tax (note 24)	<u>(4,351)</u>	<u>(523)</u>
Total tax charge/(credit) for the year	<u>(965)</u>	<u>15,418</u>

A reconciliation of the tax charge applicable to profit before tax at the statutory rates for the countries or regions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge/(credit) at the effective tax rate is as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before tax	<u>39,828</u>	<u>2,380</u>
Tax at the statutory rates	6,388	341
Adjustments in respect of current tax of prior years	(171)	(6)
Income not subject to tax	(5,234)	(4,576)
Expenses not deductible for tax	5,239	6,495
Effect of withholding tax on the distributable profits of the Group's subsidiary in Mainland China	16	51
Tax losses utilised from prior years	(9,876)	(241)
Tax losses not recognised	<u>2,673</u>	<u>13,354</u>
Tax charge/(credit) at the Group's effective rate	<u>(965)</u>	<u>15,418</u>

## Notes to Financial Statements

31 December 2024

## 11. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends declared and paid during the year:		
Final in respect of the financial year ended 31 December 2023 – HK\$0.015 (year ended 31 December 2022: HK\$0.015) per ordinary share	50,491	50,491
Interim – HK\$0.01 per ordinary share (2023: Nil)	33,660	–
Total	84,151	50,491
Proposed final dividend:		
Final – HK\$0.025 (2023: HK\$0.015) per ordinary share	84,151	50,491

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final dividend payable.

## 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings (2023: loss) per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$40,793,000 (2023: loss of HK\$13,038,000), and the number of ordinary shares of 3,366,035,709 (2023: 3,366,035,709) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options did not have a dilutive effect on the basic earnings/(loss) per share amounts presented.

## Notes to Financial Statements

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## 13. PROPERTY, PLANT AND EQUIPMENT

	Building HK\$'000	Equipment and machinery HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
<b>2024</b>						
Cost:						
At 1 January 2024	81,309	885,044	6,339	9,552	12,113	994,357
Additions	–	27,009	44	667	–	27,720
Disposals/write-off	–	(53,953)	(200)	(1,525)	–	(55,678)
At 31 December 2024	<u>81,309</u>	<u>858,100</u>	<u>6,183</u>	<u>8,694</u>	<u>12,113</u>	<u>966,399</u>
Accumulated depreciation:						
At 1 January 2024	51,156	750,942	5,469	6,812	12,061	826,440
Depreciation provided during the year	4,066	51,193	251	1,204	52	56,766
Disposals/write-off	–	(45,604)	(187)	(1,497)	–	(47,288)
At 31 December 2024	<u>55,222</u>	<u>756,531</u>	<u>5,533</u>	<u>6,519</u>	<u>12,113</u>	<u>835,918</u>
Net carrying amount:						
At 31 December 2024	<u>26,087</u>	<u>101,569</u>	<u>650</u>	<u>2,175</u>	<u>–</u>	<u>130,481</u>
At 31 December 2023	<u>30,153</u>	<u>134,102</u>	<u>870</u>	<u>2,740</u>	<u>52</u>	<u>167,917</u>

## Notes to Financial Statements

31 December 2024

## 13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Building HK\$'000	Equipment and machinery HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
2023						
Cost:						
At 1 January 2023	81,309	896,199	5,748	10,830	12,113	1,006,199
Additions	–	60,890	696	–	–	61,586
Disposals/write-off	–	(72,045)	(105)	(1,278)	–	(73,428)
At 31 December 2023	81,309	885,044	6,339	9,552	12,113	994,357
Accumulated depreciation:						
At 1 January 2023	47,089	761,005	5,366	6,853	11,991	832,304
Depreciation provided during the year	4,067	51,001	208	1,237	70	56,583
Disposals/write-off	–	(61,064)	(105)	(1,278)	–	(62,447)
At 31 December 2023	51,156	750,942	5,469	6,812	12,061	826,440
Net carrying amount:						
At 31 December 2023	30,153	134,102	870	2,740	52	167,917
At 31 December 2022	34,220	135,194	382	3,977	122	173,895

The Group's building was pledged to a bank as security for a banking facility granted to the Group (note 22).

## Notes to Financial Statements

31 December 2024

## 14. LEASES

## The Group as a lessee

The Group has leasehold land and lease contracts for various office properties, staff quarters, warehouses and machinery used in its operation. Lump sum payments were made upfront to acquire the leasehold land from the owner with lease periods of 35 to 40 years, and no ongoing payments will be made under the terms of these land leases. Leases of office properties, staff quarters and warehouses generally have lease terms between 1 and 3 years while leases of machinery generally have lease terms of less than 12 months.

## (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and movements during the year are as follows:

	<b>Leasehold land</b> <b>HK\$'000</b>	<b>Buildings</b> <b>HK\$'000</b>	<b>Total</b> <b>HK\$'000</b>
At 1 January 2023	88,419	13,268	101,687
Additions	—	9,539	9,539
Depreciation charge	(3,723)	(9,842)	(13,565)
At 31 December 2023 and 1 January 2024	<b>84,696</b>	<b>12,965</b>	<b>97,661</b>
Additions	—	21,565	21,565
Depreciation charge	(3,723)	(11,594)	(15,317)
At 31 December 2024	<b>80,973</b>	<b>22,936</b>	<b>103,909</b>

Certain of the Group's leasehold land is pledged to a bank as security for a banking facility granted to the Group (note 22).

Certain of the Group's leased warehouse is subleased to a third party under an operating lease, further summary details of which are disclosed below under the heading "The Group as a lessor".

## Notes to Financial Statements

31 December 2024

## 14. LEASES (Cont'd)

## The Group as a lessee (Cont'd)

## (b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2024 HK\$'000	2023 HK\$'000
Carrying amount at 1 January	13,300	13,682
New leases	21,565	9,539
Accretion of interest recognised during the year	656	591
Payments	(12,345)	(10,512)
Carrying amount at 31 December	23,176	13,300
Analysed into:		
Current portion	11,007	9,708
Non-current portion	12,169	3,592

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

## (c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 HK\$'000	2023 HK\$'000
Interest on lease liabilities	656	591
Depreciation charge of right-of-use assets	15,317	13,565
Expenses relating to short-term leases (included in cost of sales)	24,525	35,492
Total amount recognised in profit or loss	40,498	49,648

## (d) The total cash outflows for leases are disclosed in note 28(c) to the financial statements.



## Notes to Financial Statements

31 December 2024

## 14. LEASES (Cont'd)

## The Group as a lessor

The Group subleases certain of its leased warehouse (note (a)) under an operating lease arrangement. Rental income recognised by the Group from the lease during the year was HK\$384,000 (2023: HK\$384,000).

As at 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under a non-cancellable operating lease with its tenant are as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	384	352
After one year but within two years	384	—
After two years but within three years	352	—
Total	<u>1,120</u>	<u>352</u>

## 15. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Raw materials	32,645	79,381
Spare parts and others	9,963	12,330
Total	<u>42,608</u>	<u>91,711</u>

## Notes to Financial Statements

31 December 2024

## 16. TRADE RECEIVABLES

The Group has established credit policies that follow local industry standards. The average normal credit periods offered to trade customers are within 30 days, and are subject to periodic review by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

	2024 HK\$'000	2023 HK\$'000
Trade receivables	149,703	129,621
Impairment	(1,541)	(4,510)
Net carrying amount	<u>148,162</u>	<u>125,111</u>

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

	2024 HK\$'000	2023 HK\$'000
Within 90 days	147,078	124,456
91 to 180 days	432	—
181 to 365 days	—	—
Over 365 days	652	655
Total	<u>148,162</u>	<u>125,111</u>

## Notes to Financial Statements

31 December 2024

## 16. TRADE RECEIVABLES (Cont'd)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 HK\$'000	2023 HK\$'000
At beginning of the year	4,510	3,853
Impairment loss recognised/(written back) (note 7)	(226)	657
Amount written off as uncollectible	(2,743)	–
At end of year	1,541	4,510

The decrease in the loss allowance was mainly due to the write-off of uncollectible trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on remaining trade receivables. The provision rates are based on historical loss records for groupings of days past due or for groupings of various customer segments with similar loss patterns (i.e., by customer type of different credit risks). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

## As at 31 December 2024

	Past due					Total
	Current	Less than 90 days	91 to 180 days	181 to 365 days	Over 365 days	
Expected credit losses rate	0.04%	0.04%	–	–	69.49%	1.03%
Gross carrying amount (HK\$'000)	138,893	8,241	432	–	2,137	149,703
Expected credit losses (HK\$'000)	53	3	–	–	1,485	1,541

## As at 31 December 2023

		Past due				Total
		Current	Less than 90 days	91 to 180 days	181 to 365 days	
Expected credit losses rate	0.03%	0.02%	–	100%	87.08%	3.48%
Gross carrying amount (HK\$'000)	95,981	28,510	–	60	5,070	129,621
Expected credit losses (HK\$'000)	29	6	–	60	4,415	4,510

## Notes to Financial Statements

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## 17. CONTRACT ASSETS AND CONTRACT LIABILITIES

## (a) Contract assets

	31 December 2024 HK\$'000	31 December 2023 HK\$'000	1 January 2023 HK\$'000
Contract assets arising from:			
Construction services	564,733	640,859	829,258
Others	1,464	1,460	1,777
	<u>566,197</u>	<u>642,319</u>	<u>831,035</u>
Impairment	(2,380)	(2,426)	(2,320)
Net carrying amount	<u>563,817</u>	<u>639,893</u>	<u>828,715</u>

Contract assets are initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2024 and 2023 was the result of certification of construction services and settlement of retention receivables. The Group's trading terms and credit policy with customers are disclosed in note 16 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2024 HK\$'000	2023 HK\$'000
Within one year	521,684	575,159
After one year	42,133	64,734
Total contract assets	<u>563,817</u>	<u>639,893</u>

## Notes to Financial Statements

31 December 2024

17. CONTRACT ASSETS AND CONTRACT LIABILITIES (*Cont'd*)(a) Contract assets (*Cont'd*)

The movements in the loss allowance for impairment of contract assets are as follows:

	2024 HK\$'000	2023 HK\$'000
At the beginning of the year	2,426	2,320
Impairment loss recognised/(written back) (note 7)	(46)	106
At the end of the year	<u>2,380</u>	<u>2,426</u>

Included in the above impairment allowance for contract assets is an allowance for an individually impaired contract asset of HK\$2,048,000 (2023: HK\$2,048,000) which was considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full. Except for the specific impairment allowance mentioned above, an impairment analysis is performed at each reporting date on the remaining contract assets using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on historical loss records of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type of different credit risks). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets not individually impaired using a provision matrix:

	2024	2023
Expected credit loss rate	0.06%	0.06%
Gross carrying amount (HK\$'000)	564,149	640,271
Expected credit losses (HK\$'000)	332	378

As at 31 December 2024, included in contract assets is an amount due from a related company, Tysan Building Construction Company Limited ("TBC"), of HK\$236,000 (2023: Nil) and is recoverable on credit terms similar to those offered to the major customers of the Group. TBC is controlled by Mr. Fung, who is an executive director of the Company.

## Notes to Financial Statements

31 December 2024

17. CONTRACT ASSETS AND CONTRACT LIABILITIES (*Cont'd*)

## (b) Contract liabilities

	31 December 2024 HK\$'000	31 December 2023 HK\$'000	1 January 2023 HK\$'000
Contract liabilities arising from:			
Construction services	<u>20,308</u>	<u>17,326</u>	<u>31,125</u>

Contract liabilities include short-term advances received to deliver construction services. The increase in contract liabilities in 2024 was the result of increase in billings for construction services near end of 2024 and the decrease in contract liabilities in 2023 was the result of increase in provision of construction services near end of 2023.

As at 31 December 2023, included in contract liabilities was an amount due to a related company, TBC, of HK\$1,017,000.

## 18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Deposits paid for acquisition of items of property, plant and equipment	–	3,340
Prepayments and deposits	12,174	15,387
Other receivables	17,239	17,833
Less: Impairment	<u>(293)</u>	<u>(293)</u>
Total	<u>29,120</u>	<u>36,267</u>
Less: Prepayments, deposits and other receivables classified as non-current assets	<u>(1,395)</u>	<u>(3,340)</u>
Current portion	<u>27,725</u>	<u>32,927</u>

The movements in the loss allowance for impairment of other receivables are as follows:

	2024 HK\$'000	2023 HK\$'000
At beginning and end of year	<u>293</u>	<u>293</u>

In the opinion of the directors, the impairment of HK\$293,000 (2023: HK\$293,000) was specific in nature which was considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full. Expected credit losses on the remaining other receivables balances are estimated by applying a loss rate approach with reference to historical loss record of the Group. Based on the historical loss records and economic conditions, the directors are of the opinion that the expected credit losses of the remaining other receivables are minimal.



## Notes to Financial Statements

31 December 2024

## 19. PLEDGED TIME DEPOSIT, TIME DEPOSITS WITH ORIGINAL MATURITY OF OVER THREE MONTHS AND CASH AND CASH EQUIVALENTS

	Note	2024 HK\$'000	2023 HK\$'000
Time deposits		661,702	550,596
Cash and bank balances		230,369	201,916
Subtotal		892,071	752,512
Less: Pledged time deposit			
– Pledged for a bank borrowing	22	(5,460)	(5,460)
Less: Non-pledged time deposits with original maturity of over three months		(155,122)	(178,749)
Cash and cash equivalents		731,489	568,303
		2024 HK\$'000	2023 HK\$'000
Denominated in:			
Renminbi ("RMB")		22,381	22,987
HK\$		838,361	670,496
United States dollars ("US\$")		31,144	58,828
Other currencies		185	201
Total		892,071	752,512

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for various periods ranging from 3 weeks to 6 months (2023: 3 weeks to 12 months) depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

## Notes to Financial Statements

31 December 2024

**20. TRADE AND RETENTION PAYABLES, ACCRUALS AND PROVISION**

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

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Trade payables:		
Within 90 days	<b>252,951</b>	220,233
91 to 180 days	<b>180</b>	241
Over 180 days	<b>23</b>	24
Total trade payables	<b>253,154</b>	220,498
Retention payables	<b>49,435</b>	56,050
Accruals	<b>186,175</b>	140,579
Provision	<b>26,307</b>	17,938
Total	<b>515,071</b>	435,065

The trade and retention payables are non-interest-bearing. Trade payables are normally settled on 90-day terms. For retention payables in respect of construction contracts, the due dates are normally within one year after the completion of the construction work.

As at 31 December 2024, retention payables amounting to HK\$41,197,000 (2023: HK\$53,287,000) were expected to be repayable within twelve months after the end of the reporting period.

Provision mainly represented provision for foreseeable losses on construction contracts. During the year ended 31 December 2024, provision of HK\$16,824,000 (2023: HK\$26,341,000) was made and the balance of HK\$7,702,000 (2023: HK\$38,692,000) was utilised. In addition, provision of HK\$753,000 (2023: HK\$4,519,000) was reversed during the year ended 31 December 2024.

**21. OTHER PAYABLES AND RECEIPTS IN ADVANCE**

Other payables are non-interest-bearing and have an average term of one month.

## Notes to Financial Statements

31 December 2024

## 22. INTEREST-BEARING BANK BORROWINGS

	2024			2023		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Secured:						
Instalment loans	2.8–6.3	2025–2031	<u>104,477</u>	3.4–7.2	2024–2031	<u>128,564</u>
Analysed into:						
Bank borrowings repayable:						
Within one year or on demand			24,476			24,036
In the second year			24,646			24,218
In the third to fifth years, inclusive			34,925			53,772
Beyond five years			<u>20,430</u>			<u>26,538</u>
Total			104,477			128,564
Portion due within one year, classified as current liabilities			(24,476)			(24,036)
Non-current portion			<u>80,001</u>			<u>104,528</u>

As at 31 December 2024, the Group's secured instalment loans were secured by the pledge of a time deposit of HK\$5,460,000 (2023: HK\$5,460,000) (note 19), and mortgages over certain leasehold land of HK\$80,750,000 (2023: HK\$84,462,000) (note 14(a)) and a building of HK\$26,087,000 (2023: HK\$30,153,000) (note 13) of the Group.

In addition, the Company has executed guarantees in respect of borrowing facilities granted to certain of its subsidiaries (note 30).

The bank borrowings of the Group bear interest at floating interest rates. The carrying amounts of the bank borrowings approximate to their fair values.

The Group's bank borrowings are denominated in Hong Kong dollars.

Certain secured installment loan of carrying amount of HK\$59,792,000 (2023: HK\$79,681,000) is subject to financial covenants that net gearing ratio and tangible net worth of the Group are required to maintain at least at a specified level. The Group considered there is no indication that it will have difficulties in complying with these covenants.

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31 December 2024

## 23. LEASE LIABILITIES

	2024			2023		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current:						
Lease liabilities (note 14(b))	5.375	2025	<u>11,007</u>	5.375	2024	<u>9,708</u>
Non-current:						
Lease liabilities (note 14(b))	5.375	2026–2027	<u>12,169</u>	5.375	2025	<u>3,592</u>
Analysed into:						
Lease liabilities repayable:						
Within one year			11,007			9,708
In the second year			5,303			3,592
In the third to fifth years, inclusive			6,866			–
Total			<u>23,176</u>			<u>13,300</u>

## 24. DEFERRED TAX

The components and movements in deferred tax liabilities and assets during the year are as follows:

## Deferred tax liabilities

	Right-of-use assets HK\$'000	Withholding taxes HK\$'000	Allowance in excess of related depreciation HK\$'000	Total HK\$'000
At 1 January 2023	(2,510)	(222)	(18,271)	(21,003)
Deferred tax credited/(charged) to the statement of profit or loss during the year	(53)	(51)	636	532
Exchange realignment	–	6	–	6
At 31 December 2023 and 1 January 2024	(2,563)	(267)	(17,635)	(20,465)
Deferred tax credited/(charged) to the statement of profit or loss during the year	(4,770)	(16)	3,570	(1,216)
Exchange realignment	–	10	–	10
At 31 December 2024	<u>(7,333)</u>	<u>(273)</u>	<u>(14,065)</u>	<u>(21,671)</u>

## Notes to Financial Statements

31 December 2024

24. DEFERRED TAX (*Cont'd*)

The components and movements in deferred tax liabilities and assets during the year are as follows: (*Cont'd*)

## Deferred tax assets

	Lease liabilities HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 January 2023	2,595	8,690	11,285
Deferred tax credited/(charged) to the statement of profit or loss during the year	53	(62)	(9)
At 31 December 2023 and 1 January 2024	<b>2,648</b>	<b>8,628</b>	<b>11,276</b>
Deferred tax credited to the statement of profit or loss during the year	<b>4,779</b>	<b>788</b>	<b>5,567</b>
At 31 December 2024	<b>7,427</b>	<b>9,416</b>	<b>16,843</b>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 HK\$'000	2023 HK\$'000
Deferred tax assets	4,792	3,762
Deferred tax liabilities	(9,620)	(12,951)
	<b>(4,828)</b>	<b>(9,189)</b>

The Group has tax losses arising in Hong Kong of HK\$343,720,000 (2023: HK\$383,418,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses of HK\$286,654,000 (2023: HK\$331,126,000) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by its subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 10% for the Group.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## Notes to Financial Statements

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## 25. SHARE CAPITAL

## Shares

	2024 HK\$'000	2023 HK\$'000
Authorised: 6,000,000,000 ordinary shares of HK\$0.10 each	<u>600,000</u>	<u>600,000</u>
Issued and fully paid: 3,366,035,709 ordinary shares of HK\$0.10 each	<u>336,603</u>	<u>336,603</u>

## Share options

Details of the Company's share option scheme are included in note 26 to the financial statements.

## 26. SHARE OPTION SCHEME

On 3 December 2020, the Company adopted a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares of the Company in issue at any time.

A summary of the Share Option Scheme of the Company is as follows:

Purpose	To reward participants who have contributed or may contribute to the Group and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders as a whole.
Participants	A person who is entitled to participate in the Share Option Scheme, being any full-time or part-time employees, executives, officers or directors (including executive, non-executive and independent non-executive directors) of the Group or any of the interested entities and any advisors, consultants, distributors, contractors, suppliers, agents, providers, customers, business ally or joint venture partners, promoters, service providers of any member of the Group who, in the sole and absolute opinion of the board of directors of the Company (the "Board"), will contribute to or benefit or have contributed to or benefited the business, development and growth (and/or any other aspect whatsoever) of the Group and/or any of the interested entities.
Total number of ordinary shares available for issue and the percentage of the issued share capital that it represents as at the date of the annual report	336,603,570 ordinary shares and 10% of the issued share capital, on the basis of 3,366,035,709 shares in issue as at the date of the Company's special general meeting on 3 December 2020.



## Notes to Financial Statements

31 December 2024

## 26. SHARE OPTION SCHEME (Cont'd)

A summary of the Share Option Scheme of the Company is as follows: (Cont'd)

Maximum entitlement of each participant	Shall not exceed 1% of the issued share capital of the Company in any 12-month period.
Period within which the securities must be taken up under an option	To be determined by the Board on a case-by-case basis at its absolute discretion and notified to the grantee thereof, provided that the expiry date of the said period shall not be later than ten (10) years from the date of grant of the option concerned.
Minimum period for which an option must be held before it can be exercised	To be determined at the discretion of the Board.
Amount payable on acceptance	HK\$10
Basis for determining the exercise price	<p>In respect of any particular option:</p> <p>the price per share payable to the Company on the exercise of the option as may be decided upon and prescribed by the Board on a case-by-case basis, bearing in mind the purpose of the Share Option Scheme, in its absolute discretion upon the grant of the option, provided that such exercise price shall not be less than the highest of the following:</p> <ul style="list-style-type: none"> <li>(a) the nominal value of a share;</li> <li>(b) the closing price of a share as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of grant of the option, which must be a business day; and</li> <li>(c) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of grant of the option, or</li> </ul> <p>where applicable, the exercise price for the option concerned (referred to (a) to (c) above) as may be adjusted by the Board from time to time pursuant to the rules of the Share Option Scheme concerning adjustments of, inter alia, the exercise price upon the occurrence of any relevant event as defined in the Share Option Scheme.</p>
The remaining life of the scheme	The Share Option Scheme remains in force for a period of ten (10) years commencing from 3 December 2020 and expiring at the close of business hours of the Company on 2 December 2030.

Further details of the Share Option Scheme were set out in the Company's circular dated 12 November 2020.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Share Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

## Notes to Financial Statements

31 December 2024

## 26. SHARE OPTION SCHEME (Cont'd)

The following share options were outstanding under the Share Option Scheme during the year:

	2024		2023	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At beginning of year	0.49	162,100	0.49	163,100
Lapsed during the year	0.49	(7,000)	0.49	(1,000)
At end of year	0.49	155,100	0.49	162,100

The exercise prices and exercise periods of the share options outstanding as at that end of the reporting period are as follows:

2024 Number of options '000	Exercise price* HK\$ per share	Exercise periods
46,530	0.49	1-1-2022 to 24-5-2025
46,530	0.49	1-1-2023 to 24-5-2025
62,040	0.49	1-1-2024 to 24-5-2025
<b>155,100</b>		

2023 Number of options '000	Exercise price* HK\$ per share	Exercise periods
48,630	0.49	1-1-2022 to 24-5-2025
48,630	0.49	1-1-2023 to 24-5-2025
64,840	0.49	1-1-2024 to 24-5-2025
<b>162,100</b>		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year ended 31 December 2021 was HK\$29,674,000 (HK\$0.1712 to HK\$0.1818 each), of which the Group recognised a share option expense of HK\$4,298,000 during the year ended 31 December 2023.

## Notes to Financial Statements

31 December 2024

### 26. SHARE OPTION SCHEME (Cont'd)

During the year, a total of 7,000,000 share options lapsed upon resignation of the relevant employees and the respective share option reserve of HK\$1,241,000 was released.

At the end of the reporting period, the Company had 155,100,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 155,100,000 additional ordinary shares of the Company and additional share capital of HK\$15,510,000 and share premium of HK\$60,489,000 before issue expenses.

At the date of approval of these financial statements, the Company had 155,100,000 share options outstanding under the Share Option Scheme, which represented approximately 5% of the Company's shares in issue as at that date.

### 27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiary registered in the PRC has been transferred to statutory reserves which are restricted as to use.

## Notes to Financial Statements

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## 28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$21,565,000 (2023: HK\$9,539,000) and HK\$21,565,000 (2023: HK\$9,539,000), respectively, in respect of lease arrangements for buildings.

## (b) Changes in liabilities arising from financing activities

## 2024

	Trade and retention payables, accruals and provision HK\$'000	Dividend payable HK\$'000	Lease liabilities HK\$'000	Interest-bearing bank borrowings HK\$'000
At 1 January 2024	435,065	–	13,300	128,564
Changes from financing activities	(6,006)	(84,151)	(12,345)	(24,198)
New leases	–	–	21,565	–
Interest expenses	5,977	–	656	111
Dividends declared	–	84,151	–	–
Changes classified as operating cash flows	82,574	–	–	–
Changes classified as investing cash flows	(2,539)	–	–	–
At 31 December 2024	515,071	–	23,176	104,477

## 2023

	Trade and retention payables, accruals and provision HK\$'000	Dividend payable HK\$'000	Lease liabilities HK\$'000	Interest-bearing bank borrowings HK\$'000
At 1 January 2023	561,782	–	13,682	152,501
Changes from financing activities	(7,126)	(50,491)	(10,512)	(24,116)
New leases	–	–	9,539	–
Interest expenses	7,123	–	591	179
Dividends declared	–	50,491	–	–
Changes classified as operating cash flows	(124,415)	–	–	–
Changes classified as investing cash flows	(2,299)	–	–	–
At 31 December 2023	435,065	–	13,300	128,564

## Notes to Financial Statements

31 December 2024

## 28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

## (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 HK\$'000	2023 HK\$'000
Within operating activities	24,525	35,492
Within financing activities	12,345	10,512
Total	<u>36,870</u>	<u>46,004</u>

## 29. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment	<u>2,431</u>	<u>15,791</u>

## 30. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2024 HK\$'000	2023 HK\$'000
Guarantees in respect of performance bonds in relation to construction projects	<u>354,156</u>	<u>332,469</u>

## 31. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank borrowings are included in note 22 to the financial statements.

## Notes to Financial Statements

31 December 2024

**32. RELATED PARTY TRANSACTIONS AND BALANCES**

The Group had the following transactions and balances with related parties during the year:

**(a) Outstanding balances with a related party**

Details of the Group's balances with its related company as at the end of the reporting period are included in note 17 to the financial statements.

Particulars of an amount due from a related company, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance, are as follows:

Name	31 December 2024 HK\$'000	Maximum amount outstanding during the year HK\$'000	31 December 2023 HK\$'000
TBC	<u>236</u>	<u>236</u>	<u>—</u>

**(b) Compensation of key management personnel of the Group**

	2024 HK\$'000	2023 HK\$'000
Short term employee benefits	46,128	44,923
Equity-settled share option expense	—	1,750
Post-employment benefits	<u>54</u>	<u>63</u>
Total compensation paid to key management personnel	<u>46,182</u>	<u>46,736</u>

Further details of directors' remuneration are included in note 8 to the financial statements.



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## 33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

## Financial assets

	<b>2024</b> <b>Financial</b> <b>assets</b> <b>at amortised</b> <b>cost</b> <b>HK\$'000</b>	<b>2023</b> <b>Financial</b> <b>assets</b> <b>at amortised</b> <b>cost</b> <b>HK\$'000</b>
Trade receivables	148,162	125,111
Other receivables	16,946	17,540
Pledged time deposit	5,460	5,460
Time deposits with original maturity of over three months	155,122	178,749
Cash and cash equivalents	731,489	568,303
Total	<b>1,057,179</b>	<b>895,163</b>

## Financial liabilities

	<b>2024</b> <b>Financial</b> <b>liabilities</b> <b>at amortised</b> <b>cost</b> <b>HK\$'000</b>	<b>2023</b> <b>Financial</b> <b>liabilities</b> <b>at amortised</b> <b>cost</b> <b>HK\$'000</b>
Trade and retention payables	302,589	276,548
Other payables	2,475	1,947
Interest-bearing bank borrowings	104,477	128,564
Lease liabilities	23,176	13,300
Total	<b>432,717</b>	<b>420,359</b>

## Notes to Financial Statements

31 December 2024

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include time deposits with original maturity of over three months, cash and cash equivalents, pledged time deposit, other receivables, trade receivables, trade and retention payables, other payables, interest-bearing bank borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes to these financial statements. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

## Credit risk

The Group's principal financial assets are time deposits with original maturity of over three months, cash and cash equivalents, pledged time deposit and trade and other receivables.

## Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

## As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Contract assets*	—	—	—	566,197	566,197
Trade receivables*	—	—	—	149,703	149,703
Financial assets included in prepayments, deposits and other receivables					
– Normal**	16,946	—	—	—	16,946
– Doubtful**	—	—	293	—	293
Pledged time deposit					
– Not yet past due	5,460	—	—	—	5,460
Time deposits with original maturity of over three months					
– Not yet past due	155,122	—	—	—	155,122
Cash and cash equivalents					
– Not yet past due	731,489	—	—	—	731,489
Total	<u>909,017</u>	<u>—</u>	<u>293</u>	<u>715,900</u>	<u>1,625,210</u>

## Notes to Financial Statements

31 December 2024

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

## Credit risk (Cont'd)

## Maximum exposure and year-end staging (Cont'd)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Contract assets*	—	—	—	642,319	642,319
Trade receivables*	—	—	—	129,621	129,621
Financial assets included in prepayments, deposits and other receivables					
– Normal**	17,540	—	—	—	17,540
– Doubtful**	—	—	293	—	293
Pledged time deposit					
– Not yet past due	5,460	—	—	—	5,460
Time deposits with original maturity of over three months					
– Not yet past due	178,749	—	—	—	178,749
Cash and cash equivalents					
– Not yet past due	568,303	—	—	—	568,303
Total	<u>770,052</u>	<u>—</u>	<u>293</u>	<u>771,940</u>	<u>1,542,285</u>

\* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 16 and 17 to the financial statements, respectively.

\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered as “doubtful”.

## Notes to Financial Statements

31 December 2024

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****Interest rate risk**

The Group's exposure to changes in interest rates (e.g. HIBOR) is mainly attributable to its interest-bearing bank borrowings. Borrowings at variable rates expose the Group to interest rate risk. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors the Group's interest rate exposure and considers entering into interest rate swaps to reduce its exposure to interest rate fluctuations should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity (before any impact on tax).

	<b>Increase in interest rate</b>	<b>Decrease in profit before tax HK\$'000</b>	<b>Decrease in equity* HK\$'000</b>
<b>2024</b>			
Bank borrowings	<b>100 basis points</b>	<b>1,047</b>	<b>—</b>
<b>2023</b>			
Bank borrowings	100 basis points	1,289	—

\* Excluding retained profits

**Foreign exchange risk**

The Group operates mainly in Hong Kong and Mainland China with most of its transactions settled in HK\$ and Renminbi. Certain of the Group's monetary assets and liabilities are denominated in US\$. The Group is exposed to foreign exchange risk arising from the exposure of Renminbi and US\$ against HK\$. The Group considered the impact on equity from the change in US\$ exchange rate was minimal at the end of the reporting period since HK\$ is pegged to US\$. During the years ended 31 December 2023 and 2024, the Group's borrowings were denominated in HK\$.

Management monitors the Group's currency exposure on an ongoing basis and considers entering into forward currency contracts when the need arises.

The Group did not expose to any significant foreign currency risk as at 31 December 2024 and 2023.

## Notes to Financial Statements

31 December 2024

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

## Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2024				Total HK\$'000
	On demand HK\$'000	Less than 12 months HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	
Trade and retention payables	–	294,351	8,238	–	302,589
Other payables	–	2,475	–	–	2,475
Interest-bearing bank borrowings	–	28,856	65,579	21,118	115,553
Lease liabilities	–	11,823	12,739	–	24,562
Guarantees in respect of performance bonds in relation to construction projects	354,156	–	–	–	354,156
Total	<u>354,156</u>	<u>337,505</u>	<u>86,556</u>	<u>21,118</u>	<u>799,335</u>

	2023				Total HK\$'000
	On demand HK\$'000	Less than 12 months HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	
Trade and retention payables	–	273,785	2,763	–	276,548
Other payables	–	1,947	–	–	1,947
Interest-bearing bank borrowings	–	30,732	89,530	28,267	148,529
Lease liabilities	–	10,677	3,920	–	14,597
Guarantees in respect of performance bonds in relation to construction projects	332,469	–	–	–	332,469
Total	<u>332,469</u>	<u>317,141</u>	<u>96,213</u>	<u>28,267</u>	<u>774,090</u>

## Notes to Financial Statements

31 December 2024

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity of the Group. The Group's policy is to maintain the gearing ratio not exceeding 50%. Net debt includes trade and retention payables, other payables, interest-bearing bank borrowings and lease liabilities, less pledged time deposit, time deposits with original maturity of over three months and cash and cash equivalents. Capital includes total equity of the Group. The gearing ratios as at the end of the reporting periods were as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Trade and retention payables	302,589	276,548
Other payables	2,475	1,947
Interest-bearing bank borrowings	104,477	128,564
Lease liabilities	23,176	13,300
Less: Pledged time deposit	(5,460)	(5,460)
Time deposits with original maturity of over three months	(155,122)	(178,749)
Cash and cash equivalents	(731,489)	(568,303)
Net cash	<u>(459,354)</u>	<u>(332,153)</u>
Total equity	<u>1,239,224</u>	<u>1,283,332</u>
Gearing ratio	<u>N/A</u>	<u>N/A</u>



## Notes to Financial Statements

31 December 2024

## 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
<b>NON-CURRENT ASSETS</b>		
Interests in subsidiaries	735,232	737,174
<b>CURRENT ASSETS</b>		
Amounts due from subsidiaries	175,491	175,491
Prepayments and other receivables	1,953	5,617
Time deposits with original maturity of over three months	74,542	148,749
Cash and cash equivalents	119,547	139,513
Total current assets	371,533	469,370
<b>CURRENT LIABILITIES</b>		
Trade payables and accruals	762	863
Other payables	1,513	1,500
Total current liabilities	2,275	2,363
<b>NET CURRENT ASSETS</b>	369,258	467,007
Net assets	1,104,490	1,204,181
<b>EQUITY</b>		
Issued capital	336,603	336,603
Reserves (note)	767,887	867,578
Total equity	1,104,490	1,204,181

## Notes to Financial Statements

31 December 2024

**35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)**

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2023	2,481	668,294	24,507	659,027	1,354,309
Loss for the year	—	—	—	(440,538)	(440,538)
Total comprehensive expenses for the year	—	—	—	(440,538)	(440,538)
Equity-settled share option arrangements (note 26)	—	—	4,298	—	4,298
Transfer of share option reserve upon the expiry of share options	—	—	(107)	107	—
2022 final dividend declared and paid (note 11)	—	—	—	(50,491)	(50,491)
At 31 December 2023 and 1 January 2024	<b>2,481</b>	<b>668,294</b>	<b>28,698</b>	<b>168,105</b>	<b>867,578</b>
Loss for the year	—	—	—	(15,540)	(15,540)
Total comprehensive expenses for the year	—	—	—	(15,540)	(15,540)
Transfer of share option reserve upon the expiry of share options	—	—	(1,241)	1,241	—
2023 final dividend declared and paid (note 11)	—	—	—	(50,491)	(50,491)
2024 interim dividend declared and paid (note 11)	—	—	—	(33,660)	(33,660)
At 31 December 2024	<b>2,481</b>	<b>668,294</b>	<b>27,457</b>	<b>69,655</b>	<b>767,887</b>

The contributed surplus of the Company included the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Group reorganisation in 1991 prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor amounting to HK\$29,950,000. In addition, pursuant to special resolutions passed at the annual general meeting of the Company held on 7 August 2015 and 12 June 2019, the entire amounts of HK\$563,861,000 and HK\$10,004,289,000 standing to the credit of share premium account of the Company as at 7 August 2015 and 31 December 2018, respectively, were cancelled, and the corresponding balance arising therefrom was credited to the contributed surplus account of the Company. Under the Bermuda Companies Act 1981, the Company may make distributions to its members out of the contributed surplus under certain circumstances.

**36. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board on 19 March 2025.

## Corporate Information

### Board of Directors

#### Executive Directors

Mr. FUNG Chiu Chak, Victor (*Vice Chairman*)

Mr. CHIU Chin Hung

Mr. LAU Kin Fai

#### Non-executive Directors

Mr. Justin WAI (*Chairman*)

Mr. CHO Wen Wai, Mark

Mr. YUEN Pak Man

Ms. GU Ye

Ms. HOU Xiangjia

#### Independent Non-executive Directors

Mr. LUNG Chee Ming, George

Mr. LI Kit Chee

Ms. Jennifer KWOK

Ms. YANG Jing

#### Audit Committee

Mr. LI Kit Chee (*Chairman*)

Mr. LUNG Chee Ming, George

Ms. Jennifer KWOK

Ms. YANG Jing

#### Remuneration Committee

Mr. LUNG Chee Ming, George (*Chairman*)

Mr. Justin WAI

Mr. FUNG Chiu Chak, Victor

Mr. YUEN Pak Man

Mr. LI Kit Chee

Ms. Jennifer KWOK

Ms. YANG Jing

#### Nomination Committee

Mr. Justin WAI (*Chairman*)

Mr. FUNG Chiu Chak, Victor

Mr. YUEN Pak Man

Mr. LUNG Chee Ming, George

Mr. LI Kit Chee

Ms. Jennifer KWOK

Ms. YANG Jing

#### Financial Controller

Ms. YIP Pui Shan

### Company Secretary

Ms. WONG Suk Han, Kitty

### Auditor

Ernst & Young

*Certified Public Accountants and*

*Registered Public Interest Entity Auditor*

### Legal Advisers

Conyers, Dill & Pearman

Reed Smith Richards Butler LLP

### Principal Bankers

Agricultural Bank of China Limited, Hong Kong Branch

Bank of Communications (Hong Kong) Limited

China Construction Bank (Asia) Corporation Limited

Hang Seng Bank Limited

Shanghai Commercial Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

### Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### Head Office and Principal Place of Business

20th Floor, One Island South

No. 2 Heung Yip Road

Wong Chuk Hang

Hong Kong

### Branch Share Registrar in Hong Kong

TRICOR INVESTOR SERVICES LIMITED

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

### HKSE Stock Code

687

### Website

[www.tysan.com](http://www.tysan.com)