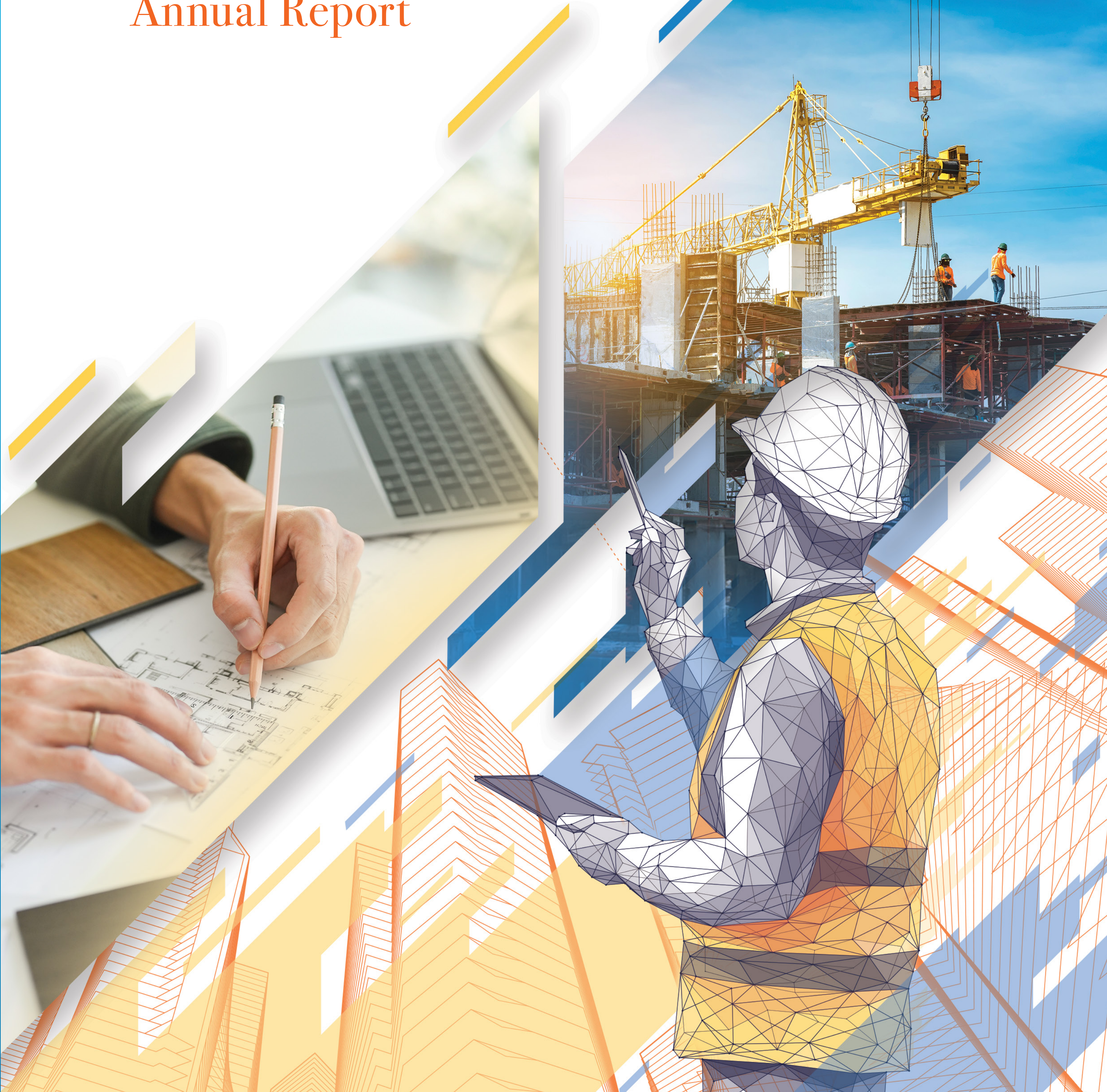
WMHW Holdings Limited
萬民好物控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8217

2025
Annual Report



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

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This report, for which the directors (the "Directors") of WMHW Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the "Group"). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Chen Jian
Ms. Yu Xiao

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chi Kan
Ms. Lao In Iam
Mr. Liao Honghao

COMPANY SECRETARY

Ms. Tam Mei Chu

COMPLIANCE OFFICER

Mr. Chen Jian

AUDIT COMMITTEE

Mr. Wong Chi Kan *(Chairman)*
Ms. Lao In Iam
Mr. Liao Honghao

REMUNERATION COMMITTEE

Mr. Wong Chi Kan *(Chairman)*
Mr. Liao Honghao
Ms. Yu Xiao

NOMINATION COMMITTEE

Mr. Liao Honghao *(Chairman)*
Mr. Wong Chi Kan
Ms. Lao In Iam

AUTHORISED REPRESENTATIVES

Mr. Chen Jian
Ms. Tam Mei Chu

REGISTERED OFFICE

P. O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
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

Infinity CPA Limited
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255 King's Road, North Point
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

https://www.todayir.com/ir_show_case/8217

STOCK CODE

8217

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of WMHW Holdings Limited (the "Company"), it is my pleasure to present the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2025 (the "Reporting Period").

A YEAR IN REVIEW

The shares of the Company (the "Shares") were successfully listed on GEM of the Stock Exchange on 12 April 2016 (the "Listing") by way of placing (the "Placing"). The Listing has enhanced the Group's profile and recognition and assist us in reinforcing our brand awareness and image. The net proceeds raised have also strengthened the Group's operational capacity.

The total revenue of the Group slightly increased by approximately HK$1,061,000 from approximately HK$35,141,000 for the year ended 31 March 2024 to approximately HK$36,202,000 for the Reporting Period. The increase in construction revenue, despite a steady project count, was attributable to progress-based revenue recognition in ongoing contracts during the year.

OUTLOOK

In the 2025-26 Budget Speech, the Government reiterated its commitment to infrastructure, maintaining the average annual capital works expenditure at approximately HK$90 billion for the five-year period from 2025-26 to 2029-30. Concurrently, recurrent government expenditure is projected to grow at an annual rate of 4.2%, reflecting sustained investments in public services and social welfare.

Looking ahead, the Group is well-positioned for growth in the coming years, supported by a stable project pipeline that reinforces our financial sustainability and fosters long-term employee commitment.

We remain focused on actively pursuing new business opportunities to diversify our revenue streams and enhance the Group's market position. With the dedication of our team and the continued support of our stakeholders, we are confident in building a sustainable future.

APPRECIATION

On behalf of the Board, I would like to extend our deepest appreciation to our management team and staff for their unwavering dedication, hard work, and valuable contributions over the past year. Their commitment has been instrumental in driving the Group's progress.

We also sincerely thank our shareholders, business partners, customers, suppliers, and subcontractors for their steadfast trust and support. Their collaboration remains vital to our continued success.

WMHW Holdings Limited
Chen Jian
Executive Director

Hong Kong, 30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has over 25 years of experience in providing civil engineering works as a subcontractor in Hong Kong. The civil engineering works undertaken by the Group are mainly related to (i) roads and drainage works (including construction and improvement of local road, carriageway with junction improvement and the associated footpaths, planting areas, drains, sewers, water mains and utilities diversion); (ii) structural works (including construction of reinforced concrete structures for bridges and retaining walls); (iii) site formation works (including excavation and/or filling works for forming a new site or achieving designed formation level for later development); and (iv) decoration and renovation works.

OUTLOOK

2026 is expected to be full of opportunities and challenges. The planned commitment in the Government's public expenditure on infrastructure will result in more business opportunities being presented to the market. Whilst factors including but not limited to difficult geological conditions, adverse weather conditions, variations to the construction plans instructed by customers and other unforeseen problems or circumstances that occur during project implementation continue being threats that likely affect the Group's profit as a subcontractor.

Moving forward, the Group is committed to strengthening its competitive edge in the civil engineering sector while maintaining rigorous project evaluation and cost control measures to optimize operational efficiency and enhance shareholder returns.

To further diversify our income streams, we will actively explore new business opportunities and assess the feasibility of obtaining necessary licenses to expand our civil engineering operations into international markets, such as Japan and Thailand. These strategic initiatives, combined with our disciplined financial management, are expected to deliver sustainable growth and increased value for our shareholders.

SIGNIFICANT INVESTMENT

Financial asset at FVTPL Significant Investments	**For the year ended 31 March 2025 Realised and unrealised gain** *HK$'000*	**Number of shares held** *'000*	**As at 31 March 2025 Fair value** *HK$'000*	**Approximately percentage to the total asset as at 31 March 2025**	**As at 1 April 2024 Fair value** *HK$'000*
WLS Holdings Limited ("WLS")	**5,725**	**381,660**	**14,885**	**18.5%**	**9,160**
China Jicheng Holdings Limited ("Jicheng")	**91**	**9,100**	**8,281**	**10.3%**	**8,190**
Other listed equity securities (note 1)			**4,893**	**6.1%**	**5,360**
Total			**28,059**	**34.9%**	**22,710**

Note:

1. As at 31 March 2025, other listed equity securities comprised 7 listed equity securities in Hong Kong. None of the other listed equity securities was more than 5% of the total assets of the Group as at 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

WLS is principally engaged in provision of scaffolding and fitting out services and other services for construction and buildings work, provision of gondolas, parapet railings and access equipment installation and maintenance services, money lending business, securities investment business, and assets management business. Based on WLS's interim report for the six months ended 31 October 2024, revenue and profit before tax of WLS was approximately HK$46.8 million and HK$32.7 million respectively.

As at 31 March 2025, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 31 March 2025, in WLS Holdings Limited (the "Investment"), which is listed on the GEM Board of the Stock Exchange. The Group's total investment in the Investment was approximately HK$9,762,000. As at 31 March 2025, the Group owned 381,660,000 shares in the Investment, representing 2.66% equity interests in the Investment with a carrying amount of the Group's interest in the Investment of approximately HK$14,885,000, representing approximately 18.5% of the total assets of the Company as at 31 March 2025. Up to 31 March 2025, no dividends was received from the Investment. The fair value of the Investment is based on quoted market prices.

Jicheng is engaged in investment holding while the principal subsidiaries are principally engaged in manufacture and sales of umbrellas and the relevant products. Based on Jicheng's annual report for the year ended 31 December 2024, revenue and profit before tax of Jicheng was approximately RMB353.3 million and RMB10.8 million respectively.

As at 31 March 2025, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 31 March 2025, in China Jicheng Holdings Limited (the "Jicheng Investment"), which is listed on the GEM Board of the Stock Exchange. The Group's total investment in the Jicheng Investment was approximately HK$1,820,000. As at 31 March 2025, the Group owned 9,100,000 shares in the Jicheng Investment, representing 2.21% equity interests in the Jicheng Investment with a carrying amount of the Group's interest in the Investment of approximately HK$8,281,000, representing approximately 10.3% of the total assets of the Company as at 31 March 2025. Up to 31 March 2025, no dividends was received from the Investment. The fair value of the Investment is based on quoted market prices.

The Group's investment strategy is to deliver a diversified and flexible investment portfolio that will maximize sustained long-term returns and strive to achieve high growth, while the traditional business of the Group will continue its stable growth.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

All of the Group's revenue was generated from the provision of civil engineering works and provision of decoration and renovation works. The total revenue of the Group slightly increased by approximately HK$1,061,000 from approximately HK$35,141,000 for the year ended 31 March 2024 to approximately HK$36,202,000 for the Reporting Period. The increase in construction revenue, despite a steady project count, was attributable to progress-based revenue recognition in ongoing contracts during the year. As at 31 March 2024, we had 12 contracts on hand with a total contract sum of approximately HK$333,844,000 whilst as at 31 March 2025, we had 12 contracts on hand with a total contract sum of approximately HK$346,894,000.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased from approximately HK$1,880,000 for the year ended 31 March 2024 to gross profit of approximately HK$982,000 for the Reporting Period. Such decrease was primarily due to rising material and labor costs amid inflationary pressures, coupled with competitive pricing in the industry that limited the ability to fully pass on these increased costs to clients.

Our gross profit margin varied substantially from project to project and is mainly attributable to our pricing, which is determined based on a cost-plus pricing model in general with mark-up determined on a project-by-project basis and such mark-up is determined based on the following factors:

Contract value of the project

We would normally set a tender price based on a relatively lower mark-up for projects with a larger contract value due to the larger absolute amounts of revenue and gross profit (being the contract sum less the expected costs of sales) expected to be derived from a project with a larger contract value.

Nature and complexity of civil engineering works

When preparing our tender price, we consider, among other factors, (i) the amount of project management; (ii) the level of difficulty; (iii) the amount of uncertainties; (iv) the types and amount of works to be performed using different techniques; (v) the types and amount of resources such as labour skills, construction materials and supplies and site equipment; and (vi) the quality, safety and environmental standards. We would also take into account the likelihood of any material deviation of actual costs from our estimated costs having regard to the estimated subcontracting charges, staff costs, construction materials and supplies costs, rental of site equipment costs and other costs of sales.

Competition

The level of competition for each construction project is subject to factors beyond our control, including, among others, the number of contractors invited to bid for the construction project, our competitors' capacity and the nature and complexity of the works involved. If the level of competition of a particular construction project is low or if our competitors' tender prices are relatively high, which is due to their own commercial decisions, we may be able awarded the construction project even if our tender price is not particularly competitive.

Cost control

While we may obtain preliminary quotations from our subcontractors when preparing our tender prices, the final agreed prices with our subcontractors are subject to further negotiations after we are successfully awarded with a tender and after we obtain more specific information regarding the works and the site conditions. Such further negotiations with our subcontractors may result in higher or lower gross profit margins.

We enter into contra charge arrangements with some of our customers for, among others, the purchase of construction materials and supplies and site equipment rental and hence any increase in these costs are borne by our customers. The prices of construction materials and supplies and site equipment rental and other costs of sales that are not covered by contra charge arrangements are determined by reference to quotations of suppliers as agreed by us and our suppliers on an order-by-order basis. While we price in the estimated future price trend of these costs of sales when preparing our tender proposals, material deviation of the actual costs from our estimated costs may arise, which would result in higher or lower gross profit margins.

Due to, among others, the factors stated above, our gross profit margin varied substantially from project to project.

Other Income

Other income of the Group increased by approximately HK$204,000 from approximately HK$1,188,000 for the year ended 31 March 2024 to approximately HK$1,392,000 for the Reporting Period. The increase was mainly due to increase in government grants and over-provision for long services payment during the Reporting Period.

Other Gains or Losses

Other gains or losses of the Group recognised profit of HK$5,349,000 for the Reporting Period from loss of approximately HK$13,287,000 for the year ended 31 March 2024. The gain mainly consist of the unrealised gain of financial assets at fair value through profit or loss.

Impairment loss recognised under expected credit loss model, net of reversal

In determining the expected credit loss of the trade receivables, the Group has engaged a professional valuer to assist in estimating the loss allowances under the expected credit loss model in accordance with Hong Kong Financial Reporting Standard. Valuer has assessed their recoverability by reference to (i) details and status of the receivables as at the assessment date; (ii) historical defaults of the debtors of the Company; (iii) other information such as working relationship between the Company and the debtors, repayment track records of the debtors, and repayment progress of the receivables as advised by the management; (iv) industry and economic data; and (v) data concerning the fixed income and equity securities markets from Moody's. Except for the work performed by professional valuer, the Company also closely liaise with those debtors for the payment schedule and consider the reputation of those debtors and overall market condition. Based on the abovementioned assessments, the directors of the Company considered that the loss allowances are adequate.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group increased by approximately HK$1,786,000 or 23.6% from approximately HK$7,567,000 for the year ended 31 March 2024 to approximately HK$9,353,000 for the Reporting Period. Administrative and other operating expenses consists primarily of staff costs, depreciation, rental expenses and other administrative expenses. The increase was mainly due to the increase of staff costs, marketing expenses and severance payment in administrative expenses.

Finance Costs

Finance costs for the Group remained stable in which amounting to approximately HK$720,000 and HK$720,000 for the years ended 31 March 2024 and 2025 respectively.

Income Tax Credit

There was no income tax expenses for the year ended 31 March 2024 and 2025 respectively.

Loss for the year

Loss for the year decreased by approximately HK$11,534,000 from approximately HK$17,433,000 for the year ended 31 March 2024 to approximately HK$5,899,000 for the Reporting Period. Such decrease was primarily attributable to the net effect of the increase in revenue and other income and increase in gain incurred in other gains or losses, net for the Reporting Period as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Cash and bank balances are denominated in Hong Kong dollar. The current ratio of the Group as at 31 March 2025 decreased to approximately 1.5 times from approximately 1.7 times as at 31 March 2024.

The total interest bearing debts of the Group, including bond payable, remained stable of which approximately HK$12,000,000 as at 31 March 2024 and approximately HK$12,000,000 as at 31 March 2025. All borrowings are denominated in Hong Kong dollar and are repayable within 5 years. The Group did not carry out any hedging for its floating borrowings.

As at 31 March 2025 and 2024, the Group had no general banking facilities. As at 31 March 2025, the Group had lease liabilities of approximately HK$Nil (31 March 2024: approximately HK$Nil).

The gearing ratio, calculated based on all interest-bearing borrowings divided by total equity at the end of the period and multiplied by 100%, increased to approximately 44% as at 31 March 2025 (31 March 2024: approximately 36%). With available bank balances and cash, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL STRUCTURE

The Shares were successfully listed on GEM of the Stock Exchange on 12 April 2016. Except for placing of new shares which completed in September 2020, there has been no change in the capital structure of the Group during the Reporting Period. As at 31 March 2025, the Company's issued and fully paid capital and total equity attributable to owners of the Company amounted to approximately HK$48,298,000 and HK$27,218,000 respectively.

COMMITMENTS

As at 31 March 2025, there was no capital commitment for the Group (31 March 2024: HK$Nil).

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liabilities (31 March 2024: HK$Nil).

ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not carry out any material acquisitions nor disposals of subsidiaries and affiliated companies for the Reporting Period.

Save as disclosed in this annual report, the Group did not have other plans for material investments or capital assets as at 31 March 2025.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's business operations were conducted in Hong Kong and the transactions, monetary assets and liabilities of the Group were denominated in Hong Kong dollars and United States dollars. Since United States dollars is linked to Hong Kong dollars at the rate of United States dollars 1 to Hong Kong dollars 7.80, the Directors therefore consider the impact of foreign exchange exposure to the Group is minimal.

CHARGE OVER GROUP'S ASSETS

The total interest bearing debts of the Group, including bond payable amounted to approximately HK$12,000,000 as at 31 March 2025 (2024: HK$12,000,000).

As at 31 March 2025 and 2024, the Group had no general banking facilities. As at 31 March 2025, the Group had no lease liabilities (31 March 2024: HK$Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group had approximately 22 employees (31 March 2024: 26 employees). The total staff costs incurred, including Directors' emoluments, of the Group were approximately HK$5,055,000 for the Reporting Period (31 March 2024: approximately HK$5,909,000). Remuneration is determined based on each employee's qualifications, position and seniority. In addition to a basic salary, year-end discretionary bonuses were offered with reference to the Group's performance as well as individual's performance to attract and retain appropriate and suitable personnel to serve the Group. Furthermore, we offer other staff benefits like provision of retirement benefits, various types of trainings and sponsorship of training courses. We have also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary raises and promotions.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period (2024: HK$Nil).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chen Jian (陳健先生), aged 61, has over 30 years of experience in corporate management and extensive experience and business networks in Hong Kong and the People's Republic of China. Mr. Chen is responsible for business developments and general administrative matters. Under the leadership of Mr. Chen, the Group will actively explore business opportunities that bring value enhancement to shareholders and strives to enhance the long-term growth potential of the Group and shareholder value.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Ms. YU Xiao (余曉女士), aged 44, has over 10 years of working experience in the civil engineering and construction field in real property. She has participated in the overall management and supervision of certain sizeable construction projects including design, build, supervise and maintain construction projects and systems. Prior to joining the Group, Ms. Yu worked as an architect and engineer in Department of Civil Engineering in Hunan Hechingyuan Construction Engineering Company. Ms. Yu graduated from the College of Civil Engineering, Hunan University in June 2000 with a bachelor degree in civil engineering. Ms. Yu was appointed as executive director on 16 November 2017.

Save as disclosed above, she was not a director in any other listed companies for the last three preceding years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Chi Kan (黃智瑾先生), aged 39, is an independent non-executive Director. He has over 7 years of experience in auditing and accounting. He has served as financial controller in a private company primarily responsible for the financial and accounting matters, since June 2017. From March 2016 to June 2017, he worked as an assistant financial controller in a company principally engaged in provision of financial public relations services. He worked as an accounting manager in a company listed on GEM of the Stock Exchange which principally engaged in sale of biodegradable food containers and disposable industrial packaging for consumer products between March 2015 and March 2016. He served for certain sizeable CPA firms in Hong Kong from November 2010 to February 2015. Mr. Wong obtained a Bachelor of Commerce degree and a master's degree in Professional Accounting from the University of New South Wales in May 2009 and August 2010 respectively. He is also a fellow member of the Certified Practising Accountants Australia since March 2014 and is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong was appointed as independent non-executive director on 12 April 2016.

Save as disclosed above, he was not a director in any other listed companies for the last three preceding years.

Mr. LIAO HongHao（廖洪浩先生）, aged 65, is an independent non-executive Director. He is currently a general manager of the marketing department of a company incorporated in the People's Republic of China (the "PRC"), which engaged in publishing business in the PRC. He graduated in Meizhou Radio & TV University and he has more than 30 years' experience in business strategic planning and marketing. Mr. Liao was appointed as independent non-executive director on 2 March 2018.

Save as disclosed above he was not a director in any other listed companies for the last three preceding years.

Ms. LAO In Iam（劉燕欽女士）, aged 52, has engaged in the building and construction industry for over 20 years. She has extensive experience in building and construction project management and has participated in the overall management and supervision of certain sizeable construction projects in Macau. Ms. Lao was appointed as independent non-executive director on 18 August 2020.

Save as disclosed above, she was not a director in any other listed companies for the last three preceding years.

Disclosure required under Rule 17.50(2) of the GEM Listing Rules

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information in relation to the Directors that is required to be disclosed pursuant to Rules 17.50(2) of the GEM Listing Rules as at the date of this report.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present hereby the corporate governance report of the Company for the Reporting Period.

The Directors and the management of the Group recognise the significance of sound corporate governance to the long-term and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures for the best interest of the Shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix C1 of the GEM Listing Rules. During the period from the Listing Date to the Reporting Period, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code.

BOARD OF DIRECTORS

Responsibilities of the Board

The key responsibilities of the Board include formulation of the Group's overall strategies, the setting of management targets and supervision of management performance. The management is delegated with the authority and responsibility by the Board for the management and administration of the Group. In addition, the Board has also delegated various responsibilities to the board committees of the Company. Further details of the board committees of the Company are set out below in this report.

Corporate Governance Functions

The Board is responsible for, among others, performing the corporate governance duties as set out in paragraph A.2.1 of the CG Code, which include:

(a) to develop and review the Group's policies and practices on corporate governance and make recommendations;

(b) to review and monitor the training and continuous professional development of the Directors and senior management;

(c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and

(e) to review the Group's compliance with the CG Code and disclosure in the corporate governance report.

Composition of the Board

Up to the date of this report, the Board comprise five Directors, including two executive Directors and three independent non-executive Directors (the "INEDs"). In particular, the composition of the Board is set out as follow:

Executive Directors
Mr. Chen Jian
Ms. Yu Xiao

INEDs
Mr. Wong Chi Kan
Mr. Liao HongHao
Ms. Lao In Iam

There is a balance of skills and experience for the Board, which is appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Biographical Details of Directors and Senior Management" of this report.

Board Nomination Policy

The Company adopted a nomination policy, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

Board Diversity Policy

Pursuant to the Rule 17.104 of the GEM Listing Rules, listed issuers are required to adopt a board diversity policy. The Board has adopted the board diversity policy with a view to achieve a sustainable and balanced development of the Group. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. This diversity policy is reviewed annually by the nomination committee of the Company, and where appropriate, revisions will be made with the approval from the Board.

Relationships between members of the Board

The Directors have no financial, business, family or other material or relevant relationship with each other.

BOARD MEETINGS

Pursuant to Code Provision C.5.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year. Additional meetings would be arranged if and when required. Directors may participate either in person or through electronic means of communications. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments on the final version of which are endorsed in the subsequent Board meeting.

During the Reporting Period, five board meetings were held and the attendance records are as follows:

Name of Director	Meetings attended/ Eligible to attend
Executive Directors	
Mr. Chen Jian	5/5
Ms. Yu Xiao	5/5
INEDs	
Mr. Wong Chi Kan	5/5
Mr. Liao Honghao	5/5
Ms. Lao In Iam	5/5

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the Shares (the "Code of Conduct'). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct from the Listing Date up to the date of this report.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Company has established its nomination committee. The nomination committee has from time to time identified individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experiences are appropriate for the businesses of the Group. Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and until terminated by either the Company or the Director giving to the other not less than three months' notice in writing in accordance with the terms of the agreement. Each INEDs was appointed under a letter of appointment for a fixed term of three years initially commencing from the Listing Date shall terminate on whenever is the earlier of (i) the date of expiry of the period; (ii) ceasing to be a director for any reason pursuant to the Articles of Association of the Company or any other applicable law; or (iii) either party giving at least one month's notice in writing.

CORPORATE GOVERNANCE REPORT

In accordance with Article 108(a) of the Articles of Association of the Company, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Ms. Yu Xiao and Mr. Liao Honghao will retire from office as Directors at the forthcoming annual general meeting of the Company (the "AGM"), and being eligible, offer themselves for re-election.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Group acknowledges the importance of continuing professional development for the Directors for better corporate governance and internal control system. In this regard and in compliance with code provision C.1 of the CG Code, the Group has provided funding to all Directors to participate in continuous professional development organised in the form of in-house training and seminars to keep them refreshed of their knowledge and skills and understanding of the Group and its business to update their skills and knowledge on the latest development or changes in the relevant statutes, the GEM Listing Rules and corporate governance practices.

Pursuant to the code provision C.1 of the CG Code, during the Reporting Period, all Directors had participated in continuous professional development in the following manner:

Directors	Reading materials regarding regulatory update and corporate governance matters	Attending in-house training/ seminars arranged by the professional organisations
Executive Directors		
Mr. Chen Jian	✓	✓
Ms. Yu Xiao	✓	✓
INEDs		
Mr. Wong Chi Kan	✓	✓
Mr. Liao Honghao	✓	✓
Ms. Lao In Iam	✓	✓

BOARD COMMITTEES

The Group has established three committees, namely audit committee, remuneration committee and nomination committee in compliance with the GEM Listing Rules and to assist the Board to discharge its duties. The relevant terms of reference of each of the three committees can be found on the Group's website (https://www.todayir.com/ir_show_case/8217) and the website of the Stock Exchange.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs D.3.3 and D.3.7 of the CG Code. The audit committee consists of three members, namely Mr. Wong Chi Kan, Ms. Lao In Iam and Mr. Liao Honghao, all being INEDs. Mr. Wong Chi Kan currently serves as the chairman of the audit committee.

The committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group, and as to the adequacy of the external and internal audits.

With reference to the terms of reference, the primary responsibilities of the audit committee, among others, are as follow:

(a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve and review the remuneration and terms of engagement of the external auditors;

(b) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(c) to develop and implement policy on engaging an external auditors to supply non-audit services;

(d) to monitor the integrity of financial statements and the annual report and accounts, half year report and quarterly reports, and to review significant financial reporting judgments contained in them;

(e) to discuss the internal control system with management of the Group to ensure that the management of the Group has performed its duty to have an effective internal control system; and

(f) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board and monitor the Group's policies and practices on compliance with legal and regulatory requirements.

During the Reporting Period, three audit committee meetings were held. The individual attendance record of each member of the audit committee is as follows:

Name of Directors	Number of attendance/ number of meetings
Mr. Wong Chi Kan *(Chairman)*	3/3
Mr. Liao Honghao	3/3
Ms. Lao In Iam	3/3

During the Reporting Period, the audit committee had reviewed the Group's unaudited first quarterly results for the three months ended 30 June 2024 and unaudited interim results for the six months ended 30 September 2024, and discussed about the internal controls and financial reporting matters of the Group. The audit committee had also reviewed audited annual results in respect of the year ended 31 March 2024, and confirmed that this report complies with the applicable standard, the GEM Listing Rules, and other applicable legal requirements and that adequate disclosures have been made. There was no disagreement between the Board and the audit committee regarding selection and appointment of the external auditors during the year ended 31 March 2025.

The Board is of the view that the audit committee had properly discharged its duties and responsibilities from the Listing Date and up to the date of this report.

REMUNERATION COMMITTEE

A remuneration committee has been established with its terms of reference in compliance with paragraph E.1.2 of the CG Code. The remuneration committee consists of three members, namely Mr. Wong Chi Kan, Mr. Liao Honghao and Ms. Yu Xiao. Mr. Wong Chi Kan currently serves as the chairman of the remuneration committee.

The remuneration committee is obliged to report to the Board on its decisions or recommendations. With reference to the terms of reference of remuneration committee, the primary duties, among others, are as follow:

(a) to formulate remuneration policy for the approval of the Board;

(b) to make recommendations to the Board on the Group's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(d) to determine, with delegated responsibility or make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Group;

(e) to make recommendations to the Board on the remuneration of non-executive Directors;

(f) to review and approve compensation payable to executive Directors and senior management of the Group for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

(h) to consider the performance bonus for executive Directors, senior management and general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board.

The members of the remuneration committee should meet at least once a year. The individual attendance record of each member of the remuneration committee is as follows:

Name of Directors	**Number of attendance/ number of meetings**
Mr. Wong Chi Kan *(Chairman)*	3/3
Mr. Liao Honghao	3/3
Ms. Yu Xiao	3/3

The emolument payable to Directors depends on their respective contractual terms under the service contracts and the appointment letters, and as recommended by the remuneration committee. Details of the Directors' emolument are set out in note 15 to the consolidated financial statements.

The Board is of the view that the remuneration committee had properly discharged its duties and responsibilities from the Listing Date and up to the date of this report.

NOMINATION COMMITTEE

A nomination committee has been established with its terms of reference in compliance with paragraph B.3.1 of the CG Code. The nomination committee of the Group comprises Mr. Mr. Liao Honghao, the executive Director and Chairman, Mr. Wong Chi Kan and Ms. Lao In Iam, the INEDs. Mr. Liao Honghao currently serves as the chairman of the nomination committee.

The nomination committee is obliged to report to the Board on its decisions or recommendations. With reference to the terms of reference of nomination committee, the primary duties, among others, are as follow:

(a) to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;

(b) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;

(c) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(d) to receive nominations from Shareholders or Directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;

(e) to assess the independence of INEDs and review the INEDs' confirmations on their independence; and make disclosure of its review results in the corporate governance report;

(f) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Group; and

(g) regularly review the contribution required from a Director to perform his/her responsibilities to the Group, and whether he/she is spending sufficient time performing them.

The members of the nomination committee should meet at least once a year. The individual attendance record of each member of the nomination committee is as follows:

Name of Directors	**Number of attendance/ number of meetings**
Mr. Liao Honghao *(Chairman)*	3/3
Mr. Wong Chi Kan	3/3
Ms. Lao In Iam	3/3

The Board is of the view that the nomination committee had properly discharged its duties and responsibilities from the Listing Date and up to the date of this report.

AUDITOR'S REMUNERATION

The amount of fees charged by the external auditors generally depends on the scope and volume of the external auditors' work performed.

For the Reporting Period, the remuneration paid or payable to the external auditors of the Company in respect of the statutory audit services and non-audit services for the Group are as follows:

	Fees paid/payable for services rendered	
	2025	2024
	HK$'000	*HK$'000*
Statutory audit services	**390**	360
Non-audit services	**Nil**	Nil

COMPANY SECRETARY

During the Reporting Period, Ms. Tam Mei Chu has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

COMPLIANCE OFFICER

Mr. Chen Jian, an executive Director of the Company, was appointed as the compliance officer of the Company on 3 October 2023. Please refer to the section "Biographical Details of Directors and Senior Management" for her biographical information.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the establishment, maintenance and review of the Group's risk management and internal control systems. The Board oversees the Group's overall risk management and internal control systems on an ongoing basis. At the same time, the Group endeavors to identify risks, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems which are compatible with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) – Integrated Framework 2013 principles.

The Group has established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business.

1. Each division is responsible for identifying and assessing principal risks within its divisions on a quarterly basis and establishing mitigation plans to manage the risks identified.

2. The management is responsible for overseeing the Group's risk management and internal control activities, attending quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented.

3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

The risk management framework, coupled with our internal controls, ensures the risk associated with our different business units are effectively controlled in line with the Group's risk appetite.

The Group does not have an internal audit department. The Board, as supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group and for reviewing its effectiveness.

The Group engaged an external consultant for internal control to conduct an annual review on the risk management and internal control system of the Group during the year. The review covers certain procedures on the civil engineering works undertaken by the Group, and make recommendations for improving and strengthening the internal control system. No significant area of concern that may affect the financial, operational, compliance, control and risk management of the Group has been identified.

The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

With respect to the monitoring and disclosure of insider information, the Group has adopted a policy on disclosure of insider information with the aim to ensure the insiders are abiding by the confidentiality requirement and are fulfilling the disclosure obligation of the inside information.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions required of the GEM Listing Rules. As at 31 March 2025, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibility of the external auditors is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. The independent auditor's report by external auditors, Infinity CPA Limited, about their reporting responsibility on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 55 to 60 of this report.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

The following procedures for the Shareholders to convene an extraordinary general meeting are subject to the Article 64 of the Articles of Association of the Company, and the applicable legislation and regulation, in particular the GEM Listing Rules:

The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may also use this same method to put forward proposals for the general meeting.

DIVIDEND POLICY

The Company adopted a policy on payment of dividends (the "Dividend Policy") in March 2019, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend on a number of factors, including but not limited to:

(i) the Group's actual and expected financial performance;

(ii) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(iii) retained earnings and distributable reserves of the Company and each of the members of the Group;

(iv) the Group's liquidity position;

(v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(vi) any other factors that the Board deems relevant.

The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring interim dividends from time to time.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong share registrar (details of which are set out in the section headed "Corporate Information" of this report).

Should there are any enquiries and concerns from Shareholders, they may send in written enquiries addressed to the head office and principal place of business of the Company in Hong Kong at Unit 2202, 22/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong, by post for the attention of the Board and/or the Company Secretary. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

Investor Relations

The Company has established a range of communication channels between itself and its Shareholders, and investors. These include answering questions through the annual general meeting, the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company's website at https://www.todayir.com/ir_show_case/8217 and meetings with investors and Shareholders. News update of the Group's business development and operation are also available on the Company's website.

Significant Changes in Constitutional Documents

Save for the adoption of the amended and restated Memorandum and Articles of Association of the Company for the purpose of the listing of the Shares on GEM of the Stock Exchange, during the Reporting Period, there had been no significant changes in the constitutional documents of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE GROUP

WMHW Holdings Limited and its subsidiaries (collectively referred to as the "Group") specialize in the provision of civil engineering works as a subcontractor in Hong Kong. The civil engineering works undertaken by the Group are mainly related to (i) roads and drainage works (including construction and improvement of local road, carriageway with junction improvement and the associated footpaths, planting areas, drains, sewers, water mains and utility diversion); (ii) structural works (including the construction of reinforced concrete structures for bridges and retaining walls); (iii) site formation works (including excavation and/or filling works for forming a new site or achieving designed formation level for later development); and (iv) decoration and renovation works.

ABOUT THIS REPORT

The Group is pleased to present its Environmental, Social and Governance ("ESG") report (the "Report") for the year ended 31 March 2025 (the "Year"). This Report provides an annual update of the Group's sustainability performances, achievements and challenges over the Year. Major operating subsidiaries of the Group, namely Luen Hing Construction and Eng. Limited and Mullen Building Limited are covered in this Report. Unless otherwise indicated, the Report covers WMHW Holdings Limited and its subsidiaries. There were no major changes in the reporting scope of the Report compared to the previous year.

The preparation and presentation of related information in this ESG Report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules (the "GEM Listing Rules") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company has prepared this Report to meet the "Comply or Explain" provisions, of which mandatory Key Performance Indicators (KPIs) are disclosed. The ESG Report has been prepared based on four reporting principles, including materiality, quantitativeness, balance and consistency.

1. Materiality: ESG issues that have major impacts on investors and other stakeholders must be set out in this ESG Report.

2. Quantitative: If the KPIs have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.

3. Balance: This ESG Report must provide an unbiased picture of the ESG performance of the Company. It should avoid selecting, omitting, or presenting formants that may inappropriately influence a decision or judgment of the reader.

4. Consistency: This ESG Report should use consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the ESG Report.

Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

ESG GOVERNANCE

The Group commits to fully integrating corporate social and environmental well-being into various aspects of the daily operations of the business. To achieve sustainable development, the Group also promotes environmental protection, makes positive contributions and creates long-term value in the communities. During the Year under review, the Group committed to a high standard of corporate social responsibility and strictly complied with the requirements of relevant laws and regulations on ESG reporting.

To effectively drive the Group's ESG progress, the board (the "Board") of directors (the "Directors") shoulders the ultimate responsibility of supervising the Group's ESG governance by determining the Group's ESG strategies and reviewing the content and quality of the ESG report annually. The Board examines and approves the Group's ESG objectives, strategies, priorities, initiatives, and goals, as well as the related significant policies and frameworks that support their achievement. The Board also oversees the identification and assessment of business risks, including critical ESG and climate-related risks and opportunities, and ensures that robust risk management and internal control systems are in place. ESG-related goals and targets and all identified sustainability risks and opportunities which may impact the Group are reported to the Board during the meetings at least on an annual basis.

To maintain excellent ESG governance, the Group has established an ESG Working Team which has clear terms of reference that set out the powers delegated to it by the Board. The ESG working group comprises representatives from various departments and has been established to plan and coordinate ESG initiatives within the Group. The ESG Working Team is primarily responsible for reviewing and supervising the ESG process and risk management of the Group. ESG governance matters and ESG-related issues are reviewed at the annual meeting at least once a year.

STAKEHOLDER ENGAGEMENT

The Group engages with key stakeholders, such as board members, managers, supervisors, frontline workers, suppliers, and clients to understand their needs and concerns. The Group communicates with stakeholders via various communication channels, including but not limited to emails, regular meetings, publications and interviews. The Group opens up communication with its stakeholders by utilizing different channels as listed in the table below.

Major Stakeholders	Areas of Concern	Communication Channels
Stock Exchange	• Compliance with listing rules	• Announcements on the Stock Exchange website • Discussions and meetings as necessary • Emails and other correspondences
Government and regulatory bodies	• Laws and regulations • Taxation	• Site visits and audits • Regular declarations • Public notice of new laws and regulations • Reports and other publications on their websites
Shareholders and investors	• Return on investment • Information disclosure • Protection on rights and interests of shareholders and fair treatment of shareholders	• Annual and general meetings of members • Annual reports, announcements and other disclosures • Company website • Disclosures on the Stock Exchange website • Group email managed by designated employees
Employees	• Salaries and welfares • Protection of Employee's rights and interests • Health and safety • Feedback opportunities	• Regular meetings • Employee training • Intranet and emails • Regular employee activities
Customers	• Product safety and quality • Customer satisfaction • After-sales services	• Website
Suppliers	• Long-term and sustainable business relationship • Fair competition	• Supplier contracts, emails, teleconferences, interview • Bidirectional supplier evaluation
Community	• Environmental protection • Contribution to the community	• Voluntary activities • Community visits

MATERIALITY ASSESSMENT

Identifying the material ESG issues that matter the most to the Group is a prerequisite for setting the framework for the ESG Report and formulation of ESG management strategies. As such, the Group regularly conducts internal materiality assessments to determine the sustainability issues that matter the most to the Group, which will become the main focus of our ESG strategy and facilitate the implementation of relevant initiatives.

The Group has identified the ESG aspects which are "relevant" and "important" to our operations by conducting a materiality assessment. The results show that employment, health and safety, labour standards, supply chain management, product responsibility and community investment are our main material topics. The Group will continue to identify areas of improvement for the concerned areas and keep our communication with the stakeholders to advance the Group's ESG management.

Aspects	**Material ESG Issues**
B. Social Aspect	
B1. Employment	• Employee welfare • Inclusion and equal opportunities • Talent attraction and retention
B2. Health and Safety	• Occupational health and safety
B4. Labour Standards	• Prevention of child and forced labour
B5. Supply Chain Management	• Supply chain management
B6. Product Responsibility	• Quality assurance • Customer satisfaction • Protection of intellectual property rights • Protection of customer privacy
B8. Community Investment	• Corporate social responsibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL ASPECTS

Environmental responsibility forms an important part of our corporate social responsibility. To honour our commitment to the environment, the Group is committed to conducting its business in an environmentally responsible manner, such as improving our environmental practices through minimising pollution, increasing energy efficiency and reducing waste in our daily operations.

Emissions

In Hong Kong, the Air Pollution Control Ordinance is the principal legislation for controlling the emissions of air pollutants and noxious odour from construction, industrial activities and other polluting sources. Subsidiary regulations of the Air Pollution Control Ordinance (Cap. 311, Laws of Hong Kong) impose control on air pollutant emissions from certain operations through the issue of licenses and permits. The Group is fully committed to complying with the Air Pollution Control Ordinance (Cap. 311, Laws of Hong Kong) and its subsidiary regulations.

As a responsible corporation, we have established policies and measures to continuously promote energy-saving and emission reduction. In addition to carbon emissions and energy consumption, the Group has also established best practices guidelines concerning air pollution, water pollution, noise, and general and construction waste from head offices to project sites.

For the Year ended 31 March 2025, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to air and greenhouse gas emissions, noise control, discharges into water and onto the land, or generation of hazardous and non-hazardous waste, including but not limited to Air Pollution Control Ordinance (Cap. 311, Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354, Laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358, Laws of Hong Kong) and Noise Control Ordinance (Cap. 400, Laws of Hong Kong).

Air and Greenhouse Gas Emissions

The Group has generated air emissions through the fuel combustion of the vehicles. The sources of the Group's greenhouse gas emissions are the fuel consumption of stationary equipment and mobile vehicles ("Scope 1 emissions"), and energy indirect emissions resulting from the generation of purchased electricity ("Scope 2 emissions"). The greenhouse gases emitted from the paper waste disposed at landfills and water and sewage processing contribute to Scope 3 emissions.

To enhance staff's environmental awareness for reducing energy consumption and carbon emissions, we have implemented several eco-friendly actions, such as paperless meetings, reusing envelopes, and switching off lighting and appliances in offices after working hours, etc. Regular maintenance of the construction plants and equipment is conducted to further improve the fuel efficiency.

In the Year ended 31 March 2025, the total amount of greenhouse gas emissions was about 31.4 tonnes of carbon dioxide-equivalent; and the greenhouse gas intensity was 0.87 tonnes of carbon dioxide-equivalent per million HKD revenue. The air and greenhouse gas emission data are as follows:

The types of emissions and respective emissions data	**2024/25**	2023/24	**Unit**
Nitrogen Oxides (NO_x)	**13.19**	33.69	Kg
Sulphur Oxides (SO_x)	**0.16**	0.09	Kg
Respirable Suspended Particles (RSP)	**0.97**	3.18	Kg

Greenhouse gas emissions in total and intensity[1]	**2024/25**	2023/24	**Unit**
Scope 1 emissions	**27.6**	75.8	Tonnes CO_2-e
Scope 2 emissions	**3.8**	4.1	Tonnes CO_2-e
Scope 3 emissions	**–**	–	Tonnes CO_2-e
Total greenhouse gas emissions	**31.4**	79.9	Tonnes CO_2-e
Intensity (by revenue)	**0.87**	2.18	Tonnes CO_2-e/ million HKD revenue

The Group is developing its long-term reduction targets. In short term, the Group targets to maintain the intensity of greenhouse gas emissions level in scope 1 and scope 2 emissions with the baseline year 2024 in the next Reporting Period.

Waste Management

With the enactment of the Construction Waste Disposal Charging Scheme through the Waste Disposal Ordinance (Cap. 354, Laws of Hong Kong), we have opened billing accounts with the Environmental Protection Department for repayment of service charges. We are committed to disposing only at legitimate disposal facilities, or through licensed collectors to collect and dispose of our wastes. Reusable materials are encouraged to be applied at the site to reduce material consumption, such as the use of wood.

Environmental protection policies and plans have been set up for different projects. In effort to identify and resolve any non-compliance as soon as possible, we conduct periodic construction work inspections at sites with high environmental risks, covering dust control, and disposal of sewage and construction waste. The Group also provides experienced personnel with adequate training to ensure strict implementation of such measures.

Emissions discharged by the Group in the course of operation were primarily carbon dioxide. The amount of non-hazardous waste produced was mainly construction waste and general office waste. Since the construction wastes produced at the site are handled by our main contractor, the disclosure of the statistics and targets of the non-hazardous was not available for the Group. We will continue to review and disclose further information as appropriate in the future.

Due to the nature of the industry, the Group seldom produces hazardous waste. Therefore, the disclosure of relevant key performance indicator did not apply to the Group.

1 Latest HK electric emission factor has been used for GHG Emissions calculations.

Use of Resources

Energy Consumption

We have initiated a series of measures to enhance energy performance. In offices, we encourage the usage of electronic devices throughout our daily operations and take active measures to upgrade our electronic document management system. We set the temperatures of the air-conditioning system at an environment-friendly level during summer. All employees are told to switch off all lighting and air-conditioning systems if not in use. At construction sites, our teams are also encouraged to switch off idle plants and machinery, to avoid energy wastage.

To uphold the principles of sustainable development, the Group targets to reducing or maintaining the energy intensity below the level of the baseline year 2024 in the next reporting period.

Water Consumption

Water is consumed by the municipal water supply and we did not encounter any issues in sourcing water during the Year. For the sake of continuing improvements in our water use, we have strengthened our construction site management to improve water-use efficiency. Taking into account the seasonal variations, we strive to construct adequate drainage channels, catch pits, situation traps and sedimentation tanks at our project sites and conduct regular self-monitoring maintenance checks to avoid blockages or leakage. In order to reduce wastewater discharge, construction wastewater is collected and treated to reuse on-site for wheel washing and dust suppression, alleviating dust generation from construction and demolition activities.

Due to our business nature as a civil engineering service provider, our operation does not involve any significant water consumption. Therefore, we have not set a water consumption target at the current stage. Nevertheless, the Group encourages water conservation and reminds staff to reduce water wastage whenever possible.

Use of Packaging Materials

Due to the business nature, the Group did not consume any packaging material. Therefore, the relevant key performance indicators were not applicable.

The Group is committed to consuming resources efficiently during production. The Group's total resource consumption is listed in the table below:

Direct and/or indirect energy consumption by type	**2024/25**	2023/24	**Unit**
Direct energy consumption – Diesel	**352.2**	1,203.7	GJ
Direct energy consumption – Petrol	**–**	–	GJ
Indirect energy consumption – Electricity	**23.1**	22.2	GJ
Total energy consumption	**375.3**	1,225.8	GJ
Intensity (by revenue)	**10.4**	33.5	GJ/million HKD revenue

The Environment and Natural Resources

To spur continuous improvement in our environmental management practices, we have also established control measures for noise pollution, waste generation and waste disposal.

Noise Control

According to the Environmental Impact Assessment Ordinance (Cap. 499, Laws of Hong Kong), the noise standards for daytime construction activities should be 75 decibels for all domestic premises and 70 decibels for educational institutions. Due to increasingly stringent regulations, noise control has been a primary concern for us ever since our establishment. To meet this challenge, we strive to erect noise sources by screening structures as early as possible during the project planning stage and use portable noise barriers for noisy stationary and mobile plants.

Dust Control

Being a responsible contractor, we apply good construction site management by devising methods of working and carrying out the works in such a manner so as to minimise dust impacts on the surrounding environment and provide our experienced staff with suitable training to ensure that these methods are implemented. Control measures, such as water sprays, dust curtains and covers, are applied to suppress dust from excavation and during transportation.

Climate Change

The Group recognizes that the climate-related risks, such as the acute physical risks and chronic physical risks, may bring negative impacts on our business operation and affect the safety of our employees.

Acute physical risks refer to the increase in the severity and frequency of extreme weather events, such as typhoons, rainstorms and floods. During extreme weather, employees are not able to perform their work properly. Delays or suspended operations may lead to extra operating costs and lower the profitability of the Group. As such, the Group will review the existing adverse weather arrangement and prepare contingency plans to reduce the disturbance to the business.

Chronic physical risks refer to the changes in precipitation patterns and rising mean temperature in the long term. Since the Group specializes in roads and drainage works, heavier precipitation events and floods caused by the changes in precipitation patterns may pose unusual pressure to the drainage system. Drainage networks that are designed based on historical climate regimes may be defunct in the future. For the rise in temperature, the Group would provide periodic rest time and ensure that there are adequate supplies of water for employees working in the outdoor areas.

SOCIAL ASPECTS

Employment and Labour Practices

Employment

We believe that our staff team is the most valuable asset and the foundation for the development of the Group. In this regard, the Group aims to provide an attractive remuneration package, and fair and inclusive working environment to safeguard the legitimate rights and interests of employees. A Staff Handbook is in place to ensure that all employees are aware of the goals, policies and procedures of the Group as well as their responsibilities.

To accommodate our continuously growing business scale, we recruit talent from different cultures and backgrounds for our team. We also provide vast opportunities for career development for our employees, and strive to match employees' personal career planning with the business development goals through talent training system, effective incentive mechanism and fair competition platform, so that mutual benefits for employees and the Group can be achieved. Besides, the Group strictly prohibits any kind of unfair or unreasonable dismissals.

The construction industry has been continuously suffering from manpower shortages for years. Accordingly, we always place emphasis on attracting qualified applicants to meet future challenges by offering competitive remuneration packages. These packages are reviewed based on employees' performance and reference to prevailing market conditions and are adjusted in a timely manner to keep them in line with sector benchmarking.

Through the management meetings and performance assessments, we maintain regular communications with our employees. In daily operations, employees at all levels are encouraged to share their perceptions of the Group with the management. Simultaneously, employees are also encouraged to discuss their targets in job advancement and career development with their senior management. In the hope of promoting a healthy lifestyle and work-life balance within the Group, we periodically organise a series of family-friendly recreational activities for employees to reward them, which help foster harmonious employment relations.

As at 31 March 2025, the Group had 22 (2024: 26) full-time and part-time employees, including back-office and site staff, in Hong Kong. In view of the high labour mobility of the construction industry, and the fact that most of the employees in the industry are temporary employees, whose employment is on a day-to-day basis or for a fixed period of fewer than 60 days. Hence, those temporary employees who joined and left within the year were not constituted in our annual turnover rate calculation. The charts below show the number of employees by gender and level as at the end of the year.

Total workforce		**2024/25**	2023/24	**Unit**
Total number of employees		**22**	26	Employee
By Gender	Male	**15**	18	Employee
	Female	**7**	8	Employee
By employment type	Full-time	**22**	26	Employee
	Part-time	**–**	–	Employee
By employee category	Managerial	**6**	6	Employee
	Senior	**2**	3	Employee
	Middle	**7**	8	Employee
	Junior	**7**	9	Employee
By function	Executive	**6**	6	Employee
	Technical	**7**	9	Employee
	Administrative	**2**	4	Employee
	Production	**7**	7	Employee
By geographical region	Hong Kong	**22**	26	Employee

Employee turnover rate		2024/25	2023/24	Unit
Total employee turnover rate		**17**	27	%
By Gender	Male	**18**	33	%
	Female	**13**	13	%
By employment type	Full-time	**17**	27	%
	Part-time	**–**	–	%
By employee category	Managerial	**0**	–	%
	Senior	**40**	–	%
	Middle	**13**	–	%
	Junior	**25**	78	%
By geographical region	Hong Kong	**17**	27	%

For the Year ended 31 March 2025, the Group was not aware of any cases of material non-compliance with laws and regulations that have a significant impact on the Group in relation to employment and labour standards, including but not limited to the Employment Ordinance (Cap. 570, Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Cap. 485, Laws of Hong Kong) and Minimum Wage Ordinance (Cap. 608, Laws of Hong Kong).

Health and Safety

Owing to our business nature, our employees are often involved in high-risk work procedures. Hence, we always place great emphasis on taking care of the safety and health at work of all persons and endeavour to provide our employees and subcontractors with a safe and healthy working environment. To safeguard employees' health and safety, we are fully committed to complying with the Occupational Safety and Health Ordinance (Cap. 509, Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282, Laws of Hong Kong), and the Factories and Industrial Undertakings Ordinance (Cap. 59, Laws of Hong Kong).

Our operations adhere to the internal occupational health and safety policy to identify, assess, control and monitor safety risks. Our safety requirements and procedures are standardised across the Group's operating activities, and they are supplemented with instructions for our employees. Safety measures include the provision of adequate personal protection equipment, such as safety helmets, ear plugs, dust masks and safety shoes, and arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances, and emergency procedures for foreseeable emergencies, such as first aid kits and other emergency treatments.

According to the Employment Compensation Ordinance (Cap. 282, Laws of Hong Kong), we strictly implement the injury reporting procedure to report and submit Form 2 to the Labour Department within the prescribed period.

In addition, the Group carries out various forms of intensive safety inspection, such as regular inspections, inspections at high-risk construction sites and inspections of high-risk work procedures. In the course of inspections, on-site foremen and site supervisors cooperate with safety officers to ensure any breaches or unsafe conditions are rectified promptly.

Health and Safety	2024/25	2023/24	Unit
Number of work-related fatalities	**0**	0	No.
Rate of work-related fatalities	**0**	0	%
Lost days due to work injury	**0**	0	No.

For the Year ended 31 March 2025, the Group has not found any material non-compliance with the health and safety laws and regulations, and there were no work-related fatalities during the past three years, including the year.

Development and Training

We believe training is an important means of talent cultivation for us, and it seeks to build a team with expertise, professional skills and strong executive capability. To support our employees to undertake lifelong training, we provide periodic training and development programs that add value for employees at all working levels. To continuously attract new talent, we also provide enhanced training program and education subsidies, to encourage our employees to undertake continuous learning and broaden their knowledge.

In the Reporting Period, the Group did not conduct separate professional training for its employees but focused on on-job training. In the future, the Group will invest further resources to provide employees with more comprehensive training programs, with the aim of enriching personal and professional development.

Labour Standards

Through establishing a comprehensive employment management system, the Group abides strictly to the Employment Ordinance (Cap. 57, Laws of Hong Kong). According to the Immigration Ordinance (Cap. 115, Laws of Hong Kong) and the Construction Workers Registration Ordinance (Cap. 583, Laws of Hong Kong), a construction site controller should take all practicable steps to prevent illegal workers who are not lawfully employable from taking employment on site and is required to employ only registered construction workers to personally carry out construction work on construction sites. Prior to employing construction workers, the Group will carefully check their identity and registration to ensure there are no instances of child and forced labour in the Group and in compliance with the aforesaid regulations.

In addition, we recognise the importance of a fair and harmonious working environment and adhere to the principle of equal opportunities. From recruitment to promotion, the Group adheres to non-discrimination employment policies, including but not limited to the Sex Discrimination Ordinance (Cap. 480, Laws of Hong Kong), Race Discrimination Ordinance (Cap. 602, Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487, Laws of Hong Kong) and Family Status Discrimination Ordinance (Cap. 527, Laws of Hong Kong), and prohibits the employment of forced or child labour. During the Year, the Group was not aware of any material non-compliance with laws and regulations in respect of labour standards.

Operating Practices and Social Investment

Supply Chain Management

The service quality and the quality of the infrastructure it builds are dependent on the reliability and quality of products and services delivered by suppliers. In addition to stringent internal controls and regular assessment, the Group maintains high standards for all aspects of operations and works with partners to build a sustainable supply chain.

It is the Group's objective to build long-lasting and constructive relationships with partners in its supply chain. Procedures for supplier evaluation and management mechanism are formulated to ensure fairness and transparency. For the selection of our suppliers, quality, lead time and after-sales service capability are our major considerations.

The Group adopts a green procurement concept in our supply chain. We have stipulated our requirements relating to environmental protection in a commercial agreement with our subcontractors and suppliers. Environmental-friendly requirements, such as using more environmentally preferable products, are set for the selection of suppliers. We also consider whether our suppliers follow the environmental standards from the Environmental Protection Department.

Assessments on suppliers are conducted annually. We conduct regular reviews of the Group's major suppliers to ensure they do not impose any material negative impacts on the environment and society. Safety of equipment is our primary concern. Our technicians conduct thorough inspections of goods supplied to ensure their safety and compliance with national or international safety standards. If any suppliers fail to meet relevant safety standards, we will terminate our cooperation and eliminate them from our pre-approved supplier list. These practices are applied on all of the Group's suppliers.

We aim to deepen the relationships with our suppliers and subcontractors. Therefore, we maintain regular communication with them, sharing knowledge and experiences, and adopting good industry practices in our operations. In our daily operations, we tend to procure from local suppliers so as to reduce our carbon footprint and transportation costs. During the Year, 100% of our suppliers are located in Hong Kong.

Supply Chain Management		**2024/25**	2023/24	**Unit**
Number of suppliers by geographical region				
Total number of suppliers		**130**	232	Supplier
By geographical region	Hong Kong	**130**	232	Supplier

Product Responsibility

Quality Assurance

Attaching great importance to quality improvement, the Group strictly followed legal and industry standards and promotes the ultimate accountability on projects. From the commencement to completion of projects, stringent quality assurance and control procedures are applied during material procurement, material testing, and construction works processing. Our experienced staff monitor and control quality, time and cost to help ensure effective project planning, design and construction from inception to completion. The Group will choose reputable suppliers and subcontractors from the pre-approved list and require them to provide after-sales services to ensure quality.

As the Group's business does not involve any products and services, the disclosure of the product recalls and the number of complaints related to products and services is not applicable to the Group.

Protection of Data Privacy

The Group recognises the importance of data privacy and it is handled seriously across the Group. To ensure information security, the Group has established guidelines for handling confidential or special information provided by customers, employees and business associates. All collected customer data are treated as strictly confidential and handled with due care.

Protection of Intellectual Property

Due to our business nature, intellectual property right is not a material issue to the Group. However, the Group is still committed to upholding intellectual property rights. Employees are expected to protect intellectual property rights and avoid any infringement.

For the Year ended 31 March 2025, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong), Copyright Ordinance (Cap. 528, the law of Hong Kong), Prevention of Copyright Piracy Ordinance (Cap. 544, the law of Hong Kong) and other applicable laws and regulations.

Anti-Corruption

The Group regards integrity and fairness as the foundation of corporate social responsibility. We are committed to operating as a responsible business by upholding high ethical standards and conducting business in an honest and ethical way with integrity. The Group strictly abides by the anti-bribery relevant laws and regulations and prohibits all behaviours that may be suspected of corruption and bribery. Employees are familiarised with our stringent anti-corruption principles through on-the-job anti-corruption training or verbal communications.

Standardised rules and guidelines in handling a range of situations, such as gifts, entertainment and financial management are specified in our Staff Handbook. For instance, employees are prohibited from accepting or offering gifts or services from or to our customers, suppliers or any person who has business dealings of any kind with the Group. Falsifying documents and furnishing false accounting records, receipts or invoices are also strictly prohibited. Besides, the Group encourages employees to confidentially report any integrity-related issues through whistleblowing channels.

The Group understands the importance of promoting anti-corruption thoughts to the employees and directors. However, the preparation work is suspended due to the pandemic. The Group will prepare the training in the future.

The Group did not receive any notice of non-compliance brought against the Group or its employees in relation to anti-corruption laws and regulations, such as the Prevention of Bribery Ordinance (Cap. 201, Laws of Hong Kong), the Theft Ordinance (Cap. 210, Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615, Laws of Hong Kong).

Anti-Corruption	**2024/25**	2023/24	**Unit**
Number of concluded legal cases regarding corruption	**0**	0	No.

Community Investment

As a social enterprise, the Group has been deeply involved in the field of social welfare, putting corporate social responsibility into actual practice. The Group always takes the interests of the communities where it operates into account and regards contributing to community well-being as an important way of realising such values.

In order to be a more responsible business and create a better living environment for the local community, we are also committed to continuously providing sponsorships and donations to various charitable organisations. We go deep into the communities where the projects are located and care for the minority group.

Community Investment	**2024/25**	2023/24	**Unit**
Resources contributed to focus area			
Total amount of donation in cash	**0**	400,000	HKD

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs		Disclosure Requirements	Sections
1	Governance Structure	disclosure of the board's oversight of ESG issues;	Board Statement of ESG Governance
		board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues)(including risks to the issuer's businesses;	Board Statement of ESG Governance
		how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement of ESG Governance
	Reporting Principles	Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report.	About This Report
	Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report
	Environmental		
	Aspect A1: Emissions		
A1	General Disclosure	Policies	Emissions
		compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
A1.1		The types of emissions and respective emissions data.	Emissions
A1.2		Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5		Description of emission target(s) set and steps taken to achieve them.	Emissions
A1.6		Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

KPIs		Disclosure Requirements	Sections
A2	Use of Resource		
A2	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ’000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
A3	The Environment and Natural Resources		
A3	General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Environment and Natural Resources
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4	Climate Change		
A4	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1		Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

KPIs		Disclosure Requirements	Sections
	Social		
B1	Employment		
B1	General Disclosure	Policies	Employment
		compliance with relevant laws and regulations that have a significant impact on the issuer; relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment
B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
B1.2		Employee turnover rate by gender, age group and geographical region.	Employment
B2	Health and Safety		
B2	General Disclosure	Policies	Health and Safety
		compliance with relevant laws and regulations that have a significant impact on the issuer.	Health and Safety
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting Year.	Health and Safety
B2.2		Lost days due to work injury.	Health and Safety
B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3	Development and Training		
B3	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2		The average training hours completed per employee by gender and employee category.	Development and Training

KPIs		Disclosure Requirements	Sections
B4	Labour standards		
B4	General Disclosure	Policies	Labour standards
		compliance with relevant laws and regulations that have a significant impact on the issuer.	Labour standards
B4.1		Description of measures to review employment practices to avoid child and forced labour.	Labour standards
B4.2		Description of steps taken to eliminate such practices when discovered.	Labour standards
B5	Supply chain management		
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1		Number of suppliers by geographical region.	Supply chain management
B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply chain management
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
B6	Product Responsibility		
B6	General Disclosure	Policies	Product Responsibility
		compliance with relevant laws and regulations that have a significant impact on the issuer.	Product Responsibility
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2		Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3		Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4		Description of quality assurance process and recall procedures.	Product Responsibility
B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

KPIs		Disclosure Requirements	Sections
B7	Anti-corruption		
B7	General Disclosure	Policies	Anti-corruption
		compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption
B7.1		Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3		Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8	Community investment		
B8	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community investment
B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
B8.2		Resources contributed (e.g. money or time) to the focus area.	Community investment

DIRECTORS' REPORT

The Directors hereby present their report and the audited consolidated financial statements for the Reporting Period.

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 16 October 2015.

The Company completed the corporate reorganisation (the "Reorganisation") on 22 February 2016 in preparation for the Listing, pursuant to which the Company became the holding company of the companies now comprising the Group.

The Shares were listed on GEM of the Stock Exchange on 12 April 2016 by way of placing.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of civil engineering works. The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 20 to the consolidated financial statements of this report. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

BUSINESS REVIEW

Detailed business review, financial key performance indicators and likely future development are set out in the section of "Management Discussion and Analysis" in this report. A discussion of the principal risks and uncertainties, environmental policies of the Group, compliance with laws and regulations by the Group are illustrated in this Directors' report.

PRINCIPAL RISK AND UNCERTAINTIES

The Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group:

(i) A significant portion of our revenue was derived from a small number of customers. Our five largest customers' revenue contribution for the Reporting Period was 100% (31 March 2024: 100%) of our total revenue, while our largest customer accounted for approximately 100% during the Reporting Period (31 March 2024: 89.2%). There is no assurance that we will be able to retain our customers upon expiry of the contract period and to obtain suitable projects of a comparable size and quantity as replacement, failing to do so will have an material impact on our financial conditions and operating results;

(ii) Error or inaccurate estimation of project duration and costs when determining the tender price or increase in construction costs may adversely affect the Group's profitability or result in substantial loss;

(iii) If net cash outflows to pay certain operating expenditures do not align with progress payments to be received at any particular period of time, our cash flow position may be adversely affected;

(iv) The Group's success is attributable to the contribution of, among others, our senior management personnel and in-house professional. The Group relies on the professional knowledge, experience and expertise of our senior management and in-house professional to facilitate the formulation of competitive tenders and in deciding the best suitable construction methodology in order to carry out our project works in an efficient manner while being able to meet customers' demand. Fail to hire in a timely manner and to retain suitable, skilled and qualified senior management personnel and in-house professional to meet our construction needs could adversely impact our business, results of operation and profitability of the Group; and

(v) The Group's operations are conducted outdoors and are affected by weather conditions. If we have to halt operations during inclement weather conditions or a natural disaster, we may continue to incur operating expenses while we experience reduced revenues and profitability, our revenue, costs, financial conditions and growth potentials will be adversely affected.

ENVIRONMENTAL POLICY

The Group's operations at work sites are subject to certain environmental requirements pursuant to the laws in Hong Kong. The laws and regulations which have a significant impact on the Group include, among others, Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Construction Dust) Regulation (Chapter 311R of the Laws of Hong Kong), Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong).

We had ceased our ISO 14001:2004 certificate on 18 August 2017. Apart from following the environmental protection policies formulated and required by our customers, we have also established our environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by both our employees and workers of the subcontractors on among others, air pollution, noise control and waste disposal.

During the Reporting Period, the Group did not record any non-compliance with applicable environmental requirements that resulted in prosecution or penalty being brought against the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the Reporting Period.

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 61 of this report.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Reporting Period (2024: HK$Nil).

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 18 to the consolidated financial statements of this report.

SHARE CAPITAL

Movements of the share capital of the Company during the Reporting Period are set out in note 27 to the consolidated financial statements of this report.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2025, the Company's reserves available for distribution to the shareholders, calculated in accordance with the Companies law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to nil.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme (the "Share Option Scheme") as set out below, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

SHARE OPTION SCHEME

The Share Option Scheme of the Company has been adopted by way of shareholder's written resolution passed on 24 March 2016 for the purpose of attracting and retaining the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the businesses of the Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules and are summarised below:

The number of Shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue at any point in time, without prior approval from the Shareholders. Options granted to substantial Shareholders or INEDs or any of their respective associates (including a discretionary trust whose discretionary objects include substantial Shareholders, INEDs, or any of their respective associates) in any 12-month period in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Shareholders.

As at 1 April 2024 and 31 March 2025, 30,186,000 options and 30,186,000 options are available for grant under the scheme mandate respectively. No service provider sub-limit was set under the Share Option Scheme.

As at the date of the annual report, 30,186,000 shares are available for issue under the scheme, which represent 10% of the issued share capital.

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK$1 per option. Options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant. The exercise price is determined by the Directors, and will be at least the higher of (i) the closing price of the Shares on the date of grant, (ii) the average closing price of the Shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

The Share Option Scheme will remain in force for a period of ten years commencing on the date on the adoption date (i.e. 24 March 2016) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

As at 31 March 2025, 19,842,480 share options has been granted by the Company pursuant to such Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK$0.16 each of the Company.

	Date of grant	Exercise price per option	Exercise period	Vesting period	Balance as at 1 April 2024	Granted during the year	Exercised during the year	Lapsed during the year	Balance as at 31 March 2025
Directors									
Yu Xiao	11 July 2019	HK$1.414	5 years from the date of grant	No	891,540	–	–	(891,540)	**-**
Other employees	11 July 2019	HK$1.414	5 years from the date of grant	No	3,566,160	–	–	(3,566,160)	**-**
	12 July 2021	HK$0.315	5 years from the date of grant	No	10,698,480 (note (i))	–	–	–	**10,698,480**
	18 March 2022	HK$0.163	5 years from the date of grant	No	9,144,000 (note (ii))	–	–	–	**9,144,000**
Consultants	11 July 2019	HK$1.414	5 years from the date of grant	No	2,674,620	–	–	(2,674,620)	**-**
Total					26,974,800	–	–	(7,132,320)	**19,842,480**

Notes:

(i) The share options have been granted to 10 employees and each of them hold 1,069,848 share options.

(ii) The share options have been granted to 4 employees and each of them hold 2,286,000 share options.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities after the Listing Date and up to the date of this report.

KEY RELATIONSHIPS

Employees

The Group recognises employees as our valuable assets. We provide competitive remuneration package to attract, motivate and retain appropriate and suitable personnel to serve the Group. We have also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary raises and promotions.

Customers

A majority of our five largest customers have long-standing business relationship with us for over ten years and we will therefore endeavor to accommodate their demands for our services to the extent our resources allow in order to capture more opportunities for larger scale projects in the future. The Group's experience as a quality subcontractor in handling civil engineering projects also give business advantage to our customers to ensure projects are executive in accordance with their quality standard.

Suppliers and subcontractors

The Group encompasses working relationships with suppliers and subcontractors to meet our Customers' needs in an effective and efficient manner. The Group has set up an approved list of suppliers and we select our suppliers from the list based on their prices, quality, past performances and timeliness of delivery.

Subject to our capacity, resources level, types of civil engineering works, cost effectiveness, complexity of the projects and customers' requirement, we may subcontract our works to other subcontractors. We maintain an internal list of approved subcontractors and carefully evaluate the performance of our subcontractors and select them based on their background, technical capability, experience, fee quotation, service quality, labour resources, timeliness of delivery, reputation and safety performance.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

For the Reporting Period, our largest customer accounted for approximately 100% (2024: 89.2%) of our total revenue, while the percentage of our total revenue attributable to our five largest customers in aggregate was approximately 100% (2024: 100%).

For the Reporting Period, our largest supplier accounted for approximately 57% (2024: 69%) of our total purchases incurred (excluding subcontracting charges incurred), while the percentage of our total purchases incurred (excluding subcontracting charges incurred) attributable to our five largest suppliers in aggregate was approximately 99% (2024: 96%).

DIRECTORS' REPORT

For the Reporting Period, our largest subcontractor amounted to approximately 57% (2024: 72%) of our total subcontracting charges incurred, while the percentage of our subcontracting charges incurred attributable to our five largest subcontractors in aggregate was approximately 99% (2024: 100%).

None of the Directors, their close associates, or any Shareholders who or which, to the knowledge of the Directors, owned more than 5% of the issued Shares have any interest in any of the five largest customers, suppliers and subcontractors during the year ended 31 March 2025.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors
Mr. Chen Jian
Ms. Yu Xiao

INEDs
Mr. Wong Chi Kan
Mr. Liao Honghao
Ms. Lao In Iam

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

Information regarding Directors' emoluments is set out in note 15(a) to the consolidated financial statements of this report.

An annual confirmation of independence pursuant to the requirements under Rule 5.09 of the GEM Listing Rules has been received from each of the INEDs.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and until terminated by either the Company or the Director giving to the other not less than three months' notice in writing in accordance with the terms of the agreement. Each INEDs was appointed under a letter of appointment for a fixed term of three years initially commencing from the Listing Date shall terminate on whenever is the earlier of (i) the date of expiry of the period; (ii) ceasing to be a director for any reason pursuant to the Articles of Association of the Company or any other applicable law; or (iii) either party giving at least one month's notice in writing.

None of the Directors proposed for election at the forthcoming AGM has or is proposed to have a service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment compensation, other than the statutory compensation.

INDEMNITY OF DIRECTORS

Starting from 25 April 2016, the Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the contracts relating to the Reorganisation of the Group in relation to the Listing and save as disclosed in this report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Director or an entity connected the Director had a material interest, whether directly or indirectly, subsisted at any time during the Reporting Period.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 15 to the consolidated financial statements in this report.

EMOLUMENT POLICY

The remuneration committee will review and determine the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, time devoted to the Group and the performance of the Group. The Directors may also receive options to be granted under the Share Option Scheme.

COMPETING INTERESTS

The Directors confirm that none of the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the Reporting Period and up to the date of this report.

DIRECTORS' REPORT

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

Long position in the shares and underlying shares of the Company

Name of Director	Number of issued ordinary shares of the Company Personal interests	Total	Percentage of the issued shares capital of the Company^
Yu Xiao	780,000	780,000	0.26%
Liao Honghao	780,000	780,000	0.26%
Lao In Iam	780,000	780,000	0.26%

^ The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at 31 March 2025, that is 301,860,000 ordinary shares of the Company.

Save as disclosed above, none of the Directors nor chief executive of the Company has registered an interest or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders' Interest and Short Positions in Shares and Underlying Shares

As at 31 March 2025, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person (other than the Directors and chief executive of the Company disclosed above) had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period 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 spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

RELATED PARTY TRANSACTIONS

The related party transactions entered into by the Group are set out in note 31 to the consolidated financial statements to this report.

The related party transactions do not constitute connected transactions of the Company for the Reporting Period. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 12 to 24 of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25% as required under the GEM Listing Rules as at the date of this report.

DONATIONS

During the Reporting Period, the Group has made charitable and other donations of approximately HK$Nil (2024: Nil).

AUDITORS

On 25 April 2024, Elite Partners CPA Limited ("Elite Partners") has resigned as the auditor of the Company as the Company could not reach a consensus with Elite Partners on the audit fee for the financial year ended 31 March 2024. With the recommendation from the audit committee of the Company, Infinity CPA Limited, has been appointed as the auditor of the Company with effect from 25 April 2024.

The consolidated financial statements of the Company for the year ended 31 March 2025 were audited by Infinity CPA Limited ("Infinity"). Infinity shall retire as auditor of the Company at the forthcoming annual general meeting and shall be subject to appointment by the shareholders. A resolution for the re-appointment of Infinity as auditor of the Company will be proposed at the forthcoming annual general meeting.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the Reporting Period.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

EVENTS AFTER THE REPORTING PERIOD

On 10 June 2025, the Company announced that the Board proposed to change the English name of the Company from "WMHW Holdings Limited" to "Ju Fu Tang Biotech Holdings Co., Ltd" and the dual foreign name in Chinese of the Company from "萬民好物控股有限公司" to "菊福堂生物控股有限公司". For details, please refer to the announcement of the Company dated 10 June 2025.

Save as disclosed above and elsewhere in this report, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 March 2025 and up to the date of this report.

On behalf of the Board
WMHW Holdings Limited
Chen Jian
Executive Director

Hong Kong, 30 June 2025

INDEPENDENT AUDITOR'S REPORT

Infinity CPA Limited
Room 1501, 15/F., Olympia Plaza
255 King's Road, North Point, Hong Kong

To the shareholders of WMHW Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of WMHW Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 117, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other 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 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

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

- Recognition of revenue from construction contracts

- Impairment assessment of trade receivables and contract assets

Key Audit Matters (Continued)

Key audit matter

Recognition of revenue from construction contracts

We identified recognition of revenue from construction contracts as a key audit matter as significant management's estimations and judgements are involved in the determination of the outcome of construction contracts and the progress towards completion of construction works.

The Group recognised revenue from construction contracts amounted to approximately HK$36.20 million for the year ended 31 March 2025.

The accounting policies and disclosures in relation to the revenue recognition from construction contracts are included in notes 3 and 4 to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures in relation to recognition of revenue construction contracts mainly included:

- Understanding and evaluating the Group's process and control over contract revenue recognition;
- Understanding from management about how the budgets were prepared and the respective progress towards completion of construction works were determined;
- Evaluating the reasonableness of progress towards completion of construction works by obtaining the certificates issued by customers;
- Discussing with the management to understand the status of completion of the construction during the year, on a sample basis;
- Assessing the reasonableness of the actual gross margin during the year by comparing with the budgeted gross margin of the construction contracts, on a sample basis;
- Testing the actual costs incurred on construction works during the reporting period; and
- Assessing the appropriateness and sufficiency of the disclosures made in the consolidated financial statements.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables and contract assets	
We identified impairment assessment of trade receivables and contract assets as a key audit matter due to the involvement of subjective judgement and estimates of the management of the Group in determining the expected credit losses ("ECL") of the Group's trade receivables and contract assets at the end of the reporting period. As at 31 March 2025, the net carrying amounts of trade receivables and contract assets of approximately HK$26.07 million and HK$13.56 million, respectively, which were significant assets of the Group as of the year end, representing 49.30% of total assets. Management uses the simplified approach to calculate impairment losses on trade receivables and contract assets. Management has engaged an independent valuation expert to determine the calculation of impairment losses. The accounting policies and disclosures in relation to the impairment assessment of trade receivables and contract assets are included in notes 3, 4, 20(a) and 21 to the consolidated financial statements.	Our audit procedures in relation to impairment assessment of trade receivables and contract assets mainly included: • Understanding and evaluating the Group's process and control over the impairment assessment of trade receivables and contract assets; • Testing, on a sample basis, the aging of trade receivables at the year end to supporting evidence; • For trade receivables and contract assets assessed on an individual basis, evaluating the appropriateness of the judgements used by management by examining of the historical payment supporting evidence, on a sample basis; • Discussing with management on the estimation involved in determining the amount of ECL allowance regarding the trade receivables and contract assets; • Evaluating the external valuer's independence, competence, capabilities and objectivity; • Testing the mathematical accuracy of the ECL calculation and checking the information included in the calculation; • Reviewing the ECL calculation that was prepared by management assisted by the external expert engaged by the Group, and involved our internal valuation expert to assist us in evaluating the Group's estimation methodology of ECLs and check the parameters to external available data sources; and • Assessing the adequacy of the Group's disclosures about the expected credit loss allowance regarding trade receivables and contract assets in the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

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

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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.

Infinity CPA Limited
Certified Public Accountants

Au Yeung Ming Yin Gordon
Practising certificate number P08219

Hong Kong, 30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Revenue	8	**36,202**	35,141
Cost of services provided		**(35,220)**	(33,261)
Gross profit		**982**	1,880
Other income	10	**1,392**	1,188
Other gains/(losses), net	11	**5,349**	(13,287)
Impairment losses (recognised)/reversed under expected credit loss model, net	12	**(3,549)**	1,073
Administrative and other operating expenses		**(9,353)**	(7,567)
Loss from operations		**(5,179)**	(16,713)
Finance costs	13	**(720)**	(720)
Loss before tax	13	**(5,899)**	(17,433)
Income tax expenses	14	**–**	–
Loss and total comprehensive expense for the year attributable to owners of the Company		**(5,899)**	(17,433)
		HK cents	*HK cents*
Loss per share	17		
Basic and diluted		**(1.95)**	(5.78)

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	18	**163**	243
Current assets			
Contract assets	20(a)	**13,558**	14,680
Contract costs	20(b)	**2,221**	2,221
Trade and other receivables	21	**34,251**	37,695
Financial assets at fair value through profit or loss ("FVTPL")	22	**28,059**	22,710
Cash and bank balances	23	**2,113**	4,005
		80,202	81,311
Current liabilities			
Contract liabilities	20(c)	**1,517**	1,517
Trade and other payables	24	**36,739**	32,029
Amount due to a former shareholder	25	**2,264**	2,264
Bond payables	26	**12,000**	12,000
Tax payables		**627**	627
		53,147	48,437
Net current assets		**27,055**	32,874
Net assets		**27,218**	33,117
CAPITAL AND RESERVES			
Share capital	27	**48,298**	48,298
Reserves		**(21,080)**	(15,181)
Total equity		**27,218**	33,117

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 June 2025 and signed on its behalf by:

Chen Jian
Director

Yu Xiao
Director

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Equity attributable to owners of the Company						
	Share capital *HK$'000*	**Share premium** *HK$'000* *(Note 30)*	**Share-based payment reserve** *HK$'000* *(Note 30)*	**Other reserve** *HK$'000* *(Note 30)*	**Capital reserve** *HK$'000* *(Note 30)*	**Accumulated losses** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2023	48,298	60,696	6,030	10,400	3,820	(78,694)	50,550
Loss and total comprehensive expense for the year	–	–	–	–	–	(17,433)	(17,433)
At 31 March 2024 and 1 April 2024	48,298	60,696	6,030	10,400	3,820	(96,127)	33,117
Loss and total comprehensive expense for the year	–	–	–	–	–	(5,899)	(5,899)
Lapsed of share options	–	–	(3,462)	–	–	3,462	–
At 31 March 2025	**48,298**	**60,696**	**2,568**	**10,400**	**3,820**	**(98,564)**	**27,218**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Cash flows from operating activities		
Loss before tax	**(5,899)**	(17,433)
Adjustments for:		
Depreciation of property, plant and equipment	**80**	80
Finance costs	**720**	720
Impairment losses recognised/(reversed) under expected credit loss model, net	**3,549**	(1,073)
Operating cash flow before movements in working capital	**(1,550)**	(17,706)
Change in unrealised fair value (gain)/loss on financial assets at FVTPL	**(5,349)**	13,287
Change in contract assets	**(1,345)**	8,977
Change in contract costs	**–**	(700)
Change in trade and other receivables	**2,362**	(824)
Change in financial assets at FVTPL	**–**	66
Change in trade and other payables	**(1,388)**	622
Net cash (used in)/from operating activities	**(7,270)**	3,722
Cash flows from financing activities		
Advance from a director of a subsidiary	**5,378**	–
Repayment to a former shareholder	**–**	(7,769)
Interest paid	**–**	(100)
Net cash from/(used in) financing activities	**5,378**	(7,869)
Net decrease in cash and cash equivalents	**(1,892)**	(4,147)
Cash and cash equivalents at the beginning of the reporting period	**4,005**	8,152
Cash and cash equivalents at the end of the reporting period	**2,113**	4,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

WMHW Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 16 October 2015 and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the opinion of the directors of the Company, the Company has no immediate and ultimate holding company or ultimate controlling party. The addresses of the Company's registered office and principal place of business are set out in "Corporation Information" section.

The Company is an investment holding company, and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of construction works and investment holding.

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is also the functional currency of the Company and all values are rounded to nearest thousands of units of HK$ ("HK$'000"), unless otherwise stated.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity[2]
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

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

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

Except for HKFRS 18 mentioned below, the Directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards which includes all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS"), and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations (collectively referred to as "Interpretations"), issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies set out below.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of preparation (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Revenue from contracts with customers

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

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

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

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

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

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

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

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

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

Contract costs

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its construction contract. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the assets relate. The asset is subject to impairment review.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits

Retirement benefit obligations

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

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK$30,000. The Group's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payment under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payment in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

Share options granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Income tax expense

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised or when there are sufficient deferred tax liabilities, which are expected to reverse in the same period as the deferred tax asset is expected to reverse. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible timing differences.

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 profits will be available to allow all or part of the asset to be recovered.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Income tax expense (Continued)

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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

The principal annual rates used for this purpose are as follows:

Land and building	5%
Site equipment	10%

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on property, plant and equipment

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (the "CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

Provisions

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

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

All other financial assets are subsequently measured at FVTPL.

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

A financial asset is classified and measured at FVTPL when it is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the net carrying amount of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains or losses, net" line item.

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

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables (excluded prepayment) and bank balances) and contract assets which are subject to impairment under HKFRS 9. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 month ("12m") ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the reporting period as well as the forecast of future conditions.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(iii) Credit-impaired financial assets (Continued)

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL (Continued)

Lifetime ECL for certain trade receivables and contract assets are considered individually taking into consideration past due information and relevant credit information, such as forward-looking macroeconomic information.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on net carrying amount of the financial asset.

The Group recognises an impairment or reversal of impairment loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables (excluded accrued staff costs and provision for long services payment), amount due to a former shareholder and bond payable) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Government grants

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Contingent liabilities and contingent assets

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements during the reporting period in which the change occurs.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the year in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services and the methods used to distribute the products or provide the services. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Related party

A person or an entity is considered to be related to the Group as follows:

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities 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 party.

(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).

(viii) The entity, or any member of the Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A related party transaction is a transfer of resources, services or obligation between the Group and a related party, regardless of whether a price is charged.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily obtainable from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Construction contracts

As explained in note 3 to the consolidated financial statements, revenue from construction contracts are recognised over time using the output method. Such revenue and profit recognition on uncompleted projects is dependent on estimating the outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiency advanced such that the outcome of the contract can be reasonably measured. Until this point is reached and the related contract assets disclosed in note 20 to the consolidated financial statements do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years and the discrepancies will be recognised as an adjustment to the amounts recorded to date.

Provision of ECL for financial assets measured at amortised cost

Trade receivables and contract assets and all other financial assets measured at amortised cost are assessed for ECL individually and the expected loss rates are based on the Group's historical default rates, past-due status and the financial capability of individual debtor taking into consideration forward-looking information that is reasonable and supportable, and is available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes when the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's financial assets measured at amortised cost are disclosed in note 6 to the consolidated financial statements.

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of total debts and total equity. The ratio is calculated based on net debts and total equity of the Group. The directors review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issuance of new shares or repurchase of shares as well as issue of new debts or redemption of existing debts.

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratios as at 31 March 2025 and 2024 were as follows:

	2025	2024
	HK$'000	*HK$'000*
Bond payable	**12,000**	12,000
Less: cash and bank balances	**(2,113)**	(4,005)
Net debt	**9,887**	7,995
Total equity	**27,218**	33,117
Net debt to equity ratio	**36.3%**	24.1%

6. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025	2024
	HK$000	*HK$000*
Financial assets		
Financial assets at FVTPL	**28,059**	22,710
Financial assets at amortised cost	**36,364**	40,897
	64,423	63,607
Financial liabilities		
At amortised cost	**49,887**	45,023

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies

The Group major financial instruments include financial assets at FVTPL, trade and other receivables (excluded prepayment and other accruals), cash and bank balances, trade and other payables (excluded provision for long services payment), amount due to a former shareholder and bond payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments induce market risk (including equity price risk and interest rate risk), credit risk and impairment assessment and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

Market risk

(i) Equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities in Hong Kong. The directors manage this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments operating in 7 (2024: 7) industry sector quoted in the Stock Exchange. In addition, the Group monitors the price risk closely and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If the prices of the respective financial assets at FVTPL had been 5% (2024: 5%) higher/lower:

Post-tax loss for the year ended 31 March 2025 would decrease/increase by approximately HK$1,171,000 (2024: HK$948,000) as a result of the change in fair value of financial assets at FVTPL.

The Group's sensitivity to financial assets at FVTPL has not changed significantly from the prior years.

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bond payable. If interest rates had been 1% (2024: 1%) higher/lower and all other variables were held constant, the fair value of bond payable would decrease/increase by approximately HK$120,000 (2024: HK$120,000). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate receivables from securities broker. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank and securities broker. However, the directors are of the opinion that the Group does not have significant interest rate risk as the financial impacts arise from the fluctuation in interest rates is not expected to be material. The Group does not intend to seek to hedge its exposure to interest rate fluctuations. However, the Group will constantly review the economic situation and its interest rate risk profile, and will consider appropriate hedging measure in future as may be necessary.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to contract assets, trade receivables, receivables from securities broker, other receivables, deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets and contract assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

In order to minimise the credit risk, the directors have delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

Trade receivables and contract assets arising from contracts with customers

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 44.5% (2024: 37.7%) and 100% (2024: 100%) of the total trade receivables and contract assets was due from the Group's largest customer and the five largest customers respectively.

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

In addition, the Group performs impairment assessment under ECL model on trade receivables and contracts assets individually. Impairment losses recognised for trade receivables and impairment losses recognised for contract assets of approximately HK$1,285,000 (2024: impairment losses reversed of HK$2,589,000) and HK$2,467,000 (2024: impairment losses recognised of HK$772,000) for the year ended 31 March 2025 respectively. Details of the quantitative disclosures are set out below in this note.

Bank Balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

Deposits and other receivables

For deposits and other receivables (including receivables from securities broker), the directors make periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 March 2025 and 2024, except for deposits and other receivables with the gross amounts of HK$7,700,000 (2024: HK$3,500,000), the Group assessed the ECL for deposits and other receivables were insignificant and thus no loss allowance was recognised. The directors assessed the deposits and other receivables with the amounts of approximately HK$7,700,000 (2024: HK$3,500,000) based on 12m ECL and concluded that reversal of impairment losses with the amounts of HK$203,000 (2024: impairment losses recognised HK$364,000) was recognised for the year ended 31 March 2025.

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts and the counter party frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Written-off	There is evidence indicating that debtor is severe financial difficulty and the Group has no realistic prospect of recovery or in the case of trade receivables, when the amounts are over 2 years past due	Amount is written-off	Amount is written-off

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets which are subject to ECL assessment:

	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amounts HK$'000	2024 Gross carrying amounts HK$'000
Financial assets at amortised cost					
Trade receivables	N/A	*(Note 1)*	Lifetime ECL – not credit-impaired	**13,162**	12,036
			Lifetime ECL – credit-impaired	**28,045**	35,219
Contract assets	N/A	*(Note 1)*	Lifetime ECL – not credit-impaired	**4,291**	16,347
			Lifetime ECL – credit-impaired	**18,669**	5,268
Deposits and other receivables	N/A	Low risk	12m ECL	**8,627**	4,135
Bank balances	A1 or above	Low risk	12m ECL	**2,113**	4,003

Notes:

(1) For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The trade receivables and contract assets are assessed for ECL individually.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its construction operation. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on an individual basis. Trade receivables and contract assets with the gross carrying amounts of approximately HK$41,207,000 (2024: HK$47,255,000) and approximately HK$22,960,000 (2024: HK$21,615,000) respectively that are assessed individually.

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(1) (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables from contracts with customers based on an individual basis:

As at 31 March 2025

	Average loss rate *%*	**Gross carrying amounts** *HK$'000*	**Loss allowance** *HK$'000*
Current (not past due)	**0.3**	**254**	**1**
1 to 30 days past due	**N/A**	**–**	**–**
31 to 60 days past due	**6.2**	**1,749**	**108**
61 to 90 days past due	**6.2**	**2,035**	**126**
91 to 180 days past due	**6.2**	**1,434**	**89**
181 to 365 days past due	**16.7**	**1,308**	**218**
Over 1 year past due	**37.2**	**6,382**	**2,374**
		13,162	**2,916**

As at 31 March 2024

	Average loss rate *%*	Gross carrying amounts *HK$'000*	Loss allowance *HK$'000*
Current (not past due)	3.3	2,310	76
1 to 30 days past due	3.3	307	10
31 to 60 days past due	3.3	779	25
61 to 90 days past due	3.3	618	20
91 to 180 days past due	3.3	1,192	39
181 to 365 days past due	8.7	1,598	139
Over 1 year past due	18.1	5,232	945
		12,036	1,254

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(1) (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets based on an individual basis:

As at 31 March 2025

	Average loss rate *%*	**Gross carrying amounts** *HK$'000*	**Loss allowance** *HK$'000*
Current (not past due)	**19.1**	**4,291**	**821**

As at 31 March 2024

	Average loss rate *%*	Gross carrying amounts *HK$'000*	Loss allowance *HK$'000*
Current (not past due)	10.2	16,347	1,666

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables from contracts with customers under the simplified approach:

	Lifetime ECL (not credit-impaired) *HK$'000*	**Lifetime ECL (credit-impaired)** *HK$'000*	**Total** *HK$'000*
At 1 April 2023	12,349	4,097	16,446
Impairment losses recognised/(reversed)	1,508	(4,097)	(2,589)
At 31 March 2024 and 1 April 2024	13,857	–	13,857
Impairment losses recognised/(reversed)	1,662	(377)	1,285
Transfer to credit-impaired	(12,603)	12,603	–
As at 31 March 2025	**2,916**	**12,226**	**15,142**

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(1) (Continued)

The following table shows the movement in lifetime ECL that has been recognised for contract assets from contracts with customers under the simplified approach:

	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*	Total *HK$'000*
At 1 April 2023	895	5,268	6,163
Impairment losses recognised	772	–	772
At 31 March 2024 and 1 April 2024	1,667	5,268	6,935
Impairment losses recognised	473	1,994	2,467
Transfer to credit-impaired	(1,319)	1,319	–
At 31 March 2025	**821**	**8,581**	**9,402**

(2) Movement in the loss allowance of deposits and other receivables

The following table show reconciliation on loss allowance of deposits and other receivables under general approach:

	12m ECL ***HK$'000***
At 1 April 2023	324
Impairment losses recognised	364
At 31 March 2024 and 1 April 2024	688
Impairment losses reversed	(203)
At 31 March 2025	**485**

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's liquidity position is monitored on a daily basis by management and is reviewed monthly by the directors. The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms.

The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The interest payments are computed using contractual rates or, if variable, based on the prevailing interest rate at the end of each reporting period.

	Weighted average rate	**Within 1 year or on demand**	**1 to 2 year**	**2 to 5 years**	**Total undiscounted cash flows**	**Carrying amounts**
		HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
As at 31 March 2025						
Trade and other payables	**–**	**35,623**	**–**	**–**	**35,623**	**35,623**
Amount due to a former shareholder	**–**	**2,264**	**–**	**–**	**2,264**	**2,264**
Bond payable	**6.0%**	**12,720**	**–**	**–**	**12,720**	**12,000**
		50,607	**–**	**–**	**50,607**	**49,887**

	Weighted average rate	Within 1 year or on demand	1 to 2 year	2 to 5 years	Total undiscounted cash flows	Carrying amounts
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 March 2024						
Trade and other payables	–	30,759	–	–	30,759	30,759
Amount due to a former shareholder	–	2,264	–	–	2,264	2,264
Bond payable	6.0%	12,720	–	–	12,720	12,000
		45,743	–	–	45,743	45,023

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(i) Financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

(ii) Financial assets and financial liabilities that are measured at fair value

Some of the Group's financial instruments are measured at fair value at the end of the reporting period for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair value hierarchy

The following table illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 March 2025

	Level 1 ***HK$000***	**Level 2** ***HK$000***	**Level 3** ***HK$000***	**Total** ***HK$000***
Financial assets:				
Financial assets at FVTPL	**28,059**	**–**	**–**	**28,059**

As at 31 March 2024

	Level 1 *HK$000*	Level 2 *HK$000*	Level 3 *HK$000*	Total *HK$000*
Financial assets:				
Financial assets at FVTPL	22,710	–	–	22,710

During the years ended 31 March 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date in which they incur.

8. REVENUE

Revenue represents the consideration received and receivable from the provision of civil engineering works and provision of decoration and renovation works.

Disaggregation of revenue from contracts with customers

	2025 HK$'000	2024 HK$'000
Type of services		
Provision of civil engineering works	–	3,810
Provision of decoration and renovation works	**36,202**	31,331
Revenue from contracts with customers recognised over time	**36,202**	35,141

Performance obligations for contracts with customers

The Group provides civil engineering works and decoration and renovation works. Such works are recognised when the performance obligation is satisfied over time as the Group creates or enhances an asset that the customer controls as the Group performs. Revenue is recognised for these contract works based on the stage of completion of the contract using output method. Contracts with the Group's customers are agreed in fixed-price.

The Group's contracts include payment schedules which require stage payments over the contract period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits of total contract sum, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset is recognised over the period in which the contract services are performed representing the Group's right to consideration for the services performed because the rights are conditional on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from 0.5 to 2 years (2024: 0.5 to 2 years) from the date of the practical completion of the contract works. The relevant amount of contract assets is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the contract services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

8. REVENUE (Continued)

Performance obligations for contracts with customers (Continued)

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected turning of recognising revenue are as follows:

31 March 2025

	Civil engineering works	**Decoration and renovation works**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Within one year	**–**	**31,329**	**31,329**

31 March 2024

	Civil engineering works	Decoration and renovation works	Total
	HK$'000	*HK$'000*	*HK$'000*
Within one year	–	67,847	67,847

9. SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the provision of civil engineering works and decoration and renovation works. This operating segment has been identified on the basis of internal management reports reviewed by the information reported to the executive directors, being the chief operating decision makers (the "CODM"). The CODM mainly reviews revenue derived from the construction works. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, other than the entity-wide disclosure, geographical information and major customers, no segment analysis is presented.

9. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong and all of the Group's revenue were derived from Hong Kong. The Group's non-current assets are located in Hong Kong.

Major customers

Revenue from customers of the years ended 31 March 2025 and 2024 contributed over 10% of the Group's revenue are as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Customer A	**36,202**	31,331

Except for disclosed above, no other customer contributing over 10% of total revenue of the Group for both years.

10. OTHER INCOME

	2025 ***HK$'000***	2024 *HK$'000*
Compensation income of work-related injury *(note 1)*	**520**	1,175
Government grants *(note 2)*	**194**	–
Over-provision for long services payment	**648**	–
Sundry income	**30**	13
	1,392	1,188

Notes:

(1) The related income are reimbursement from insurance companies for the Group advance payment for work-related injury compensation.

(2) For the year ended 31 March 2025, the government subsidy represented subsidies to the Group for the ex-gratia payment under the "Ex-gratia Payment Scheme for Phasing Out Pre-Euro IV Diesel Commercial Vehicles" upon retirement of motor vehicle.

11. OTHER GAINS/(LOSSES), NET

	2025 ***HK$'000***	2024 *HK$'000*
Changes in fair value of financial assets at FVTPL	**5,349**	(13,287)

12. IMPAIRMENT LOSSES (RECOGNISED)/REVERSED UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025	2024
	HK$'000	*HK$'000*
Written off of trade receivables	**–**	(380)
Impairment losses (recognised)/reversed on expected credit losses model:		
– Trade receivables	**(1,285)**	2,589
– Contract assets	**(2,467)**	(772)
– Deposits and other receivables	**203**	(364)
	(3,549)	1,073

13. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

(a) Finance costs

	2025	2024
	HK$'000	*HK$'000*
Interest on bond payable	**720**	720

(b) Staff costs (including directors' remuneration)

	2025	2024
	HK$'000	*HK$'000*
Salaries, wages and other benefits in kind	**4,921**	5,761
Severance payment	**68**	36
Retirement benefit scheme contributions	**66**	112
Total staff costs	**5,055**	5,909
Less: Amount capitalised in cost of services provided	**–**	(959)
Staff costs included in administrative and other operating expenses	**5,055**	4,950

13. LOSS BEFORE TAX (Continued)

(c) Other items

	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration:		
– audit services	**390**	360
Depreciation of property, plant and equipment	**80**	80
Site equipment rental costs related to short-term leases (included in cost of services provided)	**–**	85

14. INCOME TAX EXPENSES

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. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Hong Kong Profits Tax is calculated at 16.5% on the estimated profit for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group's did not have any assessable profits arising in or derived from Hong Kong.

The income tax expenses for both years can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025	2024
	HK$'000	*HK$'000*
Loss before tax	**(5,899)**	(17,433)
Tax at Hong Kong Profits Tax rate of 16.5%	**(973)**	(2,876)
Tax effect of:		
Income not taxable for tax purpose	**(226)**	(196)
Expenses not deductible for tax purpose	**–**	120
Temporary differences not recognised	**597**	(254)
Estimated tax losses not recognised	**809**	3,210
Utilisation of tax losses previously not recognised	**(207)**	(4)
Income tax expenses	**–**	–

No deferred tax asset has been recognised for both years in respect of tax losses of approximately HK$103,884,000 (2024: HK$98,838,000) due to the unpredictability of future profit streams.

15. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

Directors' remuneration for the year is as follows:

		Other emoluments		
	Directors' fees *HK$'000*	**Salaries, allowances and benefits in kind** *HK$'000*	**Retirement benefit scheme contributions** *HK$'000*	**Total** *HK$'000*
2025				
Executive directors				
Mr. Chen Jian	**120**	**–**	**–**	**120**
Ms. Yu Xiao	**120**	**–**	**–**	**120**
Independent non-executive directors				
Mr. Wong Chi Kan	**120**	**–**	**–**	**120**
Ms. Lao In Lam	**96**	**–**	**–**	**96**
Mr. Liao Honghao	**102**	**–**	**–**	**102**
	558	**–**	**–**	**558**
2024				
Executive directors				
Mr. Chen Jian *(appointed on 3 October 2023)*	120	–	–	120
Ms. Lau Wing Yu *(resigned on 3 October 2023)*	100	–	–	100
Ms. Yu Xiao	120	–	–	120
Independent non-executive directors				
Mr. Wong Chi Kan	120	–	–	120
Ms. Lao In Lam	96	–	–	96
Mr. Liao Honghao	102	–	–	102
	658	–	–	658

15. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as the directors.

No emoluments were paid by the Group to the directors or as an inducement to join or upon joining the Group or as compensation for loss of office for both years. No directors have waived or agreed to waive any emoluments for both years.

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(b) Five highest paid individuals

The five highest paid individuals of the Group during the year do not include any director as of 31 March 2025 (2024: nil) whose emoluments are disclosed above. Details of the emoluments of the five (2024: five) highest paid individuals are as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Salaries, wages and other benefits in kind	**3,722**	2,825
Retirement benefit scheme contributions	**45**	72
	3,767	2,897

The emoluments of the five (2024: five) highest paid individuals are within the following bands:

	2025 **Number of individuals**	2024 Number of individuals
Nil to HK$1,000,000	**4**	5
HK$1,000,001 to HK$1,500,000	**1**	–
	5	5

15. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals (Continued)

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years. The five highest paid individuals have not waived or agreed to waive any emoluments for both years.

16. DIVIDENDS

No dividend was declared or paid by the Company to its shareholders during the year ended 31 March 2025 (2024: Nil), nor has any dividend been declared subsequent to the end of the reporting period.

17. LOSS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company	**(5,899)**	(17,433)

	2025	2024
	'000	*'000*
Number of shares		
Weighted average number of shares for the purpose of basic and diluted loss per share	**301,860**	301,860

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share computation for both years, the exercise of the above potential dilutive shares is not assumed in the computation of diluted loss per share for both years.

18. PROPERTY, PLANT AND EQUIPMENT

	Land and building HK$'000	Site equipment HK$'000	Total HK$'000
COST:			
At 1 April 2023	1,608	8,291	9,899
Disposals	–	(8,291)	(8,291)
At 31 March 2024, 1 April 2024 and 31 March 2025	1,608	–	1,608
ACCUMULATED DEPRECIATION AND IMPAIRMENT:			
At 1 April 2023	1,285	8,291	9,576
Charge for the year	80	–	80
Written back upon disposals	–	(8,291)	(8,291)
At 31 March 2024 and 1 April 2024	1,365	–	1,365
Charge for the year	80	–	80
At 31 March 2025	**1,445**	**–**	**1,445**
CARRYING AMOUNTS:			
At 31 March 2025	**163**	**–**	**163**
At 31 March 2024	243	–	243

In addition, the Group owns a office premises for daily operations. The Group is the registered owner of these property interests, including the underlying leasehold land. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned property are not presented separately as the payments made cannot be allocated reliably.

As at 31 March 2025 and 2024, the Group's land and building were located in Hong Kong under medium-term lease.

19. INTERESTS IN SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 March 2025 and 2024 are as follows:

Name of company	Place of incorporation and operation	Type of legal entity	Particulars of issued and paid up capital	Equity interest held by the Company	Principal activity
Super Pioneer Trading Limited	British Virgin Islands	Limited liability company	5 ordinary shares of US$1 each	100%# (2024: 100%#)	Investment holding
Luen Hing Construction & Eng. Limited	Hong Kong	Limited liability company	9,280,000 ordinary shares	100% (2024: 100%)	Provision of civil engineering works
Hop Fung Construction & Engineering Company Limited	Hong Kong	Limited liability company	4,940,000 ordinary shares	100% (2024: 100%)	Inactive
Mullen Building Limited	Hong Kong	Limited liability company	10,000 ordinary shares	100%# (2024: 100%#)	Provision of decoration and renovation works
LW International Trading Limited	Hong Kong	Limited liability company	10,000 ordinary shares	100% (2024: 100%)	Dormant

The issued capital of these companies were held by the Company directly.

None of the subsidiaries had issued any debt securities subsisting at the end of the reporting period or at any time during the year.

20. CONTRACT ASSETS, CONTRACT COSTS AND CONTRACT LIABILITIES

(a) Contract assets

	2025 **HK$'000**	2024 HK$'000
Contract assets		
Retention receivables of construction contracts	**22,960**	21,615
Less: allowances for credit losses	**(9,402)**	(6,935)
	13,558	14,680

20. CONTRACT ASSETS, CONTRACT COSTS AND CONTRACT LIABILITIES (Continued)

(a) Contract assets (Continued)

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The Group also typically agrees to a twelve-months retention period for 5% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

Retention receivables included in contract assets represents the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

The amount of contract assets (net of allowance for credit losses) that is expected to be recovered after more than one year is approximately HK$7,987,000 (2024: HK$10,923,000), all of which relates to retention receivables. The Group classifies these contract assets under current assets because the Group expects to realise them in its normal operating cycle. Due to the completion of the construction, approximately HK$561,000 (2024: HK$13,544,000) of contract assets were transferred to trade receivables.

Details of the impairment assessment are set out in note 6 to the consolidated financial statements.

(b) Prepayment for contract costs

Contract costs prepaid related to the deposit paid to the subcontractors who performing the construction services which is still in progress at the end of the reporting period. Contract costs are recognised as part of cost of services provided in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related construction services is recognised. There was no impairment in relation to the costs capitalised during the year ended 31 March 2025 and 2024.

During the year 31 March 2025, prepayment for contract costs with the amounts of approximately HK$2,221,000 (2024: HK$2,221,000) are expected to be recognised as cost of services provided within one year.

20. CONTRACT ASSETS, CONTRACT COSTS AND CONTRACT LIABILITIES (Continued)

(c) Contract liabilities

The contract liabilities primarily relate to the advanced payment received from customers, for which revenue is recognised based on the progress of the provision of related services.

Contract liabilities of the Group, which are expected to be settled within the Group's normal operating cycle, are classified under current liabilities.

As at 31 March 2025, contract liabilities of approximately HK$1,517,000 (2024: HK$1,517,000) was advance payment from customers for the construction work and are expected to be recognised as revenue within one year.

21. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables from contracts with customers	**41,207**	47,255
Less: allowances for credit losses	**(15,142)**	(13,857)
	26,065	33,398
Receivables from securities broker	**907**	615
Deposits for surety bonds	**7,215**	2,812
Other receivables, deposits and prepayments	**64**	870
	34,251	37,695

21. TRADE AND OTHER RECEIVABLES (Continued)

The aging analysis of trade receivables (net of allowance for credit losses) based on invoice date is as follows:

	2025 **HK$'000**	2024 HK$'000
0 – 30 days	**253**	2,069
31 – 60 days	**–**	275
61 – 90 days	**1,640**	699
91 – 180 days	**3,255**	1,747
181 – 365 days	**1,089**	1,474
Over 365 days	**19,828**	27,134
	26,065	33,398

The Group usually grants customers a credit period up to 45 days. The Group did not hold any collateral as security or other credit enhancements over the trade and other receivables as at 31 March 2025 and 2024 and no interest is charged on trade receivables.

Trade receivables with carrying amounts of approximately HK$25,812,000 (2024: HK$31,329,000) (net of allowance for credit losses) are past due at the end of the reporting period. Out of the past due balances, approximately HK$15,819,000 (2024: HK$22,615,000) (net of allowance for credit losses) has been past due more than 1 year but is not considered as default because of the counterparty has partially settled the balance after the end of reporting period. Based on the above circumstance, the directors are in the opinion that the balances which has been past due more than 1 year are still considered as collectible.

Details of impairment assessment are set out in note 6 to the consolidated financial statements.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 **HK$'000**	2024 HK$'000
Listed securities classified as held for trading investments:		
– Equity securities listed in Hong Kong	**28,059**	22,710

At the end of the reporting period, all financial assets at FVTPL are stated at fair values. Fair values of listed securities classified as held for trading investments are determined with reference to quoted market closing prices.

Details of the fair value measurement of the Group's investments in listed securities are disclosed in note 7 to the consolidated financial statements.

23. CASH AND BANK BALANCES

Cash in banks earn interests at floating rates based on daily bank deposit rates.

For the years ended 31 March 2025 and 2024, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant, no allowance for ECL is provided for the years.

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to directors included in trade and other payables	Interest payables	Bond payable	Amount due to a former shareholder	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2023	24	1,677	12,000	10,033	23,734
Changes from financing cash flows:					
Financing cash outflow	–	(100)	–	(7,769)	(7,869)
Non-cash changes:					
Finance costs recognised *(note 13(a))*	–	720	–	–	720
At 31 March 2024 and 1 April 2024	24	2,297	12,000	2,264	16,585
Changes from financing cash flows:					
Financing cash outflow	5,378	–	–	–	5,378
Non-cash changes:					
Finance costs recognised *(note 13(a))*	–	720	–	–	720
At 31 March 2025	**5,402**	**3,017**	**12,000**	**2,264**	**22,683**

24. TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**11,716**	12,672
Retention monies payables	**13,556**	12,851
Provision for long services payment	**300**	928
Amount due to a director of the Company	**24**	24
Amount due to a director of a subsidiary	**5,378**	–
Accruals and other payables	**5,765**	5,554
	36,739	32,029

Retention monies payable in relation to the release of retention vary from contract to contract, which usually within 1-2 years and subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

Accruals and other payables mainly consist of accrued staff costs of approximately HK$763,000 (2024: HK$309,000) and accrued interest expenses of approximately HK$3,017,000 (2024: HK$2,297,000).

The amounts due to directors of the Company and a subsidiary were unsecured, interest-free and repayable on demand.

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

	2025 HK$'000	2024 HK$'000
0 – 30 days	**243**	2,223
31 – 60 days	**–**	277
61 – 90 days	**1,622**	783
Over 90 days	**9,851**	9,389
	11,716	12,672

The credit period normally granted by its suppliers is up to 30 days.

25. AMOUNT DUE TO A FORMER SHAREHOLDER

The amount due was unsecured, interest-free and repayable on demand.

26. BOND PAYABLE

Bond payable with a principal amount of HK$12,000,000 were unsecured, interest bearing at 6% per annum and repayable on 2 December 2022 which was two years after the drawdown date. As at 31 March 2025, the bond payable had matured and remain unsettled.

27. SHARE CAPITAL

	Number of shares	Nominal value of shares
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.16 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**500,000**	**500,000**
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**301,860**	**48,298**

28. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "Scheme"), was adopted pursuant to written resolution of the Company passed on 24 March 2016 for the primary purpose of providing incentives to directors of the Company, eligible employees and consultants, and expired on 10 July 2024. Under the Scheme, the board of directors of the Company may grant options to consultants and employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

Options granted must be taken up on the date of grant, upon payment of HK$1.00. Options may be exercised at any time from the date of grant of the share option to the fifth anniversary of the date of grant. The exercise price is determined by the board of directors, and will not be less than the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Company's shares on the date of grant; and (iii) the average closing price of the shares for the five business days immediately preceding the date of grant.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Equity-settled share option scheme of the Company (Continued)

As at 31 March 2025 and 2024, 30,186,000 options and 30,186,000 options are available for grant under the Scheme, respectively.

As at the date of the annual report, 30,186,000 shares are available for issue under the Scheme, which represent 10% of the issued share capital of the Company.

As at 31 March 2025, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 19,842,480 (2024: 26,974,800), representing 6.6% (2024: 8.9%) of the share of the Company in issue at that date.

Details of the share options granted are as follows:

Date of grant	Vesting date	Exercise period	Exercise price	Closing price of the share immediately before the date of grant
11 July 2019	11 July 2019	5 year from the date of grant	HK$0.404	HK$0.404
18 August 2020	18 August 2020	5 year from the date of grant	HK$0.09	HK$0.09
12 July 2021	12 July 2021	5 year from the date of grant	HK$0.09	HK$0.09
18 March 2022	18 March 2022	5 year from the date of grant	HK$0.163	HK$0.162

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Equity-settled share option scheme of the Company (Continued)

	Date of grant	Exercise price per option* HK$	Exercise period	Balance as at 1 April 2023, 31 March 2024 and 1 April 2024	Lapsed during the year	Balance as at 31 March 2025
Directors						
Yu Xiao	11 July 2019	1.414	5 years from the date of grant	891,540	(891,540)	**–**
Other employees	11 July 2019	1.414	5 years from the date of grant	3,566,160	(3,566,160)	**–**
	12 July 2021	0.315	5 years from the date of grant	10,698,480	–	**10,698,480**
	18 March 2022	0.163	5 years from the date of grant	9,144,000	–	**9,144,000**
Consultants	11 July 2019	1.414	5 years from the date of grant	2,674,620	(2,674,620)	**–**
Total				26,974,800	(7,132,320)	**19,842,480**
Exercisable at the end of the reporting period				26,974,800		**19,842,480**
				HK$	*HK$*	***HK$***
Weighted average exercise price				0.554	1.414	**0.245**

* The exercise prices and numbers of share options have been adjusted with effect from 13 September 2021 and from 29 October 2021 due to the capital reorganisation and the rights issue, respectively.

The fair value was calculated using the binomial model. The inputs into the model were as follows:

	18 March 2022	12 July 2021
Exercise price (HK$)	0.163	0.090
Expected volatility (%)	129.070	132.782
Expected life (years)	5	5
Risk-free rate (%)	1.801	0.564
Expected dividend yield (%)	–	–

Expected volatility was determined by using the historical volatility of other companies' share price over the previous 5 years. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

29. RESERVES

The amounts of the Group's reserves and the movements during the year are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Share premium

The share premium represents the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Share-based payment reserve

Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised in administrative and other operating expenses with a corresponding increase in the share-based payment reserve, such amount would be reclassified to accumulated losses/retained earnings upon the lapse of those vested share option.

Other reserve

Other reserve represents the reserve arising from the loan capitalisation of Luen Hing and Hop Fung on 21 March 2016.

Capital reserve

Capital reserve represents the difference between the nominal values of the share capital of subsidiaries acquired by the Group and the nominal value of the Company's shares issued for the acquisition under the reorganisation.

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investments in subsidiaries	–	–
Current assets		
Other receivables and prepayments	908	1,419
Financial assets at FVTPL	28,059	22,710
Bank balances	110	110
	29,077	24,239
Current liabilities		
Accruals	4,690	3,139
Amount due to a former shareholder	2,264	2,264
Amounts due to subsidiaries	24,788	22,369
Bond payable	12,000	12,000
	43,742	39,772
Net current liabilities	(14,665)	(15,533)
Net liabilities	(14,665)	(15,533)
CAPITAL AND RESERVES		
Share capital	48,298	48,298
Reserves	(62,963)	(63,831)
Deficiency in assets	(14,665)	(15,533)

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 30 June 2025 and are signed on its behalf by:

Chen Jian
Director

Yu Xiao
Director

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

The movements of the Company's reserves are as follows:

	Share capital HK$'000	Share premium HK$'000	Share-based payment reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	48,298	60,696	6,030	(113,177)	1,847
Loss and total comprehensive expense for the year	–	–	–	(17,380)	(17,380)
At 31 March 2024 and 1 April 2024	48,298	60,696	6,030	(130,557)	(15,533)
Profit and total comprehensive income for the year	–	–	–	868	868
Lapsed of share options	–	–	(3,462)	3,462	–
At 31 March 2025	**48,298**	**60,696**	**2,568**	**(126,227)**	**(14,665)**

31. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties:

Compensation of key management personnel of the Group, who were the directors of the Company, are as follows:

(a) Key management personnel compensation

	2025 *HK$'000*	2024 *HK$'000*
Salaries, wages and other benefits in kind	**558**	658
Retirement benefit scheme contributions	**–**	–
	558	658

The remuneration of the directors and key management personnel is determined by the remuneration committee regarded to the performance of individuals and market trends.

Further details of directors' emoluments are included in note 15(a) to the consolidated financial statements.

32. EVENTS AFTER THE REPORTING PERIOD

On 10 June 2025, the Company announced that the Board proposed to change the English name of the Company from "WMHW Holdings Limited" to "Ju Fu Tang Biotech Holdings Co., Ltd" and the dual foreign name in Chinese of the Company from "萬民好物控股有限公司" to "菊福堂生物控股有限公司". For details, please refer to the announcement of the Company dated 10 June 2025.

33. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 30 June 2025.

SUMMARY OF FINANCIAL INFORMATION

	For the year ended 31 March				
	2021	2022	2023	2024	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
CONSOLIDATED RESULTS					
Revenue	168,300	92,754	104,601	35,141	**36,202**
Loss before tax	(15,510)	(20,208)	(9,963)	(17,433)	**(5,899)**
Income tax credit	2,380	61	–	–	**–**
Loss and total comprehensive expense for the year attributable to owners of the Company	(13,130)	(20,147)	(9,963)	(17,433)	**(5,899)**

	As at 31 March				
	2021	2022	2023	2024	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
CONSOLIDATED ASSETS AND LIABILITIES					
Total assets	163,205	144,347	105,514	81,554	**80,365**
Total liabilities	(138,445)	(83,834)	(54,964)	(48,437)	**(53,147)**
Net assets	24,760	60,513	50,550	33,117	**27,218**