



恒益控股有限公司

HANG YICK HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1894



INTERIM REPORT **2025**

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Sin Kwok Chi Stephen (*Chief Executive Officer*)
Mr. Law Hok Yu

Independent Non-executive Directors

Mr. Deng Chaowen (*Chairman*)
Mr. Shi Jianwen
Mr. Chan Man Kit
Ms. Zhao Aiyin
Ms. Tan Yanyan

AUDIT COMMITTEE

Mr. Chan Man Kit (*Chairman*)
Mr. Deng Chaowen
Mr. Shi Jianwen
Ms. Zhao Aiyin
Ms. Tan Yanyan

REMUNERATION COMMITTEE

Mr. Chan Man Kit (*Chairman*)
Mr. Deng Chaowen
Mr. Shi Jianwen
Mr. Law Hok Yu
Ms. Zhao Aiyin
Ms. Tan Yanyan

NOMINATION COMMITTEE

Mr. Shi Jianwen (*Chairman*)
Mr. Deng Chaowen
Mr. Chan Man Kit
Mr. Law Hok Yu
Ms. Zhao Aiyin
Ms. Tan Yanyan

COMPANY SECRETARY

Mr. Law Hok Yu

AUTHORISED REPRESENTATIVES (FOR THE PURPOSE OF THE LISTING RULES)

Mr. Sin Kwok Chi Stephen
Mr. Law Hok Yu

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F, Sunray Industrial Centre
610 Cha Kwo Ling Road
Yau Tong, Kowloon
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Global Link CPA Limited
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Bank of China Huizhou Lilin Branch
Agricultural Bank of China Huizhou Lilin Branch

STOCK CODE

1894

COMPANY WEBSITE

<http://www.hy-engineering.com>

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

For the Reporting Period, the Group generated revenue of approximately HK\$90.2 million as compared with that of HK\$78.8 million for the corresponding period, representing an increase of approximately 14.4%. The challenging market conditions and intense competition have placed considerable pressure on the Group's operations. It is anticipated that these difficulties will persist for the foreseeable future, while the Board remains committed to navigating through this situation.

As at 30 September 2025, the Group's total amount of contract on hand for provision of steel and metal engineering services was approximately HK\$303.5 million (31 March 2025: HK\$240.0 million).

Considering the recent repayment trends and the rise in payment delays, together with the challenging market conditions and intense competition have placed considerable pressure on the Group's operations, it is anticipated that these difficulties will persist for the foreseeable future, while the Board remains committed to navigating through this situation.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the overall revenue of the Group has increased by approximately HK\$11.4 million, or approximately 14.4% as compared to the corresponding period in 2024, from approximately HK\$78.8 million to approximately HK\$90.2 million.

Revenue from the provision of steel and metal engineering services increased by approximately HK\$13.7 million, or approximately 18.5%, from approximately HK\$74.0 million to approximately HK\$87.7 million for the Reporting Period.

Revenue from the sales of steel and metal products decreased by approximately HK\$2.3 million, or approximately 47.9% from approximately HK\$4.8 million to approximately HK\$2.5 million for the Reporting Period.

Direct costs

The Group's direct costs primarily consist of direct material costs, direct labour costs, installation service fees, and other costs.

During the Reporting Period, the Group's direct costs amounted to approximately HK\$89.8 million, representing an increase of approximately HK\$11.4 million or approximately 14.5% as compared to the direct costs of approximately HK\$78.4 million from the corresponding period.

Gross profit and gross profit margin

The gross profit of the Group is HK\$0.4 million for both period.

The Gross profit margin remained relatively stable at 0.4% and 0.5% in Reporting Period and corresponding period respectively.

Management Discussion and Analysis

Other income and other gains and losses

Other income and other gains and losses increased from approximately HK\$0.1 million to approximately HK\$4.9 million for the Reporting Period. The increase was mainly attributable to the reversal of expected credit losses on long-aged trade receivables of HK\$3.9 million is recognised during the Reporting Period.

Loss for the period

As a result of the foregoing, loss for the Reporting Period was approximately HK\$5.7 million as compared to the loss of approximately HK\$10.7 million for the corresponding period.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

As at 30 September 2025, the capital structure of the Group consisted of equity approximately HK\$138.1 million (31 March 2025: approximately HK\$144.5 million) and interest-bearing other borrowing of HK\$1 million (31 March 2025: nil).

As at 30 September 2025, the Group had total cash and cash equivalents of approximately HK\$45.8 million (31 March 2025: approximately HK\$31.1 million).

The Group's gearing ratio, calculated by dividing total borrowings by total equity, was approximately 2.0% (31 March 2025: 0.06%). The increase in the gearing ratio during the Reporting Period was mainly due to the new interest-bearing other borrowings.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in Hong Kong dollars (“**HK\$**”) and incurs costs in Renminbi (“**RMB**”) and HK\$. The Group is exposed to foreign exchange risk based on fluctuations between HK\$ and RMB arising from its core operation in the People’s Republic of China (the “**PRC**”). In order to minimise the foreign currency risk exposure brought by the exchange between these two currencies, the Group generally maintains cash balances in both currencies that are sufficient to meet three to four months of operating cash flows requirements of the Group. The Group had not experienced any material effects on its operation or liquidity as a result of fluctuations in currency exchange rates and had not adopted any currency hedging policy or any hedging instrument during the Reporting Period. The Group will continue to monitor foreign currency risk exposure and will consider hedging significant foreign currency risk should the need arise.

FUTURE PLAN FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 28 September 2018 (the “**Prospectus**”) and in the section headed “Use of Proceeds” in this report, the Group did not have other plans for material investment or capital assets as at the date of this report.

CAPITAL EXPENDITURE AND COMMITMENTS

During the Reporting Period, the Group invested approximately HK\$0.5 million for the capital expenditure of property, plant and equipment.

As at 30 September 2025, the Group had HK\$0.3 million expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of certain plant and equipment (31 March 2025: Nil).

CHARGE ON GROUP ASSETS

As at 30 September 2025 and 31 March 2025, no group asset was pledged.

LITIGATION, CLAIMS AND NON-COMPLIANCES

As at 30 September 2025 and 31 March 2025, the Group had not been involved in claims or litigation which had material adverse effect on our business, results of operations or financial condition or on the Company.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2025 (31 March 2025: Nil).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Reporting Period (six months ended 30 September 2024: Nil).

EMPLOYEES AND REMUNERATION POLICY

As of 30 September 2025, the Group had a total of 316 full-time employees, 167 of which are located in Hong Kong, and the rest are located in the PRC. The remuneration packages of employees are determined based on their qualifications, position and experience. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary increments, bonuses and promotions.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has raised gross proceeds of approximately HK\$161.5 million through the global offering upon the listing (the “**Listing**”) of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). After deducting the listing expenses, the net proceeds amounted to approximately HK\$130.0 million (“**Net Proceeds**”). Such Net Proceeds are intended to be applied in the same manner and the same proportion as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the below table sets out the proposed application and the status of utilisation.

Management Discussion and Analysis

At stated in the Company's announcement dated 27 September 2024 (the "**Announcement**"), after careful consideration and detailed evaluation by the Company of the operation and business strategy, the Board has resolved to change the use of the unutilised net proceeds amounted to approximately HK\$47.7 million (the "**Unutilised Net Proceeds**") as at the date of the Announcement.

As at 30 September 2025, details of the use of the Unutilised Net Proceeds subsequent to the change in use are as follows:

	Balance of unutilised Net Proceeds			Balance of unutilised Net Proceeds		
	Planned use of Net Proceeds	before the change in use of Net Proceeds	Revised allocation of unutilised Net Proceeds	Net Proceeds utilised as at 30 September 2025	Net Proceeds as at 30 September 2025	Estimated schedule
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(Note)
Acquiring machines to replace and enhance the Group's production capacity	51,200	21,200	26,200	24,049	2,151	On or before 31 March 2026
Expanding the Group's workforce in Hong Kong and the PRC	33,700	33,700	33,700	33,700	–	N/A
Renovation and re-design of the Group's existing production facilities	24,100	6,390	9,100	8,923	177	On or before 31 March 2026
Purchasing delivery trucks	5,000	5,000	5,000	5,000	–	N/A
Upgrading the Group's information technology system and equipment	3,500	3,500	3,500	3,500	–	N/A
Settlement of debts included in accruals trade and other payables	–	–	7,000	7,000	–	N/A
For the preliminary site expenses including design costs and prepayments to sub-contractors	–	–	13,000	13,000	–	N/A
General working capital	12,500	12,500	32,500	32,500	–	N/A
	<u>130,000</u>	<u>82,290</u>	<u>130,000</u>	<u>127,672</u>	<u>2,328</u>	

Note: The estimated schedule for utilising the remaining proceeds is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.

The Net Proceeds utilised and the Unutilised Net Proceeds were/will be utilised according to the proposed application as specified in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the change in use of proceeds as stated in the Company's Announcement dated 27 September 2024.

As at 30 September 2025, the unutilised net proceeds were deposited in the licensed banks in Hong Kong and the PRC.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

As stated in the Company's announcement dated 23 May 2024 and the supplemental announcement (the "**Supplemental Announcement**") dated 5 June 2024, the Company and the placing agent entered into the placing agreements pursuant to which the Company conditionally agreed to issue up to 153,520,000 shares (the "**Placing Shares**"), and the placing agent conditionally agreed, on a best effort basis, to procure the placees to subscribe for the Placing Shares at HK\$0.054 per Placing Share (the "**Placing Price**") and on the terms and subject to the conditions set out in the placing agreement (the "**Placing**").

The Placing Shares will be allotted and issued pursuant to the general mandate and will be allotted to not less than six placees. The conditions of the Placing have been fulfilled and completion took place on 19 June 2024. All the Placing Shares have been successfully placed by the placing agent to not less than six Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement.

The net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are approximately HK\$7.8 million, which will be used for the purpose as set out in the Supplemental Announcement dated 5 June 2024. As at 30 September 2024, the net proceeds from the Placing are fully utilised.

SHARE OPTION SCHEME

In order to recognise the contributions that eligible participants have made or may make to the Group, to motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group, and to attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group, the Company has conditionally adopted a share option scheme on 19 September 2018 ("**Share Option Scheme**") which became unconditional upon the Listing.

As at 30 September 2025, no share option outstanding after the cancellation of 6,710,000 share options during the year ended 31 March 2025. Summary of the details of the cancellation and principal terms of the Share Option Scheme were disclosed in the page 21 to 22 of the Annual Report 2024/25.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 September 2025, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

BOARD DIVERSITY POLICY

For the Reporting Period, the Company maintained an effective Board comprising members of diverse professional background and industry experience. Nevertheless, the Company has a single gender Board consisting after Ms. Mak Suet Man, the former independent non-executive director's retirement and her cessation of offices in board committees after the annual general meeting held on 29 August 2025. Under the Rule 13.92 of the Listing Rules, a single gender Board will not be considered by the Stock Exchange to have achieved board diversity. In compliance with the Listing Rules, the Company targets to appoint a suitable female candidate as Director within three months from the date of the retirement of Ms. Mak in order to ensure compliance by the Company with the requirement under Rule 13.92 of the Listing Rules. Further announcement will be made by the Company as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required dealing standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Board is of the view that the Company has complied with all the applicable code provisions of the CG Code during the six months ended 30 September 2025.

During the Reporting Period, the Company complied with all applicable code provisions set out in the CG Code, except for the following deviation from the CG Code.

Code Provision	Deviation	Considered Reason for Deviation	
C.1.7	The Company should arrange appropriate insurance cover in respect of legal action against the Directors.	The Company has not arranged for appropriate insurance cover in respect of legal action against its directors for the period from 1 April 2025 to 30 September 2025.	The Company is in the course of arranging renewal of the director’s and officers liability insurance with the insurance company in accordance with the requirement under the CG Code.
C.2	Code provision C.2 stipulated that there are certain roles and responsibilities to be carried out by the chairman of the Company.	Due to the vacancy of the chairman of the Company following the resignation of Mr. Deng Chaowen as a chairman on 15 July 2025, such roles are delegated to the executive Directors except the roles and responsibilities as stated in code provision C.2.7 of the CG Code.	The Board will review the current structure from time to time and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of Chairman as appropriate.

Corporate Governance and Other Information

PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

As at the date of this report, the audit committee of the Company (the “**Audit Committee**”) comprises all the independent non-executive Directors, namely Mr. Chan Man Kit (chairman), Mr. Deng Chaowen, Mr. Shi Jianwen, Ms. Zhao Aiyan and Ms. Tan Yanyan.

The Audit Committee had reviewed with management and approved the Group’s unaudited condensed consolidated financial statements for the Reporting Period, accounting principles and practices adopted by the Group and this report.

CHANGE OF DIRECTORS’ INFORMATION

Upon specific enquiry by the Company and following confirmations from the Directors, save as disclosed hereunder, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company’s last published annual report.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	90,156	78,794
Direct costs		(89,784)	<u>(78,376)</u>
 Gross profit		372	418
Other income and other gains and losses	5	4,940	55
Administrative expenses		(10,824)	<u>(10,834)</u>
Finance costs	6	(80)	<u>(7)</u>
 Loss before taxation	7	(5,592)	<u>(10,368)</u>
Income tax expense	8	(135)	<u>(293)</u>
 Loss for the period attributable to owners of the Company		(5,727)	<u>(10,661)</u>
 Other comprehensive (expenses)/income for the period, net of tax			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference arising on translation of foreign operation		(706)	<u>2,205</u>
 Total comprehensive expenses for the period attributable to owners of the Company		(6,433)	<u>(8,456)</u>
 Loss per share			
Basic and diluted	9	(HK\$0.6 cent)	<u>(HK\$1.2 cents)</u>

Condensed Consolidated Statement of Financial Position

As at 30 September 2025

	Notes	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		19,945	20,943
Right-of-use assets		4,392	2,790
Financial asset at fair value through profit or loss		5,913	5,826
Deferred tax assets		–	82
		30,250	29,641
Current assets			
Inventories		27,416	26,010
Trade receivables	11	15,938	23,182
Other receivables, deposits and prepayments		5,534	8,632
Contract assets		39,659	48,937
Structured bank deposits		–	13,974
Cash and cash equivalents		45,798	17,116
		134,345	137,851
Current liabilities			
Trade and other payables and accruals	12	20,641	20,469
Contract liabilities		–	149
Lease liabilities		593	81
Other borrowing	13	1,000	–
		22,234	20,699
Net current assets		112,111	117,152
Total assets less current liabilities		142,361	146,793

Condensed Consolidated Statement of Financial Position

As at 30 September 2025

	Note	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Non-current liabilities			
Provisions		3,165	2,285
Lease liabilities		1,121	—
		4,286	2,285
NET ASSETS		138,075	144,508
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	14	9,211	9,211
Reserves		128,864	135,297
TOTAL EQUITY		138,075	144,508

Condensed Consolidated Statement of Changes in Equity

As at 30 September 2025

	Share capital HK\$'000	Share premium HK\$'000	Statutory surplus reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
For the six months ended 30 September 2025 (unaudited)							
At 1 April 2025 (audited)	<u>9,211</u>	<u>161,207</u>	<u>663</u>	<u>10</u>	<u>(504)</u>	<u>(26,079)</u>	<u>144,508</u>
Loss for the period	—	—	—	—	—	(5,727)	(5,727)
Exchange differences arising on translation of foreign operation	—	—	—	—	(706)	—	(706)
Total comprehensive income (expense) for the period	—	—	—	—	(706)	(5,727)	(6,433)
Issue of shares	—	—	—	—	—	—	—
Share issue expenses	—	—	—	—	—	—	—
At 30 September 2025 (unaudited)	<u>9,211</u>	<u>161,207</u>	<u>663</u>	<u>10</u>	<u>(1,210)</u>	<u>(31,806)</u>	<u>138,075</u>
For the six months ended 30 September 2024 (unaudited)							
At 1 April 2024 (audited)	<u>7,676</u>	<u>154,701</u>	<u>663</u>	<u>10</u>	<u>(1,014)</u>	<u>(2,067)</u>	<u>159,969</u>
Loss for the period	—	—	—	—	—	(10,661)	(10,661)
Exchange differences arising on translation of foreign operation	—	—	—	—	2,205	—	2,205
Total comprehensive income (expense) for the period	—	—	—	—	2,205	(10,661)	(8,456)
Issue of shares	1,535	6,755	—	—	—	—	8,290
Share issue expenses	—	(249)	—	—	—	—	(249)
At 30 September 2024 (unaudited)	<u>9,211</u>	<u>161,207</u>	<u>663</u>	<u>10</u>	<u>1,191</u>	<u>(12,728)</u>	<u>159,554</u>

Condensed Consolidated Statement of Cash Flows

As at 30 September 2025

	For the six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash from/(used in) operating activities	29,728	(26,023)
CASH FLOW FROM INVESTING ACTIVITIES		
Bank interest received	803	644
Purchases of property, plant and equipment	(470)	(3,493)
Proceeds from disposal of property, plant and equipment	—	70
Net cash from/(used in) investing activities	333	(2,779)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	—	8,290
Share issue expenses	—	(249)
Repayment of lease liabilities	(81)	(155)
Net cash (used in)/from financing activities	(81)	7,886
Net increase/(decrease) in cash and cash equivalents	29,980	(20,916)
Cash and cash equivalents at beginning of the period	17,116	63,556
Effect of foreign exchange rate changes	(1,298)	842
Cash and cash equivalents at end of the period represented by bank balances and cash	45,798	43,482

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Act. Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 6/F, Sunray Industrial Centre, 610 Cha Kwo Ling Road, Yau Tong, Kowloon, Hong Kong, respectively.

2. BASIS OF PREPARATION

This unaudited condensed interim financial information for the six months ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies and basis of preparation adopted in the preparation of this unaudited condensed interim financial information are consistent with those set out in the Group's audited consolidated financial statements for the year ended 31 March 2025 which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and accounting principles generally accepted in Hong Kong, except for the adoption of the revised HKFRS Accounting Standards as stated in note 3 to this unaudited condensed consolidated interim financial information below. This unaudited condensed consolidated interim financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which has been measured at fair value, and is presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except when otherwise indicated.

This unaudited condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 March 2025. This condensed consolidated interim financial information has not been audited or reviewed by the Company's external auditor, but has been reviewed by the audit committee of the Company (the "Audit Committee").

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on how the Group's result and financial position for the current or prior periods have prepared or presented in this report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue from contracts with customers by major products or service lines for the period is as follows:

	For the six months ended 30 September		
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)	
Revenue from contracts with customers within the scope of HKFRS 15			
<i>Disaggregated by major products or service lines</i>			
Provision of steel and metal engineering services	87,650	74,016	
Sales of steel and metal products	2,506	4,778	
	90,156	78,794	

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products or service lines:

	Provision of steel and metal engineering services		Sales of steel and metal products		Total	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Timing of revenue recognition						
Products transferred at a point in time	–	–	2,506	4,778	2,506	4,778
Products and services transferred over time	87,650	74,016	–	–	87,650	74,016
	87,650	74,016	2,506	4,778	90,156	78,794

The customers of the Group are mainly construction companies, contractors and engineering companies in Hong Kong. All of the Group's provision of steel and metal engineering services and sales of steel and metal products are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

4. REVENUE AND SEGMENT INFORMATION — continued

(b) Segment Information

For the purpose of resources allocation and performance assessment, the chief operating decision makers, have been identified as the executive directors of the Company, review the segment results of the Group. In the current period, the Group's operations in relation to provision of steel and metal engineering services and sales of steel and metal products which were presented as separate reportable segments in the prior periods are considered as a single operating segment in a manner consistent with the way in which information is reported internally to the Board for the purpose of resource allocation and performance assessment. Accordingly, the information of these operations has been aggregated into a single reportable segment and no segment analysis is presented other than entity-wide disclosures.

5. OTHER INCOME AND OTHER GAINS AND LOSSES

	For the six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Other income		
Interest income from bank deposits	107	644
Sales of scrap materials	378	—
	485	644
Other gains and losses		
Reversal of impairment loss under expected credit loss model		
on trade receivables and contract assets, net	3,861	—
Net exchange gain/(loss)	507	(778)
Gain on disposal of property, plant and equipment	—	70
Fair value gain on financial asset at fair value through profit or loss	87	90
Others	—	29
	4,455	(589)
	4,940	55

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

6. FINANCE COSTS

	For the six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest on other borrowing	80	—
Interest on lease liabilities	—	7
	80	7

7. LOSS BEFORE TAXATION

Loss before taxation for the period has been arrived at after (crediting)/charging:

	For the six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss before taxation has been arrived at after charging:		
(Reversal of impairment loss) / impairment loss under expected credit loss model on trade receivables and contract assets, net (included in other gain and losses) (30 September 2024: included in administrative expenses)	(3,861)	1,915
Depreciation of property, plant and equipment	1,796	1,875
Depreciation of right-of-use assets	163	239
Cost of inventories recognised as an expense	35,881	49,559

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

8. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	—	—
The People's Republic of China (the "PRC") Enterprise Income Tax	53	293
	53	293
Deferred taxation	82	—
	82	—
	135	293
	135	293

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime applies to years of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HK\$2.0 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2.0 million will be taxed at 16.5%.

The profits of group entities operating in Hong Kong but not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

9. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the loss for the period attributable to owners of the Company of HK\$5,727,000 (six months ended 30 September 2024: HK\$10,661,000) and weighted average number of 921,120,000 ordinary shares (30 September 2024: 854,482,198 ordinary shares) in issue during the Reporting Period.

There were no adjustments for the effects of potential ordinary shares arising from outstanding share options during the six months ended 30 September 2024 and 2025 as no share options outstanding as at 30 September 2024 and 2025.

10. DIVIDENDS

No dividend was approved and paid during the Reporting Period (six months ended 30 September 2024: Nil).

The directors of the Company have determined that no dividend will be paid in respect of the Reporting Period (six months ended 30 September 2024: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

11. TRADE RECEIVABLES

For customers that the Group provides engineering services on steel and metal works, the Group normally grants credit terms of 30 days from the date of certificate on progress payments of contract works. For customers that the Group sells metal and steel products to, except for certain major customers of which the Group grants a credit period of up to 60 days from the delivery of goods, the Group grants no credit terms to other customers and they are to settle payment in full upon delivery of goods.

The following is an aging analysis of the trade receivables denominated in HK\$ and presented based on the date of certificate on progress payments of contract works or the invoice date which approximates the date of revenue recognition for sales of metal and steel products at the end of the Reporting Period:

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
0–30 days	2,516	2,309
31–60 days	6,654	18,678
61–90 days	128	1,090
Over 90 days	6,640	1,105
	15,938	23,182

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
Trade payables	3,327	3,923
Accrued staff costs	11,644	12,161
Accruals and others	5,590	4,385
Interest payable	80	—
	20,641	20,469

The credit period granted to the Group by suppliers normally ranges from 0 to 60 days.

The following is an aging analysis of trade payables presented based on the invoice date at the end of the Reporting Period:

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
0–30 days	2,537	3,282
31–60 days	408	334
61–90 days	222	36
Over 90 days	60	271
	3,327	3,923

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

13. OTHER BORROWING

During the six months ended 30 September 2025, the Company obtains a fixed-rate other borrowing of HK\$1,000,000, which is denominated in HK\$ and carries a fixed interest rate of 18% per annum. The other borrowing is unsecured and is repayable at maturity date which is 23 April 2026.

14. SHARE CAPITAL

Details of movements of share capital are as follows:

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 30 September 2025	3,800,000	38,000
Issued and fully paid:		
At 1 April 2024	767,600	7,676
Issue of shares (<i>Note</i>)	153,520	1,535
At 31 March 2025, 1 April 2025 and 30 September 2025	921,120	9,211

Note: The Company issued 153,520,000 ordinary shares of HK\$0.01 each to independent third parties at a subscription price of HK\$0.054 in June 2024.