NIU Holdings Limited

(formerly known as King Of Catering (Global) Holdings Ltd.)
(incorporated in the Cayman Islands with limited liability)
Stock Code: 8619

Annual Report 2026

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This report will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting. This report will also be published on the website of the Company at www.niuholdings.com.hk

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. LEUNG Suet Yiu (Resigned on 29 May 2026)
Mr. MAN Kwok Hing (Retired on 30 September 2025)
Mr. TSANG Wing Ki *(Managing Director)*
(Resigned on 31 October 2025)
Mr. LEUNG Chun Yu Edmund

Non-Executive Directors

Mr. YUEN Chi Ping *(Chairman)*
Mr. TAKEDA Masahiro
(Retired on 30 September 2025)
Dr. CHAN Yin Nin *(Chairman)*
(Appointed on 31 March 2026)

Independent Non-Executive Directors

Ms. SIU Yuk Ming (Resigned on 31 October 2025)
Ms. LUNG Wing Yee
Mr. LEUNG Man Chun
Mr. WONG Chun Man (Appointed on 30 January 2026)

COMPANY SECRETARY

Mr. NG Chun Chung

AUTHORISED REPRESENTATIVES

Mr. NG Chun Chung
Mr. TSANG Wing Ki *(Managing Director)*
(Resigned on 31 October 2025)
Mr. LEUNG Chun Yu Edmund
(Appointed on 31 October 2025)

AUDIT COMMITTEE

Ms. SIU Yuk Ming *(Chairlady)*
(Resigned on 31 October 2025)
Mr. LEUNG Man Chun *(Chairman)*
(Appointed on 31 October 2025)
Ms. LUNG Wing Yee
Mr. WONG Chun Man (Appointed on 30 January 2026)

REMUNERATION COMMITTEE

Mr. LEUNG Man Chun *(Chairman)*
Ms. SIU Yuk Ming (Resigned on 31 October 2025)
Ms. LUNG Wing Yee
Mr. WONG Chun Man (Appointed on 30 January 2026)

NOMINATION COMMITTEE

Ms. LUNG Wing Yee *(Chairlady)*
Ms. SIU Yuk Ming (Resigned on 31 October 2025)
Mr. LEUNG Man Chun
Mr. WONG Chun Man (Appointed on 30 January 2026)

AUDITOR

TARGET CPA Limited

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 804, Intercontinental Plaza,
No. 94 Granville Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.,
Two Chinachem Exchange Square,
338 King's Road,
North Point,
Hong Kong SAR

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
Bank of China (HK) Limited

WEBSITE ADDRESS

www.niuholdings.com.hk

PLACE OF LISTING

GEM of the Stock Exchange

STOCK CODE

8619

Chairman's Statement

Dear Shareholders,

On behalf of the Board of NIU Holdings Limited, I am pleased to present the annual report of the Group for the financial year ended 31 March 2026 to our shareholders.

REVIEW

During the financial year under review, the Group operated against a highly challenging macroeconomic volatility, exacerbated by a fluctuation in the Hong Kong real estate market. For the financial year ended 31 March 2026, the Group recorded a total revenue of approximately HK$77.9 million, representing a decrease of 25.3% compared to approximately HK$104.3 million in the preceding financial year. This contraction was primarily attributable to a reduction in the number of active projects and a diminished revenue contribution from our core structural and geotechnical engineering consultancy services, which bore the direct brunt of the property market slowdown.

However, faced with these challenges, our strategic diversification into the Information Technology ("**IT**") sector has demonstrated certain commercial viability and resilience. During the year, the IT segment secured customer engagements and received upfront deposits from customers, reflecting market acceptance of the Group's digital solutions and supporting the Group's ongoing technology development and long-term business growth.

Furthermore, the Group's net profit was heavily impacted by exogenous macroeconomic factors, specifically the heightened volatility in the US capital markets. The downward adjustment in the market valuation of Super X AI Technology Ltd. resulted in a significant fair value change in our investment in the OPS. We wish to emphasize to our shareholders that this financial adjustment is strictly non-cash in nature and does not impact the Group's liquidity, net cash inflows from operating activities, or the structural health of our day-to-day business operations. While these headwinds have created a temporary drag on our reported earnings, the resilient foundation of our engineering business, paired with the steady operational birth of our IT segment, reinforces our confidence that the Group is charting the correct course to weather this market cycle.

OUTLOOK

Going forward into 2027, the Group will continue to consolidate its leading position in the construction engineering consultancy sector, capturing opportunities arising from the sustained supply of land for residential and commercial development in Hong Kong.

Crucially, the IT segment is poised to play an increasingly pivotal role in our growth strategy. As digital transformation accelerates across the infrastructure and construction landscapes, we will further scale up our digital capabilities, optimize smart workflows, and enhance the weighting of high-potential IT solutions within our overall business portfolio. We aim to continuously drive efficiency, maximize profit margins, and explore additional profitable business segments when opportunities appear to generate long-term sustainable returns for our shareholders.

APPRECIATION

On behalf of the Board, I extend our deep gratitude to the Group's shareholders, banking partners, customers and business associates for their steadfast support. I wish to express heartfelt thanks to our management team and staff for their unwavering commitment and valuable contributions to the Group's development.

Mr. Yuen Chi Ping
Chairman

Hong Kong, 30 June 2026

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group's core business is comprehensive structural and geotechnical engineering consultancy, with primary operations concentrated in Hong Kong and Macau. During the year, alongside reinforcing this foundational engineering segment, the Group strategically expanded its information technology (IT) business, extending its operational footprint from Hong Kong and Macau into the PRC market. This dual-pronged strategy effectively balances the Group's service portfolio (engineering consultancy versus IT solutions) and geographic diversification (the Greater Bay Area versus the broader PRC market), thereby laying a more resilient foundation for sustainable revenue growth and cross-regional synergy. The Group's engineering consultancy services encompassed structure engineering, geotechnical engineering, certain civil engineering practice areas, and material engineering, whereas its IT business focused primarily on provision of IT solutions & services and procurement of IT products.

During the year ended 31 March 2026, the Group recorded a decrease in revenue of approximately 25.3% to approximately HK$77.9 million from approximately HK$104.3 million for the preceding financial year. Such decrease was mainly due to the decrease in number of projects and revenue contribution from structural and geotechnical engineering consultancy services. During the year, the IT segment secured customer engagements and received upfront deposits from customers, reflecting market acceptance of the Group's digital solutions and supporting the Group's ongoing technology development and long-term business growth.

Our diversification strategy underwent a comprehensive market examination during the year. Our newly established IT segment has navigated the initial stages smoothly and achieved stable operations. However, the Group's overall financial performance was weighed down by the challenging macroeconomic environment and the downturn in property market, which led to a substantial reduction in revenue from our geotechnical engineering consultancy segment. Consequently, this contraction in our core traditional sector resulted in a decline in the Group's overall operating profit for the year. The US Stock market volatility and decrease in market value of Super X AI Technology Ltd. also resulted in the significant decrease of fair value of the OPS, which is non-cash in nature

Looking forward, the Directors expect that the government's sustained commitment to land and infrastructure supply in Hong Kong, including major regional developments, remains a key driver for the construction engineering consultancy sector. Leveraging our seasoned management team and solid market reputation, the Group is well-positioned to navigate industry-wide challenges and capture these underlying opportunities. The Group continues to adopt a dual-engine growth strategy: we continue to consolidate our market share by securing high-quality engineering consultancy contracts, while concurrently accelerating the commercialisation and scaling of our IT segments to foster diversified revenue streams.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of the Group decrease from approximately HK$104.3 million for the year ended 31 March 2025 to approximately HK$77.9 million for the year ended 31 March 2026, representing an decrease of approximately HK$26.4 million or 25.3%. Such decrease was mainly due to the decrease in number of projects and revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties. While the Group's IT segment did not contribute to revenue during the year under review, we are immensely encouraged by the significant strategic progress achieved. The segment secured a major client engagement, evidenced by a substantial upfront prepayment that underscores strong market confidence in our technical capabilities and solution offering. Beyond this anchor project, the Group has invested meaningfully in building a robust project delivery team and enhancing our proprietary technology stack. We view this as a foundational investment period, positioning the IT segment for meaningful revenue recognition and sustained growth in the coming financial years as contractual milestones are achieved.

Cost of Services

The cost of services decreased from approximately HK$79.8 million for the year ended 31 March 2025 to approximately HK$55.1 million for the year ended 31 March 2026, representing a decrease of approximately HK$24.7 million or 30.9%. The cost of services mainly comprised of staff costs for professional staff and sub-consulting costs. The decrease in total cost of services was mainly attributable to the net effect of (i) decrease in sub-consulting charges incurred for the construction projects related to structural and geotechnical engineering consultancy services; (ii) deduction in numbers of staff for the structural and geotechnical engineering consultancy services for the year ended 31 March 2026.

Gross Profit

Gross profit of the Group decreased by approximately HK$1.7 million from approximately HK$24.5 million for the year ended 31 March 2025 to approximately HK$22.8 million for the year ended 31 March 2026, representing a decrease of approximately HK$1.7 million or 6.9%. The gross profit margin increased from 23.5% for the year ended 31 March 2025 to 29.3% for the year ended 31 March 2026. The increase was mainly caused by the increase in number of small scale projects with higher gross profit margin in general.

Other Income and Other Gains or Losses

Other income and other gains or losses of the Group for the years ended 31 March 2026 and 2025 were approximately HK$0.1 million and HK$1.4 million respectively, representing a decrease of approximately HK$1.3 million. Such decrease was mainly attributable to the decrease in bank interest income.

Management Discussion and Analysis

Fair Value Changes on Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

During the year ended 31 March 2026, the Group recorded a loss arising from fair value changes on financial assets at FVTPL of approximately HK$73.3 million, representing the decrease of fair value of the OPS held by the Group as at 31 March 2026. The market volatility and decrease in market value of Super X AI Technology Ltd. is the main cause for the decrease of fair value of the OPS as mentioned.

General and Administrative Expenses

General and administrative expenses of the Group were increased by approximately HK$24.0 million or 68.2% from approximately HK$35.2 million for the year ended 31 March 2025 to approximately HK$59.2 million for the year ended 31 March 2026. General and administrative expenses primarily consisted of staff costs for accounting and administrative staff, bonus payment, staff training and welfare, depreciation and legal and professional fees.

Finance Costs

Finance costs amounted to approximately HK$0.5 million and HK$0.4 million for the years ended 31 March 2026 and 2025 respectively, which represented interest expenses on lease liabilities and interest expenses on bank borrowings. The Group's low finance costs underscore a disciplined approach to liability management and capital allocation. Through rigorous debt monitoring and a preference for self-funded operations, we have successfully contained external financing expenses.

Income Tax Expense

The Group incurred income tax expense of approximately HK$1.5 million for the year ended 31 March 2026 and approximately HK$0.5 million (credit) for the year ended 31 March 2025. Such change was primarily attributable to increase in assessable profit of a major operating subsidiary of the Company for the year ended 31 March 2026.

(Loss) profit for the Year

Loss for the year of the Group amounted to approximately HK$139.3 million for the year ended 31 March 2026 (for the year ended 31 March 2025: profit of approximately HK$64.5 million). The loss was primarily attributable to the fair value changes on financial asset at fair value through profit or loss of approximately HK$73.3 million, and with the operating loss of approximately HK$22.0 million as compared to approximately HK$13.2 million loss for the year ended 31 March 2025.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group has met its liquidity requirements principally through net cash flows generated from our operations. The Group's principal uses of cash have been, and are expected to continue to be, applied to operational costs. The Directors believe that in the long-term, the Group's operations will be funded by internally generated cash flows and, if necessary, additional equity financing and/or bank borrowings.

The current ratio decreased from approximately 3.4 times as at 31 March 2025 to 1.8 times as at 31 March 2026. The decrease was mainly due to the combine effect of decrease in trade and other receivables and increase in trade and other payables as at 31 March 2026 compared to 31 March 2025.

As at 31 March 2026, the Group had total borrowings of approximately HK$3.3 million (31 March 2025: nil). The gearing ratio, calculated based on total debts divided by total equity at the end of the reporting period and multiplied by 100%, was approximately 9.3%. Despite the introduction of borrowings, the Directors consider the Group's financial position to remain sound and robust, with sufficient liquidity to satisfy all funding requirements through available cash and bank balances, as well as existing undrawn credit facilities.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the current period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 17 September 2018. The share capital of the Company only comprises of ordinary shares.

As at the date of this report, the Company's authorised share capital was HK$150,000,000 divided into 1,500,000,000 shares at par value of HK$0.1 each and the number of its issued ordinary shares was 144,545,000.

A Rights Issue was approved by the Independent Shareholders at the further adjourned extraordinary general meeting of the Company convened and held on 14 May 2026 by a resolution in accordance and in compliance with the Rule 10.29(1) of the GEM Listing Rules. Upon completion of the Right Issue, the total issued shares will be increased accordingly. For details, please refer to the prospectus of the Company dated 28 May 2026.

Management Discussion and Analysis

COMMITMENTS

As at 31 March 2026, the Group did not have any capital commitments (31 March 2025: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2026, the Group did not have plan for material investments and capital assets.

SIGNIFICANT INVESTMENT

As at 31 March 2026, the Group held a significant investment on the OPS. The principal activity of the OPS is investment holdings, and one of its subsidiaries, Super X AI Technology Ltd., is primarily engaged in AI-driven technology and interior design consultancy services. The Group held 1,681 shares of the OPS representing an equity interest of approximately 2.56%. The OPS in turn held 3,232,576 shares of the Super X AI Technology Ltd. As at 31 March 2026, the fair value of this significant investment was approximately HK$23.5 million, accounting for approximately 17.5% of total assets of the Group. In terms of investment performance, driven by decrease in market value, the Group recorded an unrealised loss arising from fair value changes on financial assets at FVTPL of approximately HK$73.3 million, representing the decrease of fair value of the OPS held by the Group as at 31 March 2026, and no dividends were received during the year. The Group's investment strategy for this significant investment is to capture capital appreciation through long-term, buy and hold strategy.

The Group had a significant investment on a Sale and Purchase Agreement dated 27 November 2025 entered into between Kelca Limited ("**Kelca**"), a wholly-owned subsidiary of the Company, as purchaser, and Mr. YIP Man Chun ("**Mr. Yip**"), as vendor, pursuant to which Mr. Yip agreed to sell and Kelca agreed to acquire 60% of the equity interest in Smart Building Management System Limited at a total consideration of HK$7,500,000 (the "**Acquisition**"). Please refer to Company's announcement dated 27 November 2025 for further details of the Acquisition.

CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 31 March 2026 (31 March 2025: nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in Hong Kong dollars. In addition, the Group bank balances are mainly denominated in Hong Kong dollars. The Directors consider the impact of foreign exchange exposure to the Group is minimal. During the year ended 31 March 2026, the Group did not enter into any foreign exchange forward contracts or other hedging instrument to hedge against fluctuations.

CHARGE ON GROUP'S ASSETS

As at 31 March 2026, general banking facilities were granted to the Company and its subsidiaries. The general banking facilities were secured by the bank deposit of HK$2.1 million and corporate guarantee from the Company (31 March 2025: HK$2.1 million).

Management Discussion and Analysis

EVENT AFTER THE REPORTING PERIOD

As at the date of this report except for describe below, there was no significant event after 31 March 2026 which was relevant to the business or financial performance of the Group that come to the attention of the Directors.

A Rights Issue was approved by the Independent Shareholders at the further adjourned extraordinary general meeting of the Company convened and held on 14 May 2026 by a resolution in accordance and compliance with the Rule 10.29(1) of the GEM Listing Rules. For details please refer to the prospectus of the Company dated 28 May 2026. On 18 June 2026, a total of 11 valid applications had been received for a total of 149,385,757 rights shares, representing approximately 51.67% of the offered shares. Pursuant to the irrevocable undertaking, the underwriter has subscribed for 43,647,200 rights shares provisionally allotted to him. The remaining 139,704,243 unsubscribed rights shares, representing approximately 48.33% of the offered shares, will be subject to the compensatory arrangements. For further details, please refer to the announcement of the Company dated 18 June 2026.

The Company adopted a share option scheme on 27 August 2018 (the "**Scheme**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. On 27 October 2025, the Company granted a total of 4,480,895 share options to its Directors and employees, which have not yet been exercised. For further details, please refer to the Company's announcement dated 27 October 2025.

Immediately before completion of the Rights Issue, there were outstanding share options entitling the holders thereof to subscribe for a total of 4,480,895 Existing Shares at an exercise price of HK$0.25 per Share granted under the Share Option Scheme. Immediately after completion of the Rights Issue, the following adjustments will be made to the exercise price of the Share Options and the number of Shares to be issued upon the exercise of the outstanding Share Options in accordance with (i) the terms and conditions of Share Option Scheme; (ii) Rule 23.03(13) of the GEM Listing Rules; and (iii) the Supplementary Guidance on GEM Listing Rule 23.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
Date of grant	Exercise price per Share	Number of Shares to be issued upon full exercise of the Share Options	Exercise price per Share	Number of Shares to be issued upon full exercise of the Share Options
27 October 2025	HK$0.25	4,480,895	HK$0.175	6,407,677

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed in note 8 to the consolidated financial statements.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed a total of 155 employees (31 March 2025: 161 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$66.9 million for the year ended 31 March 2026 (for the year ended 31 March 2025: approximately HK$75.5 million). Remuneration is mainly determined with reference to market trends, the Group's operating results and the performance, qualification and experience of individual employee. The remuneration packages mainly comprise basic salaries, medical coverage, overtime allowance, travelling allowance and discretionary bonuses based on individual performance, which are offered to employees as recognition of and reward for their contributions.

USE OF PROCEEDS

Up to 31 March 2026, we utilised the net proceeds in accordance with the designated uses set out in the Prospectus and the announcement of Company dated 5 March 2021 and 31 December 2021 in relation to the change in use of proceeds as follows:

Business strategies	Revised allocation of the total net proceeds designated in the announcement dated on 31 December 2021 HK$' million	Actual usage of net proceeds up to 31 March 2026 HK$' million	Unutilised net proceeds as at 31 March 2026 HK$' million	Expected timeline for utilising the unutilised net proceeds
Support and expand our structural and geotechnical engineering team	11.8	11.8	–	Not applicable
Grow and develop our civil engineering team	7.9	7.9	–	Not applicable
Expand our office infrastructure and BIM upgrade	1.3	1.3	–	Not applicable
Support and expand our material engineering and building repairs area of service	0.1	0.1	–	Not applicable

Business strategies	Revised allocation of the total net proceeds designated in the announcement dated on 31 December 2021 HK$' million	Actual usage of net proceeds up to 31 March 2026 HK$' million	Unutilised net proceeds as at 31 March 2026 HK$' million	Expected timeline for utilising the unutilised net proceeds
General working capital	1.2	1.2	–	Not applicable
Acquisition of or investment in companies in construction and property development industry	4.6	4.6	–	Not applicable
	26.9	26.9	–	

The Company completed 3 times of placing of new shares on 31 January 2024 (the "**First Placing**"); 29 May 2024 (the "**Second Placing**") and 30 May 2025 (the "**Third Placing**") respectively. The net proceeds raised were approximately HK$19.9 million, HK$17.0 million and HK$2.4 million respectively.

Regarding the First Placing, according to the use of proceed, approximately HK$8.0 million was planned to be used as working capital and has been used up. The remaining approximately HK$11.9 million was to be used for new business development in various potential profitable sectors, including but not limited to food and beverage related businesses, catering, entertainment, and medical beauty. The proceed was fully used up as at the date of this report.

Regarding the Second Placing, according to the use of proceed, approximately HK$3.0 million has been used as working capital. The remaining approximately HK$14.0 million was used for development of food and beverage and IT business segments. The proceed was fully used up as at the date of this report.

Regarding the Third Placing, according to the use of proceed, approximately HK$0.4 million was used as working capital, approximately HK$0.3 million was used for business development of engineering consultant services and provision of equipment, and approximately HK$1.7 million was used for the expansion and improvement of IT business segments. The proceed was used up as at the date of this report.

Management Discussion and Analysis

PRINCIPAL RISKS AND UNCERTAINTIES

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties facing the Group are summarized below:

– The Group relies heavily on professional staff, in particular, management team, in operating the business;

– The Group determines the tender price based on, among other things, the estimated time and costs involved in a project, which may deviate from the actual time and costs involved;

– Service fee may not be paid in full due to clients' projects not being completed as originally planned; and

– The Group is exposed to the credit risk of trade receivables and may experience increasing balance of such receivables and longer trade receivables' turnover days.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus. Material principal risks and uncertainties affecting the Group are substantially unchanged from those disclosed in the Prospectus. The Directors will monitor, assess and respond to the above risks in a timely manner.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTOR

Mr. LEUNG Chun Yu Edmund (梁震宇先生) ("**Mr. Leung**"), aged 59, has been an executive Director of the Company since 23 August 2024. Mr. Leung obtained a professional diploma in Chinese Catering Management in 2006 and graduated with the first place that the professional diploma course was organised by the Hong Kong Institute of Vocational Education, Rice Seedling Cultivation Program and Vocational Training Council together. Mr. Leung has been working as chairman and director of various private companies since 1998. Mr. Leung was a non-executive Director of Simplicity Holding Limited (Stock code: 8367) since 16 August 2023 and resigned on 10 October 2023.

Mr. Leung has over 31 years' experience in marketing and management and holds office currently in several associations, including but not limited to, namely executive vice chairman of Catering and Food Industry Alliance of Guangdong-Hong Kong-Macao Greater Bay Area, Honorary Vice President of China Cuisine Association Hong Kong, Honorary Chairman of Shenzhen Catering Service Industry Association and honorable advisor of many associations in Hong Kong catering industry.

NON-EXECUTIVE DIRECTORS

Mr. YUEN Chi Ping (袁志平先生) ("Mr. Yuen"), aged 47, has been appointed as the Chairman and non-executive Director of the Company with effect from 1 April 2025. Mr. Yuen is a qualified lawyer in both Hong Kong and England & Wales. Mr. Yuen has over 20 years of legal experience, specializing in corporate law, cross-border mergers & acquisitions (public and private), and capital market transactions across Greater China and Hong Kong.

Mr. Yuen graduated with a Bachelor of Laws (LLB) from the University of Hong Kong in 2001 and completed the PCLL programme in 2002. He began his career as a trainee and later practiced at several leading international law firms. From 2011 to 2014, he served as Special Counsel in the Shanghai office of Baker & McKenzie, where he was responsible for the firm's securities practice in the region.

In addition to his legal acumen, Mr. Yuen has extensive experience in corporate management, having held board and senior management roles in a number of listed companies. He also supports charitable causes, serving as board member of Pok Oi Hospital since 2017, and has become the Vice Chairman of Pok Oi Hospital since 2025.

Biographical Details of Directors and Senior Management

Dr. CHAN Yin Nin (陳延年博士) ("Dr. Chan"), aged 69, has been a Director from 25 August 2017, being the date of incorporation of the Company, and redesignated as an executive Director on 21 November 2017, then resigned as an executive Director but be appointed as Honorary Chairman (carrying none executive functions) with effect from 1 April 2025, and then be appointed as the Co-Chairman and non-executive Director with effect from 31 March 2026. Dr. Chan is also a director of certain subsidiaries of the Company. Dr. Chan is one of the directors and ultimate beneficial owners of Manning Properties Limited, the company holding 7.54% of the total issued share capital of the Company as at 31 March 2026. Dr. Chan has over 38 years of experience in the engineering industry.

His work experience is summarised as below:

Period	Name of company/ enterprise	Principal business activity	Position	Duties and responsibilities
July 1979 to September 1980	Sir Alfred McAlpine & Son (Southern) Limited	Provision of services as building, civil engineering and public works contractors	Junior engineer	Supervision of building works including drainage and road paving works
August 1981 to February 1982; February 1983 to September 1983	Wan Hin & Co., Ltd.	Provision of services as building and general contractors	Assistant engineer; site engineer	Site supervision and site management
April 1988 to December 1989; January 1990 to August 1993	Ove Arup & Partners Hong Kong Limited	Engineering consultancy	Engineer; senior engineer; associate	Civil and structural engineering consultancy
September 1993 to August 2004	BDT Engineering Consultants Limited	Engineering consultancy	Managing Director	Civil and geotechnical engineering matters, temporary work and materials consultancy and new building projects
April 1999 to Present	Wong & Cheng Consulting Engineers Limited (a wholly-owned subsidiary of the Company since 29 August 2017)	Construction engineering consultancy	Director; chairman	Corporate strategic planning and overall business development of our Group and participating in the day-to-day management of our business operations

Biographical Details of Directors and Senior Management

Dr. Chan obtained a diploma in engineering with distinction from The University of Dundee in July 1984. Dr. Chan further obtained a doctor's degree of philosophy with The Dr. Angus A. Fulton Postgraduate Prize (Civil Engineering) from The University of Dundee of the United Kingdom in July 1988. He is currently registered as a Registered Professional Engineer in civil, structural, materials, environmental, building, geotechnical, logistics and transportation by ERB and a Registered Structural Engineer and Registered Inspector with the Building Authority.

Details of Dr. Chan's relevant professional qualifications are set out below:

Date of qualification	Professional qualification
March 1990	Registered as a Chartered Engineer by The Engineering Council of the United Kingdom
October 1990	Awarded the title of European Engineer of the European Federation of National Engineering Associations
November 1990	Elected as a member of The Institution of Structural Engineers of the United Kingdom
September 1991	Admitted as a member of The Hong Kong Institution of Engineers (the "**HKIE**")
December 1991	Admitted as a member of The Institution of Civil Engineers of the United Kingdom
August 1996	Admitted as a member of The Chartered Institution of Water and Environmental Management of the United Kingdom
May 1997	Admitted as a practising member of The Academy of Experts of the United Kingdom
June 2000	Qualified as a PRC Grade 1 Registered Structural Engineer (中華人民共和國一級註冊結構工程師) under the National Administration Board of Engineering Registration (Structural) (全國註冊工程師管理委員會 (結構)) in the PRC
July 2002	Registered as a fellow of The Institute of Materials, Minerals and Mining of the United Kingdom
November 2003	Admitted as a fellow of the HKIE
November 2003	Elected as a fellow of The Institution of Structural Engineers of the United Kingdom
September 2004	Registered as a Chartered Environmentalist by the Society for the Environment of the United Kingdom
July 2005	Registered as a Chartered Scientist by the Science Council of the United Kingdom

Biographical Details of Directors and Senior Management

Date of qualification	Professional qualification
January 2008	Qualified as a Registered Engineer in Macau
September 2016	Admitted as a professional member of Hong Kong Institute of Qualified Environmental Professionals Limited

Details of Dr. Chan's other major relevant achievements are set out below:

Year of achievement	Other achievements
1997 to 1998	Served as chairman of the Materials Division of the HKIE
2000	Registered as a registered principal of The Association of Consulting Engineers of Hong Kong
2006 to 2008, 2010 to 2012	Appointed as a vice president of the Supervisory Council of the Macau Construction Association
2017 to present	Designated as an honorary advisor of the second session of the Macau Society of Civil and Structural Engineers
2014 to present	Appointed as a vice president of the supervisory counselor of the Macau Engineering Consultant Companies
2019 to present	Member of Guangzhou Committee of The Chinese People's Political Consultative Conference

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. LUNG Wing Yee (龍詠宜女士) (“Ms. Lung”), aged 35, has been an independent non-executive Director since 23 December 2024. Ms. Lung is the chairlady of the Nomination Committee, a member of the Remuneration Committee and Audit Committee, and is primarily responsible for supervising the Board and providing independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Ms. Lung graduated from Federation University Australia in 2020 with a Bachelor of degree in applied management. Ms. Lung has a wide array of commercial and managerial experience. Ms. Lung is currently the Consultant of a global investment management firm. She is also an associate director of a securities firm. Ms. Lung has over 6 years of experience in corporate finance, investment and business development in Hong Kong.

Mr. LEUNG Man Chun (梁文俊先生) (“Mr. Leung”), aged 38, has been an independent non-executive Director since 31 March 2025. Mr. Leung is the chairman of the Remuneration Committee and the Audit Committee, and a member of Nomination Committee, and is primarily responsible for supervising the Board and providing independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Mr. Leung obtained a Master’s degree in Analytics from Northeastern University in 2023 and a Bachelor’s Degree in Social Sciences from Hong Kong Baptist University in 2009.

Mr. Leung has over 17 years of experience in the accounting and finance industry. Mr. Leung was employed at KPMG as an auditor from 2009 to 2012 and HSBC Hong Kong as a commercial banker from 2012 to 2014. Mr. Leung ran his own business in the Fast Moving Consuming Goods industry from 2014 to 2020. Mr. Leung served as an independent non-executive director of several Companies which was listed on the GEM Board from 2016 to 2021.

Mr. WONG Chun Man (王俊文先生) (“Mr. Wong”), aged 39, has been an independent non-executive Director since 30 January 2026. Mr. Wong is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Wong obtained a Degree of Bachelor of Arts with Second Class Honours (1st Division) in International Hospitality Management offered by Edinburgh Napier University, United Kingdom, in 2012.

Mr. Wong has around 14 years’ experience in commercial and managerial roles, and more than 10 years of experience in areas related to Hong Kong/US stock financing and Crypto investment.

SENIOR MANAGEMENT

Mr. NG Chun Chung (吳振中先生) (“Mr. Ng”), aged 44, is the company secretary of the Company since 15 September 2023, and has more than 19 years of experience in accounting and auditing. Mr. Ng served in several sizeable audit firm as Audit Associate to Audit Manager from 2005 to 2014. In September 2014, Mr. Ng served as the finance manager in Wai Chi Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1305). From 2017 to 2020, Mr. Ng served as the chief financial officer of two private limited companies. In June 2020, Mr. Ng was appointed as the executive director, chief financial officer and company secretary in Sun Cheong Creative Development Holdings Limited, a company delisted on the Main Board of the Stock Exchange. Since July 2021, Mr. Ng was appointed as a director and practising in an audit firm.

Mr. Ng obtained his bachelor degree in business administration from Lingnan University in Hong Kong in December 2005. Mr. Ng was admitted as a member of the Hong Kong Institute of Certified Public Accountants in January 2012 and a practising member in 2021.

Mr. FONG Chi Wai (方智威先生) ("Mr. Fong"), aged 55, is a technical director of our Group and mainly plays supervising role in various type of our Group's projects, such as design, management and site administration of new buildings, alterations and additions, and renovation projects.

Mr. Fong has approximately 29 years of experience in the engineering industry. Mr. Fong served as senior civil engineer at W&C Hong Kong since March 2002 and was promoted to be an associate director in September 2010 and was further redesignated as a technical director in August 2018.

Mr. Fong graduated from The Hong Kong Polytechnic University and received a bachelor's degree of engineering in civil engineering in November 1994 and further obtained a postgraduate diploma in civil engineering in November 2000. In July 2015, Mr. Fong obtained a juris doctor's degree from the City University of Hong Kong.

Mr. Fong became a member of the Hong Kong Institution of Engineers in September 1998, an associate of the Hong Kong Institute of Arbitrators in December 1998, a member of The Chartered Institute of Arbitrators in September 1999, a Registered Professional Engineer (Civil) in Hong Kong in February 2004 and a member in the Panel of Adjudicators of The Hong Kong Institution of Engineers in November 2021.

Mr. HEUNG Siu Kee (香兆祺先生) ("Mr. Heung"), aged 82, is a technical director of our Group and is mainly responsible for the administration, design and supervision of superstructure, foundation and excavation works and coordination and site supervision of construction projects.

Mr. Heung has approximately 53 years of experience in the engineering industry. Prior to joining our Group, from April 1969 to May 1970, Mr. Heung served as a draftsman in the engineering division at HLK Services, Ltd. Mr. Heung later worked as a senior structural engineer at Gordon Wu & Associates from June 1970 to March 1981. From February 1981 to June 1991, Mr. Heung served as an engineer at KNW Architects & Engineers Limited and subsequently joined W&C Hong Kong as senior structural engineer in July 1991. He was promoted to be an associate director of our Group in May 2010 and was further redesignated as a technical director in August 2018.

Mr. Heung graduated from the National Taiwan University and received a bachelor's degree in civil engineering in June 1967.

Mr. HUANG Wan Fu (黃文富先生) ("Mr. Huang"), aged 73, is a technical director of our Group and is mainly responsible for the geotechnical engineering design works such as ground investigation, site formation planning, natural terrain hazard assessment, deep excavation and lateral support ("**ELS**") design for basement and pile cap construction and supervision of slope stabilisation, ELS and wall strengthening works.

Mr. Huang has more than 19 years of experience in the engineering industry. Mr. Huang served as senior engineer at W&C Hong Kong since December 2005 and was promoted to be an associate director in August 2013 and was further redesignated as a technical director in August 2018.

Biographical Details of Directors and Senior Management

Mr. Huang graduated from the National Taiwan University and received a bachelor's degree of science in engineering in June 1974. Mr. Huang obtained a master's degree in engineering from the Asian Institute of Technology in Thailand in April 1980.

Mr. LEE Sik Kwan (李錫均先生) ("Mr. Lee"), aged 61, is a technical director of our Group and is mainly responsible for the structural and geotechnical engineering design, and supervision and administration works for building and civil projects.

Mr. Lee has more than 32 years of experience in the engineering industry. Mr. Lee served as an assistant structural engineer at W&C Hong Kong since August 1991 and was promoted to be an associate director in September 2010 and was further redesignated as a technical director in August 2018.

Mr. Lee graduated from the University of Hong Kong and received a bachelor's degree of science in engineering in December 1989. Mr. Lee became a member of The Institution of Structural Engineers in November 1994 and a member of The Hong Kong Institution of Engineers in September 1996. Mr. Lee became a Registered Professional Engineer (Structural) in Hong Kong in December 1999, and a Registered Structural Engineer in Hong Kong since February 2017.

Mr. NGAI Wai Bun (魏偉彬先生) ("Mr. Ngai"), aged 56, is a technical director of our Group and is mainly responsible for the geotechnical engineering design and related works such as geotechnical assessment and natural terrain hazard study, and site supervision.

Mr. Ngai has approximately 29 years of experience in the engineering industry. Mr. Ngai worked as an engineer at Meinhardt (C&S) Limited from September 1999 to June 2004. Mr. Ngai joined our Group as senior engineer at W&C Hong Kong since September 2008 and was subsequently promoted to be an associate director in May 2013 and was further redesignated as a technical director in August 2018.

Mr. Ngai graduated from The Hong Kong Polytechnic University and received a bachelor's degree of engineering in civil engineering in November 1993. Mr. Ngai later obtained a master's degree of science in civil engineering from The Hong Kong Polytechnic University in November 1998.

Mr. Ngai became a corporate member of The Institution of Structural Engineers since November 2000, a corporate member of The Hong Kong Institution of Engineers in January 2001, and a member of The Institution of Mining and Metallurgy of the United Kingdom in May 2001.

Mr. Ngai became a Chartered Engineer of the Engineering Council of the United Kingdom since March 2001, a Chartered Structural Engineer of The Institution of Structural Engineers of the United Kingdom in November 2000, a Registered Professional Engineer (Structural, Geotechnical) in Hong Kong in February 2004, and a Registered Geotechnical Engineer in Hong Kong since March 2013. Mr. Ngai is a new fellow member of The Hong Kong Institution of Engineers in 2021.

Biographical Details of Directors and Senior Management

Dr. CHU Yu Tin, Albert (朱雨田博士) ("Dr. Chu"), aged 70, is a technical director of our Group and is mainly responsible for the design management of building development projects.

Dr. Chu has over 41 years of experience in the engineering industry. Prior to joining our Group, Dr. Chu worked as senior structural engineer at the Buildings Department of Hong Kong from September 1992 to May 2016. He then joined W&C Hong Kong as a technical director in September 2016.

Dr. Chu graduated from University of Windsor in Canada and received a bachelor's degree of applied science in civil engineering in October 1980. He later obtained a master's degree of science in civil engineering from The Hong Kong Polytechnic University in November 1994. Dr. Chu obtained a doctor of philosophy degree in civil engineering from The University of Queensland of Australia in July 2004. Dr. Chu became a member of The Institution of Structural Engineers of the United Kingdom in November 1987, a member of The Hong Kong Institution of Engineers in January 1991 and a member of The Institution of Civil Engineers of the United Kingdom in July 1996. Dr. Chu became a Registered Professional Engineer (Civil, Structural) in Hong Kong in December 1997. He is currently an Authorized Person (list of engineers) and a Registered Structural Engineer with the Building Authority. Dr. Chu is a new fellow member of The Hong Kong Institution of Engineers in 2021.

Dr. CHEN Hui (陳暉博士) ("Dr. Chen"), aged 68, is a technical director of our Group and is mainly responsible for business development, design and management of geotechnical projects and related works.

Dr. Chen has approximately 25 years of experience in the engineering industry. Dr. Chen worked as a geotechnical engineer at Central Coal Mining Research Institute (煤炭科學研究總院) in the PRC from 1984 to August 1988 and a full-time research fellow at the department of civil and structural engineering of the Nottingham Trent University of the United Kingdom from January 1993 to December 1994. He worked as a geotechnical engineer at Greg Wong & Associates Ltd. and Maunsell Geotechnical Services Ltd. from December 1994 to January 1997 and September 1997 to April 1998, respectively. He worked as a resident engineer (geo) at Montgomery Watson Hong Kong Ltd. from May 1998 to August 1999. He then worked at W&C Hong Kong as an associate from September 1999 to September 2008. From September 2008 to April 2010, Dr. Chen worked as the associate director of Scott Wilson Ltd. From May 2013 to October 2017, he worked as an associate director (and then resident geotechnical engineer) of WSP Hong Kong Limited. Dr. Chen joined our Group as a geotechnical director in July 2018 and was further redesignated as a technical director in August 2018.

Dr. Chen graduated from the Shandong Institute of Mining and Technology (山東礦業學院 currently known as the Shandong University of Science and Technology (山東科技大學)) in the PRC and received a bachelor's degree in coal mining engineering in October 1982. He later obtained a master's degree in engineering from Central Coal Research Institute of the Coal Industry Ministry* (煤炭工業部煤炭科學研究總院) in the PRC in December 1984. He studied full time in the Department of Mining Engineering at the University of Nottingham from October 1988 to June 1992 and obtained a doctor of philosophy degree from the University of Nottingham in July 1992.

Dr. Chen became a professional member of The Institute of Materials, Minerals and Mining of the United Kingdom in May 1996, a Chartered Engineer of the Engineering Council of the United Kingdom in January 1997, a member of The Hong Kong Institution of Engineers in December 1997 and a Registered Professional Engineer (Geotechnical) in Hong Kong in December 1998.

Biographical Details of Directors and Senior Management

COMPANY SECRETARY

Mr. NG Chun Chung (吳振中先生) ("Mr. Ng"), aged 44, graduated from Lingnan University with a degree of Bachelor of Business Administration in Accounting. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Ng has over 19 years of working experience in auditing, accounting, investment and corporate finance.

The English translation of the Chinese name in this report, where indicated with "", is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

Environmental, Social and Governance Report

CORPORATE PROFILE

NIU HOLDINGS LIMITED (the “**Company**”) and its consolidated subsidiaries (collectively the “**Group**”) The Group is a construction engineering consultant focusing on the area of comprehensive structural and geotechnical engineering design which is mainly provided in Hong Kong and Macau. The Group’s consultancy services mainly cover: (i) structural engineering; (ii) geotechnical engineering; (iii) certain civil engineering practice areas; and (iv) material engineering. As one of the leading construction engineering consultancy service providers, we recognise the value that sustainability brings to our business and therefore are committed to integrating sustainability into our business strategy.

ABOUT THE REPORT

The Company is glad to issue this annual Environmental, Social and Governance Report (the “**Report**”). Covering the financial period from 1 April 2025 to 31 March 2026 which aligns with the reporting cycle of the Group’s 2026 Annual Report, this Report elaborates key sustainable development initiatives implemented by the Group. It illustrates material issues relevant to the Group’s daily operations as well as its actual achievements in environmental and social aspects, and fully manifests the Group’s firm dedication to sustainable business development. Through this disclosure, the Group endeavours to lift information transparency, demonstrate the incorporation of environmental and social concepts into corporate operational and strategic decisions, and strive to deliver sustainable long-term benefits to all stakeholders.

This Report is compiled in strict compliance with the Environmental, Social and Governance Reporting Code as stipulated under Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, and has fully adhered to all mandatory disclosure requirements as well as the comply-or-explain principles as set out in the aforesaid listing rules.

Both English and Chinese versions of this Report will be released alongside the Annual Report on the official website of The Stock Exchange of Hong Kong and the corporate website of the Group. Should there be any discrepancy between the two language versions, the English version shall prevail. The Group warmly welcomes all valuable opinions and feedback in respect of our ESG practices and this Report, and relevant enquiries may be sent to general@niuholdings.com.hk for our follow-up response.

Environmental, Social and Governance Report

Director Report

The Board of Directors of the Group remains committed to fulfilling its responsibilities towards all stakeholders and the wider community, and strives to deliver sustainable value by embedding environmental and social considerations into core corporate management and decision-making procedures. Formulated in full compliance with applicable local regulatory provisions across all operational regions and taking due account of views gathered from stakeholders, the Group's sustainable development strategy is firmly recognised by the Board as an indispensable foundation for consolidating operational strengths and fostering enduring market competitiveness.

The Group's overall ESG strategy spans major business segments covering daily operation, regulatory compliance, internal governance and human resources administration. The Board oversees the sound execution of the established ESG management framework and assumes full accountability for the compilation and issuance of this ESG Report. A full set of internal policies has been duly formulated and enforced to effectively regulate and monitor environmental and social related operational risks. This report elaborates in detail the Group's institutional arrangements, key operational statistics and practical measures adopted in respect of sustainable development management.

The Board will conduct periodic reviews on the Group's ongoing ESG implementation progress, so as to consistently satisfy and surpass the reasonable expectations of all stakeholders.

Reporting Scope

The Group mainly follows the principles and guidelines stipulated in the Environmental, Social and Governance Reporting Code under Appendix C2 of the GEM Listing Rules, with a view to establishing a robust and comprehensive ESG management framework.

Save for otherwise specified, this report covers the Group's environmental and social performance arising from its Hong Kong office operations for the financial year spanning from 1 April 2025 to 31 March 2026.

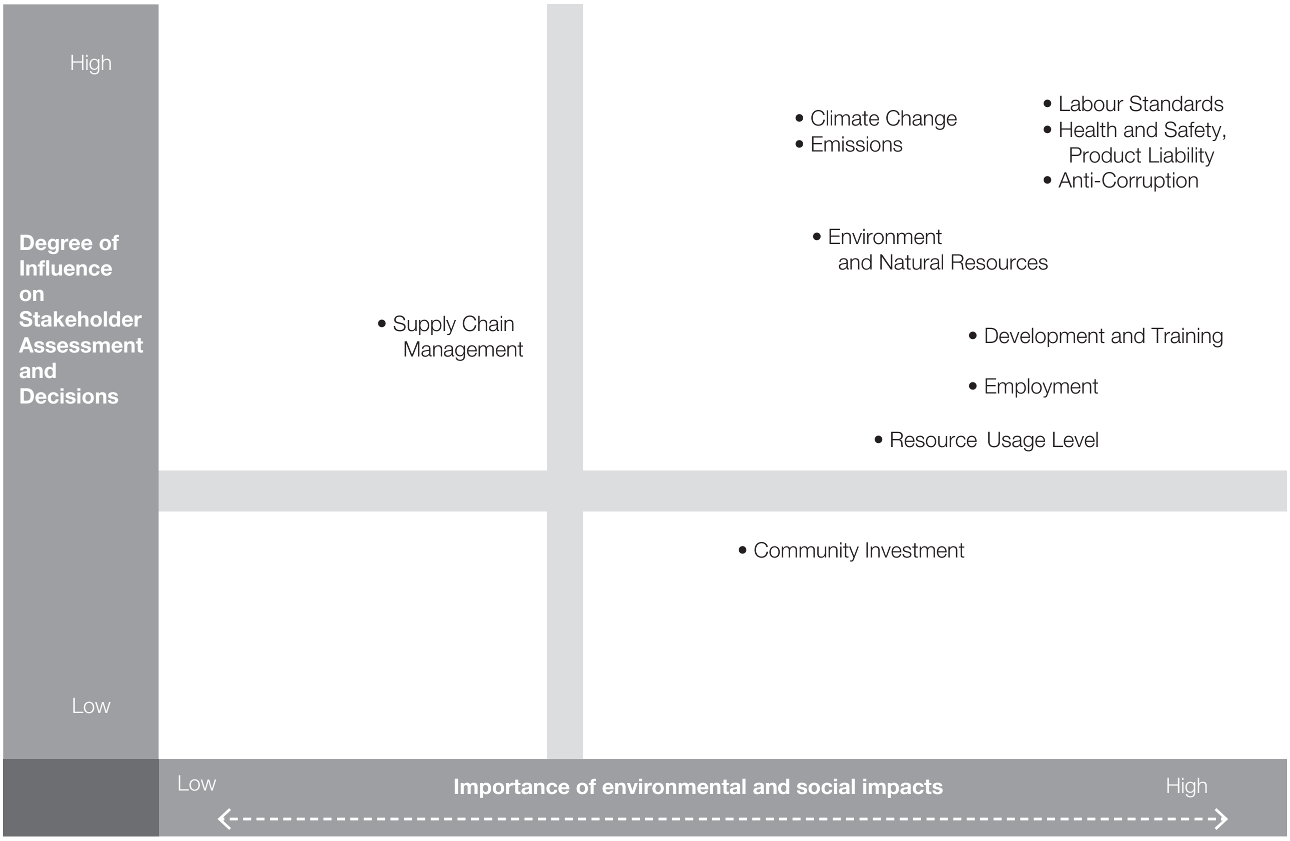
Unless otherwise stated, the reporting scope encompasses all core business segments of the Group. The management team conducts regular reviews on the reporting coverage to ensure all matters exerting substantial influence on the Group's overall business are fully included.

Core Reporting Principles:

Materiality:	The Group identifies and prioritises material ESG matters through continuous stakeholder engagement and systematic materiality evaluation procedures.
Quantitativeness:	Where practicable, relevant disclosures are supported by quantitative data, together with clear explanations of applicable standards, calculation approaches and underlying assumptions, as well as comparative statistical Information.
Consistency:	Uniform reporting methodologies are adopted year on year to facilitate valid performance comparison, save in circumstances where revised assessment approaches are deemed more appropriate for improvement purposes.

Environmental, Social and Governance Report

We have established a top-down ESG governance framework to implement the Group's sustainable development vision. The Board is accountable for formulating ESG strategies, identifying and evaluating relevant ESG risks, and ensuring effective risk control and sound internal control systems. This ESG Report has been duly reviewed and approved by the Board. By issuing annual ESG disclosures, the Board keeps track of and discloses the Group's sustainability performance, and oversees the overall management of all ESG related affairs.



Upholding regulatory requirements and industry best practices, the Board endeavours to explore sustainable development opportunities and create long-term value for all stakeholders. To achieve such objectives, the Board undertakes the following core duties:

- To recognise and evaluate all potential ESG associated risks;
- To formulate effective management measures for mitigating ESG risks;
- To supervise and authorise relevant departmental management teams to devise and implement internal ESG policies and operational arrangements;
- To conduct regular reviews and make timely adjustments to the progress of ESG target execution, so as to minimise adverse environmental and social impacts brought by business operations;
- To confirm and approve all information disclosed in the Group's ESG Report.

Environmental, Social and Governance Report

ESG Working Group

The Group has set up an internal ESG Working Group comprising three members, namely an Executive Director together with senior management representatives from the Human Resources and Finance departments, to support the Board in overseeing and administering all group-wide ESG matters. Serving at the management level, the working group takes charge of pushing forward the implementation of various ESG initiatives, collating and computing relevant ESG key performance indicators, as well as supervising and consolidating ESG updates arising from the Group's core business and daily operational activities.

Regular meetings are convened by the ESG Working Group to identify, evaluate and keep track of potential ESG risks across the Group, and review the execution and operational efficiency of the existing internal control mechanisms. In addition, the team conducts periodic assessments to gauge the Group's actual ESG performance against pre-set sustainability objectives and targets.

Stakeholder Engagement and Materiality Assessment

The Group's key stakeholders cover governmental authorities, shareholders and investors, employees, clients, suppliers and business partners, financial institutions, media bodies as well as the general public and local communities. Set out below are the communication channels and approaches adopted by the Group to maintain effective engagement with all major stakeholders.

Stakeholder Group	Communication Channels	Core Expectations
Investors and Shareholders	1. Annual general meeting and other general meetings 2. Financial reports 3. Announcements and circulars	1. Strict compliance with applicable laws and regulations 2. Timely disclosure of up-to-date corporate information 3. Transparent financial performance reporting 4. Clear disclosure of corporate sustainable development progress
Customers	1. Customer satisfaction survey 2. Customer service centre 3. Dedicated customer managers 4. Complaint review meetings 5. Service hotline 6. Official social media platforms 7. Corporate email and official website	1. Full accountability for product and service quality 2. Strict protection of customer personal information 3. Standardised and compliant business operations

Stakeholder Group	Communication Channels	Core Expectations
Suppliers	1. Supplier conferences and themed events 2. On-site supplier audits and routine supplier management	1. Fair competition throughout supply chain cooperation 2. Adherence to unified business ethics and safeguarding collective corporate reputation 3. Long-term win-win collaborative partnership
Employees	1. Employee satisfaction & opinion surveys 2. Multi-channel employee feedback channels (feedback forms, suggestion boxes, etc.) 3. Regular work performance appraisal interviews 4. Internal communication media platforms	1. Guaranteed workplace health and safety 2. Equal employment and development opportunities for all staff 3. Reasonable and competitive remuneration plus comprehensive benefits 4. Clear career advancement pathways and development support
Government and Regulatory Bodies	1. Periodic operational and performance reports 2. Formal written feedback for public consultation initiatives	1. Full legal tax payment in a timely manner 2. Maintenance of sound business ethics 3. Full observance of all relevant regulatory and legal requirements
Communities, NGOs and Media	1. Public welfare and community engagement activities 2. Targeted community investment programmes 3. Published ESG reports	1. Active social responsibility and sustainable social contribution 2. Proactive environmental protection measures and performance

Environmental, Social and Governance Report

A. ENVIRONMENTAL

As a professional construction engineering consultancy firm focusing on office-based operations, the Group's daily business activities mainly generate environmental impacts primarily in the forms of greenhouse gas emissions, energy usage and office paper consumption.

Throughout the reporting year, the Group has strictly abided by all applicable environmental laws, rules and regulatory requirements in all places of operation. To the best of the Group's knowledge and belief, there were no instances of material violations against relevant environmental legislations, including without limitation the Air Pollution Control Ordinance, Noise Control Ordinance and other prevailing environmental protection regulations in Hong Kong, as well as relevant environmental compliance provisions in mainland China. No such non-compliance incidents have occurred which might bring substantial adverse influence to the Group's business operation, daily management and corporate reputation during the period under review.

A1. Air emissions

A1.1 Exhaust Gas Emissions

Due to the business nature, the Group does not generate a significant amount of exhaust gas emissions during its operations. Scope 1 direct GHG emissions equal zero for the reporting period. The Group's core operation is office-based engineering consultancy; the Group does not own any fossil fuel-powered vehicles, on-site combustion equipment, stationary generators or other assets that generate direct Scope 1 greenhouse gas emissions. All transport for site inspections and client visits is outsourced to third-party vehicles, whose carbon footprints are classified under Scope 3 business travel emissions.

A1.2 Greenhouse Gas (GHG) emissions and targets

The Group's greenhouse gas emissions are mainly derived from purchased electricity falling under Scope 2, together with paper consumption classified under Scope 3. During the reporting period, the Group has formulated clear goals to lower its overall greenhouse gas emissions by the financial year ending 31 March 2028. To attain this sustainability target, the Group has rolled out the following operational initiatives to cut down greenhouse gas emissions across daily business activities:

- Optimise indoor air-conditioning usage by setting appropriate temperature ranges and switching off idle cooling and heating facilities outside working hours, so as to reduce unnecessary power consumption within office premises.

- Encourage all staff to turn off lights, computers, printers and other office electrical appliances promptly when leaving work or during non-operating periods, and eliminate long-term standby power wastage.

- Gradually replace traditional high-energy-consumption lighting fixtures with energy-saving LED lamps throughout office areas to cut down daily lighting electricity usage effectively.

- Arrange regular inspection and routine maintenance of all office electrical and mechanical equipment, ensuring all facilities operate under stable and energy-efficient conditions and lowering extra energy loss caused by equipment malfunction.

- Rationalise the arrangement of on-site business visits and remote meetings, prioritise online video conferences to reduce commuting frequency, and further slash energy consumption associated with business travel activities.

- Establish internal energy-saving advocacy guidelines to foster staff awareness of efficient energy utilisation, forming a company-wide atmosphere of low-carbon and energy-saving daily operations.

		Year ended 31 March	
Type of GHG emission[1]	**Unit**	**2026**	2025
Direct GHG emission (Scope 1)	tCO2e	**–**	–
Energy Indirect GHG emission (Scope 2)	tCO2e	**87.03**	104.79
Indirect GHG emissions (Scope 3)	tCO2e	**3.77**	16.73
Total GHG emission (Scope 1, 2 and 3)	tCO2e	**90.80**	121.52
Total GHG emission intensity	tCO2e/employee[2]	**0.59**	0.65

1 GHG emission data is presented in terms of carbon dioxide equivalent and is based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, and "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange. For calculating GHG emissions in 2025, the electricity emission factor for Hong Kong is 0.37kg CO2/kWh, which is derived from the "Sustainability Report 2025" published by CLP Holdings Limited

2 As at 31 March 2026, the Group had a total of 155 (2025:161) full-time employees under the scope of the ESG Report. The data is also used for calculating other intensity data.

During the year, the Group's total GHG decreased by 33.8% to 90.80 tonnes (2025: 121.52 tonnes) of greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation. The annual emission intensity was 0.59 tonnes CO2e/employee (2025: 0.65 tonnes CO2e/employee). The Group has set the amount of GHG emission for the Reporting Period to below 100 tonnes. The target will be reviewed in 2028. The Group has achieved this target during the year.

A1.3 Scope 3 Emissions Identification, Governance and Mitigation Measures

In line with HKEX Appendix C2 and GHG Protocol standards, the Group systematically identifies all material Scope 3 emission categories relevant to its construction engineering consultancy operations and establishes dedicated management and emission reduction measures for each high-impact category.

Material Scope 3 Categories Identified by the Group

- Business travel (vehicle fuel consumption for site inspections, cross-region client visits);
- Purchased office paper, stationery and consumables;
- Waste disposal (office paper waste sent to landfill; minor hazardous chemical waste from site testing);
- Subconsultant and supplier upstream carbon footprints (transport of testing materials, subcontractor on-site vehicle usage);

Cross-cutting Scope 3 Management Policies

The Group embeds Scope 3 carbon control requirements into internal procurement, travel and subcontractor management policies. All department heads are tasked with minimizing Scope 3 emissions within daily operational workflows, with implementation progress reviewed by the ESG Working Group every quarter.

Targeted Mitigation Initiatives by Category

Business travel: Mandatory remote video conferencing for non-urgent client and internal meetings; centralized site visit route planning to cut vehicle mileage; encouragement of public transport and shared carpooling for field staff to reduce fuel-related Scope 3 emissions.

Office consumables: Mandatory double-sided printing, centralized digital document workflow to lower paper procurement volume; preference for recycled paper and eco-label stationery in all office purchasing orders.

Waste management: Full office waste sorting system to maximize paper recycling rates; engagement of licensed low-carbon waste disposal contractors to minimize emissions generated during waste transportation and treatment.

Subconsultant supply chain: The Group integrates Scope 3 carbon performance into annual subconsultant ESG evaluation criteria, requiring partner firms to adopt low-carbon site travel arrangements and energy-efficient on-site equipment; regular communication is held with subcontractors to share low-carbon operational guidance.

Downstream design-related emissions: The Group's technical teams prioritize low-carbon, energy-saving structural and geotechnical design solutions in all project deliverables, helping clients reduce the whole-lifecycle carbon emissions of construction assets, which indirectly curtails material downstream Scope 3 impacts associated with the Group's core services.

Long-term Scope 3 Governance Arrangement

The Group will expand its Scope 3 data collection coverage year-on-year, and incorporate aggregated Scope 3 emission performance into the Group's future overall GHG reduction target framework. The ESG Working Group continuously monitors emerging material Scope 3 categories via annual GHG boundary reviews and updates corresponding emission reduction measures timely to align with evolving regulatory and TCFD disclosure expectations.

A1.4 Hazardous Waste

Given the nature of the Group's business operations, no substantial volume of hazardous waste is produced in the course of daily activities. The Group produce toner cartridges which are collected and handled safely by toner suppliers.

A1.5 Non-hazardous Waste

Non-hazardous waste produced by the Group primarily comprises used office paper and construction-related waste materials.To mitigate the environmental footprint stemming from non-hazardous waste generated in daily operations, the Group adheres strictly to the core waste management philosophy of Reduce, Reuse and Recycle (3Rs), and endeavours to maximise the efficient recycling and rational utilisation of various resources.

In line with its commitment to waste reduction and eco-friendly operation, the Group has rolled out a full range of practical waste control and emission-cutting measures across all offices and workplaces. Through the consistent implementation of these sustainable management strategies, the Group seeks to foster strong environmental awareness among all employees, encourage everyone to practise green habits at work, and jointly build a low-carbon and sustainable working environment. The Group has implement the following initiatives:

- All employees share collective responsibilities for daily office waste management to fully put into practice the 3Rs waste management principle.

- Staff are encouraged to use double-sided printing and copying whenever possible to cut down excessive paper wastage.

- Employees are required to sort general office waste properly and place recyclable items into designated recycling bins.
- Colleagues are advised to reuse stationery, packaging materials and other reusable office supplies to extend their service life.
- Department supervisors take charge of promoting waste reduction awareness and supervising proper waste disposal within respective teams.
- All staff shall minimise the use of disposable utensils and single-use office consumables in daily work scenarios.

Waste generated by the Group during the reporting period is as follows:

Waste Disposal Unit	Unit	Total in 2026	Total in 2025
Paper	Tonnes	**0.7**	3.07
Ink cartridge	Tonnes	**0.01**	0.03
Non-Hazardous Waste Produced	tonnes	**2.4**	2.7
Non-Hazardous Waste Produced Intensity	tonnes/ employees	**0.01**	0.01

A2 *Use of Resources*

The Group persists in rolling out various initiatives to enhance resource utilisation efficiency and integrate eco-friendly practices into daily operational workflows. It remains fully committed to optimising the allocation and consumption of resources across all business activities.

Electricity and water constitute the primary resources consumed in routine operations. In view of this, the Group has formulated dedicated internal policies and operational protocols to regulate rational resource usage, with the core objectives of elevating overall energy efficiency and curbing unnecessary consumption of various supplies and materials.

Energy Management

The Group has introduced a full spectrum of energy-saving measures to boost operational efficiency of all facilities and effectively cut overall energy consumption.

For office lighting arrangements, independent switch controls are installed for separate lighting zones to enable targeted power control, while regular cleaning of light fittings is conducted to maintain optimal luminous efficiency and avoid unnecessary power wastage. To rationalise air-conditioner usage, staff are required to set the indoor cooling temperature at a standard level of 25.5 degrees Celsius, and appropriate casual business attire is permitted to enhance thermal comfort and reduce reliance on cooling facilities. The Group also advocates good workplace habits, reminding all employees to switch off idle electrical appliances including air-conditioners and lighting systems prior to leaving the premises.

Supplementary Energy Management Practices

- Gradually phase out conventional light sources and replace with energy-efficient LED lighting to lower long-term power usage.

- Arrange periodic professional inspection and maintenance for air-conditioning systems to ensure stable performance and reduce energy loss caused by equipment ageing.

- Make full use of natural daylight whenever feasible to minimise artificial lighting usage during daytime working hours.

- Implement unified power-off arrangements for communal office facilities during non-working hours, weekends and public holidays.

- Promote the use of energy-saving office equipment and set power-saving mode as default setting for computers, printers and other office appliances.

- Formulate internal energy saving guidelines and conduct regular advocacy sessions to deepen employees' awareness of low-carbon office practices.

During the Year, the energy consumption by type in total of the Group are showed as below:

Type of Energy	Unit	2026	2025	% change
Purchased Electricity	thousand kilowatt-hours (kWh in '000)	235,219	238,379	-1.56
Total Energy Consumption	thousand kilowatt-hours (kWh in '000)	235,219	238,379	-1.56%
Energy Consumption Intensity	thousand kilowatt-hours (kWh in '000)/ employees	1,704.7	1,480.6	15.1%

The year-on-year increase in energy consumption intensity per employee is driven by operational factors, despite a marginal reduction in the Group's overall office electricity usage:

Shrinkage of full-time workforce: The Group's full-time employee headcount decreased from 161 in FY2025 to 155 in the year. Fixed base office energy load (24/7 server power, communal air-conditioning, lighting for shared reception and meeting zones, electrical equipment for engineering drawing servers) does not scale down proportionally with fewer staff, spreading fixed energy costs across a smaller workforce and lifting per capita intensity.

The above per-employee energy intensity uplift has been incorporated into the Group's energy efficiency improvement roadmap for the target review in 2028, with targeted IT and HVAC energy-saving upgrades scheduled to reverse the rising intensity trend. The Group has previously set targets to 300,000 kWh of the total energy consumption (i.e. electricity and oil consumed). The target will be reviewed in 2028. The Group has achieved the target during the Reporting Period.

Water

The Group's water consumption is entirely derived from domestic daily water demand within our office premises, with no industrial water consumption associated with construction sites, manufacturing or laboratory production activities. We have implemented multiple water conservation measures across all office locations, including prominent water-saving reminder signage installed in pantries and washrooms. During the financial year ended 31 March 2026, we completed the retrofit of low-flow tap aerators across all office wash areas to reduce unnecessary tap water outflow.

Total office freshwater consumption and water intensity per full-time employee for the reporting year and comparative prior year are set out below:

Water Consumption Metric	Unit	FY2026	FY2025	YoY Percentage Change
Total office freshwater consumption	m^3	1,318	1,620	-18.64%
Water consumption intensity per full-time employee	m^3/employee	8.50	10.00	-15.00%

To further optimise water resource utilisation, the Group has set a medium-term water efficiency target for the financial year ending 31 March 2028: to reduce water consumption intensity to below 7.5 m^3 per full-time employee by rolling out regular plumbing leakage inspections and additional water-saving sanitary fittings in subsequent years.

Packaging Materials

Given the core business positioning of the Group, we are not engaged in industrial production activities nor operate any manufacturing plants, hence there is no substantial consumption of packaging materials for finished goods packaging purposes.

A.3 Environmental and Natural Resources

The Group fully acknowledges the potential environmental repercussions brought by daily operational activities, and pledges to minimise the adverse impacts of its business operations on the surrounding environment and natural resources. Energy saving and emission reduction have been established as core focuses under the Group's environmental management policies, underpinned by comprehensive monitoring mechanisms and standardised regulatory measures to steadily advance low-carbon and eco-friendly operations. In pursuit of more sustainable development, the Group also actively takes practical steps to curb the consumption of natural resources, including accelerating the shift towards fully digitalised office workflows to cut paper usage and reduce timber resource depletion, installing water-efficient fittings to lower daily freshwater consumption, preferentially sourcing recycled and environmentally friendly office supplies to lessen reliance on virgin raw materials, and optimising business travel schedules alongside promoting remote meetings to reduce fossil fuel consumption, so as to achieve rational and economical utilisation of various natural resources across all operational aspects.

Noise Management

Certain on-site construction procedures will inevitably generate operational noise, which may potentially cause disturbance to nearby residential communities. In strict compliance with the Noise Control Ordinance of Hong Kong, the Group enforces a full set of targeted mitigation measures to effectively mitigate construction noise pollution. The Group arranges all construction works within approved and designated working hours to avoid disturbing public rest periods. In the early commencement stage of each project, proper noise barriers and sound insulation enclosures are installed at construction sites to effectively contain and lower on-site noise emission levels. In addition, all mechanical tools and construction equipment are subject to thorough pre-use inspection and routine maintenance, ensuring all machinery operates in stable condition and that on-site noise output is consistently kept within statutory permissible limits. The Group also regularly monitors on-site noise conditions and adjusts construction arrangements promptly whenever necessary, so as to strike a balance between project progress and neighbourhood environmental well-being.

A.4 Climate Change

The Group has conducted holistic assessments on climate change-related matters in accordance with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). Climate change may give rise to various physical and transitional risks, which could exert unfavourable impacts on the Group's business operations and financial performance. To address such challenges, the Group has put in place dedicated governance frameworks and formulated relevant internal policies, enabling timely identification of climate-associated risks and systematic rollout of appropriate mitigation strategies against issues that may bring material adverse effects to the Group. We have assessed a series of risks, including:

Physical risks: Climate-related physical risks capable of triggering financial repercussions for the Group include direct asset damage and indirect operational disruptions stemming from supply chain instability. Such risks stem from either sudden extreme climate incidents or long-term gradual shifts in prevailing climatic conditions.

Transition risks: Climate transition risks emerge amid the global shift towards a low-carbon economy, involving sweeping adjustments across policies, legislations, technologies and market landscapes to fulfil climate mitigation and adaptation requirements. These risks fall into four core categories, covering policy and legal risks, technological risks, market risks as well as reputational risks.

Physical risks:

The growing frequency and intensity of extreme weather events including typhoons, rainstorms and heavy downpours may severely disrupt the Group's regular operations. Such adverse weather may damage local power and communication facilities, and obstruct staff attendance and field inspection work in particular. It may also trigger supply chain interruptions, causing delays in material delivery and hindering construction material production, thereby affecting the progress of ongoing construction projects. These unfavourable circumstances may lead to partial, temporary or even full suspension of business activities, leaving the Group exposed to operational delays and performance default related risks.

To effectively manage the aforesaid climate-related physical risks, the Group has established well-defined contingency plans and supporting internal policies, which lay down clear standard operating guidelines to minimise operational disruptions and adverse consequences caused by extreme weather. Upon the onset or imminent threat of severe weather conditions, senior management will promptly disseminate updated work arrangements to all staff in accordance with pre-set protocols, prioritising personnel safety while maintaining essential business continuity. The Group also conducts regular reviews and revisions of emergency response frameworks, and arranges regular internal briefings to ensure all employees are fully familiar with proper handling procedures when field visits and core operational tasks are obstructed by inclement weather.

In addition, the Group adopts further practical response measures, including pre-arranging flexible remote working mechanisms to sustain office workflow remotely, establishing emergency communication channels for real-time situation updates, reserving alternative logistics routes to ease construction material delivery delays, conducting regular emergency drill exercises, and reinforcing on-site facility reinforcement work in advance to lower the risk of asset damage amid extreme weather.

Transition risks

Policy and Legal risk

Driven by the global decarbonisation agenda, climate-related laws and regulatory requirements are becoming increasingly rigorous. For instance, the Hong Kong Stock Exchange has mandated listed entities to strengthen climate-relevant disclosures within their ESG reports. Tightened environmental regulatory frameworks may heighten the risk of legal claims and litigations for enterprises. Failure to satisfy prevailing climate compliance standards may also damage corporate brand reputation, which in turn leads to a rise in the Group's relevant capital expenditure and ongoing compliance management costs.

To proactively address climate-related policy, legal and reputational risks, the Group conducts ongoing tracking and comprehensive review of existing and newly issued climate-focused policies, regulatory provisions and industry development trends. It ensures all updates and amendments to relevant laws and rules are promptly escalated and fully communicated to senior management for timely strategic adjustment and decision-making. Through such proactive regulatory oversight, the Group can effectively prevent unnecessary operational expenditures and penalties arising from non-compliance, and substantially mitigate potential reputational damage caused by inadequate or delayed responses to evolving climate regulatory requirements, thereby maintaining steady compliant operation and sound corporate brand image.

Supply Chain risk

The Group relies heavily on external independent suppliers and key subcontractors for material sourcing and the delivery of building protection works. Any substantial disruptions to supply chains or incomplete task execution by subcontractors may adversely affect the Group's daily business operations and project progress.

In view of this, the Group proactively diversifies its supplier network and identifies alternative cooperation partners, so as to improve operational flexibility and lower over-reliance on individual suppliers and subcontractors. Meanwhile, the Group strengthens digitalised filing and systematic data management to realise real-time supply chain oversight, promptly spot abnormal fluctuations and roll out timely responsive measures. It also maintains close and stable cooperative ties with all business partners, facilitating timely information exchange and joint risk prevention and control.

Drawing on long-term practical cooperation experience, the Group has established a roster of vetted preferred suppliers, and prioritises collaboration with these qualified partners to secure stable and reliable material supply and smooth project execution.

Opportunities

Against the backdrop of evolving climate risks, tightening environmental regulations and diversified supply chain management needs, the Group can capture multiple sustainable development opportunities to drive long-term business growth. By actively aligning its operational strategies with low-carbon development trends and regulatory decarbonisation requirements, the Group can optimise internal resource allocation, streamline energy-saving and waste-reduction workflows, and further improve overall operational efficiency while cutting unnecessary operational and compliance costs. In terms of business expansion, the Group can leverage its mature environmental management experience and robust climate risk governance capabilities to develop more eco-friendly construction solutions and green service models, which help enhance core market competitiveness and attract more environmentally conscious clients and cooperative partners. Furthermore, through establishing stable multi-source supplier partnerships and strengthening digital supply chain supervision, the Group is able to elevate project delivery stability and service quality, laying a solid foundation for expanding market share. In addition, sound climate risk management and standardised ESG disclosure practices can effectively polish corporate social responsibility image, boost investor confidence and create more favourable financing conditions, enabling the Group to seize more green industry development dividends and achieve steady and sustainable business development.

Climate-Related Governance

The Board holds ultimate oversight authority over all climate-related risks and opportunities of the Group, with formal climate agenda items scheduled at least twice per year during regular Board meetings. The ESG Working Group acts as the dedicated executive body to coordinate cross-departmental climate work, collecting climate risk data from engineering field teams, administration and finance teams, and submitting consolidated climate assessment reports to the Board for periodic review. Clear accountability for climate management is assigned: the Executive Director leading the ESG Working Group bears primary day-to-day responsibility for implementing climate response policies, while department heads are accountable for identifying climate hazards within their respective business areas. The Group links annual climate target delivery progress to senior management performance reviews as part of remuneration assessment criteria. All directors and core management receive regular TCFD-aligned climate risk training covering industry-specific climate threats, low-carbon regulatory updates and sustainable service development directions, to strengthen collective climate governance awareness. A formal climate risk escalation protocol is established: material acute or chronic climate impacts identified by frontline staff must be escalated to the ESG Working Group within three working days, with major climate incidents reported directly to the Board for urgent decision-making.

Strategy

The Group conducts annual qualitative climate scenario analysis covering two core pathways: a 1.5°C orderly low-carbon transition scenario and a severe extreme weather physical risk scenario, tailored to its construction engineering consultancy business model. Under the physical risk scenario, the Group evaluates long-term operational impacts including frequent typhoon/rainstorm disruptions to site inspection schedules, rising operational costs for site flood prevention facilities, and delays to client engineering projects caused by inaccessible construction sites. Under the low-carbon transition scenario, the Group assesses potential regulatory impacts such as tightened carbon reporting requirements for construction consultants, growing client demand for low-carbon geotechnical and structural design solutions, and shifts in market preference toward green engineering advisory services. The Group further integrates climate-related financial and operational impacts into medium-term business planning. Climate risks and opportunities are embedded into the Group's tendering, project design and client service strategies: the business development team prioritizes cooperation with clients requiring sustainable, low-carbon engineering designs to capture green market opportunities brought by decarbonization policies. All scenario analysis results are documented and reviewed by the Board to adjust the Group's long-term ESG and business strategies dynamically.

Risk Management

The Group has fully integrated climate risk evaluation into its enterprise-wide ESG risk management cycle, adopting a standardized three-stage climate risk workflow: identification, assessment and mitigation tracking.

Identification: The ESG Working Group collaborates with field engineering teams to conduct annual full-scope climate risk mapping, categorizing risks into acute physical risks (typhoons, flash floods, heatwaves) and chronic physical risks (rising ambient temperatures affecting outdoor site work) as well as transition risks (stricter carbon disclosure rules, green procurement requirements from clients).

Assessment: Each identified climate risk is graded by two dimensions – likelihood of occurrence and magnitude of operational/financial impact, forming a climate risk matrix to prioritize high-severity risks for targeted control.

Mitigation & monitoring: For high-priority climate risks, customized control action plans are formulated with clear responsible departments and completion timelines. The ESG Working Group tracks implementation progress quarterly and updates the climate risk register for Board review. Cross-functional climate risk response coordination mechanisms are in place: the admin team manages office facility climate resilience, field engineering teams oversee site anti-disaster arrangements, and the finance team monitors incremental climate-related operational expenditures. Standardized post-incident reviews are conducted after every severe weather disruption to optimize contingency plans and eliminate control loopholes.

Metrics & Targets

Beyond the Group's existing Group-wide GHG emission reduction target for FY2028, the Board approves layered climate-related KPIs tracked on an annual basis, covering Scope 1, Scope 2 and material Scope 3 greenhouse gas emissions, office energy consumption intensity and business travel carbon footprint. All climate-related performance data is compiled by the ESG Working Group and disclosed in each annual ESG Report for stakeholder transparency. Medium-term quantitative climate targets are embedded into the Group's 5-year sustainable development roadmap, including progressive reduction targets for business travel emissions and office paper consumption, alongside action milestones such as full LED lighting rollout and expanded remote meeting adoption. The Group actively captures climate-aligned commercial opportunities driven by global decarbonization trends. Its engineering consultancy teams develop low-carbon structural and geotechnical design service packages to support clients' green construction needs. Internal resource efficiency initiatives (digital document transformation, optimized site visit routing) simultaneously cut the Group's own carbon footprint and strengthen competitive advantages in the low-carbon engineering service market. The Board conducts annual reviews to adjust climate targets and expand green service development plans based on market and regulatory changes.

B. SOCIAL

The Group regards human capital as a core competitive strength and the fundamental driver sustaining long-term business prosperity. Guided by a people-centric management philosophy, the Group has formulated comprehensive policies designed to unlock employees' full capabilities and professional potential. Formal human resource protocols are compiled into an official Employee Handbook, which systematically governs recruitment arrangements, workplace behavioural standards, as well as staff entitlements and welfare benefits. Throughout the reporting year, the Group maintained full regulatory compliance with all prevailing employment-related legislations. No material breaches were identified in relation to the Hong Kong Employment Ordinance, Disability Discrimination Ordinance and relevant mainland labour laws, with no incidents bringing substantial adverse impact to the Group's daily operation and corporate reputation.

B.1 Employment and Labour Practices

Recruitment, Promotion and Dismissal

The Group adopts fair, transparent and merit-based principles governing the full cycle of staff recruitment, internal promotion and termination arrangements. All hiring procedures follow unified standard criteria, offering equal employment opportunities to all candidates regardless of background, gender, age, ethnicity, religion, disability, or sexual orientation, and strictly refrain from discriminatory practices. Applicants with relatives working in the Group must clarify personal relationships and ensure that their relatives' work in the Group is unaffected.

Internal promotion pathways are clearly defined, prioritising employees' professional competence, work performance and comprehensive capability evaluation to motivate career advancement.

In cases of dismissal and contract termination, the Group complies fully with applicable labour laws and internal regulations, conducts formal due process, delivers reasonable notification and proper compensation in accordance with statutory requirements, safeguarding legitimate interests of both the enterprise and employees while maintaining stable and orderly workforce management.

Remuneration and Benefits

The Group formulates fair and market-competitive remuneration systems in strict compliance with the Hong Kong Employment Ordinance. Staff compensation is assessed based on job duties, personal performance and corporate operational outcomes to ensure equitable pay allocation. Mandatory Provident Fund contributions are duly arranged in accordance with statutory requirements for all eligible employees. Comprehensive remuneration packages cover statutory holidays, annual leave, paid sick leave, maternity leave, marriage leave and compassionate leave, alongside overtime payment and discretionary bonus. The Group also provides group hospitalisation and surgical insurance, as well as accident death and dismemberment insurance to safeguard staff wellbeing. Regular pay reviews are carried out continuously to keep remuneration competitive, duly protect staff lawful interests and build a stable and engaged workforce.

Working Hours

Working hour arrangements are strictly governed in compliance with the Hong Kong Employment Ordinance, with standardized daily schedules adopted and overtime work duly managed and remunerated as required by law. The Group regularly organizes diversified team building activities outside working hours, aiming to strengthen communication and mutual bonding among employees. Such activities help enhance team cohesion, ease work pressure, and foster a harmonious and collaborative workplace atmosphere while fully respecting staff personal rest time and legitimate labour rights.

Staff Composition

As at 31 March 2026, the Group employed a total of 155 (2025: 161) staff, including operational office, sales and marketing, and back office division. All staff members are allocated in Hong Kong and the PRC.

A) Employee's Employment Type Distribution

	2026		2025	
Employment type	**Male**	**Female**	Male	Female
Part-time staff	**0%**	**0%**	0%	0%
Full- time staff	**75%**	**25%**	75%	25%
Total	**75%**	**25%**	75%	25%

B) Employee's Age and Gender Distribution

	2026		2025	
Age Group	**Male**	**Female**	Male	Female
0-15	**0%**	**0%**	0%	0%
16-18	**0%**	**0%**	0%	0%
19-30	**31%**	**9%**	25%	12%
31-45	**16%**	**6%**	17%	5%
46-60	**18%**	**7%**	15%	8%
=61/>61	**10%**	**3%**	18%	2%
Total	**75%**	**25%**	75%	25%

C) *Employee's Category*

Employee category	2026 Male	2026 Female	2025 Male	2025 Female
Senior management	**8%**	**3%**	8%	3%
Middle management	**10%**	**2%**	10%	2%
General Staff	**57%**	**20%**	57%	20%
Total	**75%**	**25%**	75%	25%

D) *Employee's Geographical and Gender Distribution*

Geographical	2026 Male	2026 Female	2025 Male	2025 Female
Hong Kong	**61%**	**19%**	61%	19%
The PRC	**14%**	**6%**	14%	6%
Total	**75%**	**25%**	75%	25%

E) Employee turnover rate of the Group was approximately 22%. The table below shows the turnover rate breakdown by gender and age:

	Total employees (A)	Number of employees left during the Reporting Period (B)	Employee turnover rate B/(A+B) x 100%
Total	155	43	22%
By Gender			
Male	116	30	21%
Female	39	13	25%
By Age			
19-30	62	14	18%
31-45	35	11	24%
46-60	39	6	13%
=61/> 61	19	12	39%

The Group maintains a diversified and well-structured workforce with rational staffing distribution across different job roles, age groups and gender profiles. We uphold equal employment principles during recruitment and daily workforce management, offering fair career opportunities to all individuals without discrimination. Staff composition is dynamically adjusted in response to business development demands, ensuring manpower scale and talent structure match operational and project requirements. The reasonable workforce layout underpins steady daily operations and sustainable long-term business development of the Group. The Board comprised of both male and female directors with various educational background and professional experience.

B.2 Employees' Health and Safety

The Group regards its employees as invaluable human capital fundamental to sustainable business continuity and long-term corporate development. The Group is fully committed to upholding a safe, hygienic and hazard-free working environment for all full-time employees and on-site contractors, visitors and third-party personnel. It strives to proactively prevent work-related accidents, occupational injuries and workplace illnesses through rigorous safety management and systematic risk control.

Regulatory Compliance & Governance:

The Group places top priority on employees' occupational health and safety, and fully adheres to the Hong Kong Occupational Safety and Health Ordinance and industry-specific safety standards governing engineering consultancy and on-site inspection services. A structured occupational health and safety management system with clear management accountability and standardised operational procedures is in place to identify, assess and mitigate potential workplace risks for both office-based employees and field staff undertaking site surveys, inspections and project supervision duties.

On-site Safety Control:

To safeguard field personnel's safety, mandatory pre-work safety briefings and on-site hazard risk assessments are conducted before all outdoor operational tasks. The Group provides standard personal protective equipment (PPE) and enforces strict PPE wearing requirements, effectively preventing work-related injuries caused by working at height, construction site risks and external environmental hazards.

Office Ergonomics & Physical Health Protection:

For indoor working arrangements, the Group optimises ergonomic workstation configurations and advocates standard working posture and regular rest breaks, minimising work fatigue and repetitive strain injuries resulting from prolonged desk work. The Group also offers comprehensive employee benefits, including group medical, surgical and accident insurance coverage, together with regular physical health examinations to continuously protect employees' physical wellbeing.

Hot Weather Working Safety Guidelines:

The Group implements stringent guidelines on site safety measures for working in hot weather in compliance with Hong Kong occupational safety requirements. The guidelines cover reasonable working hour arrangements, regular rest intervals in shaded and ventilated areas, adequate drinking water supply, and real-time heat risk monitoring during high-temperature periods. Relevant reminders and safety tips are regularly disseminated to field staff to prevent heat exhaustion and heat stroke, ensuring the health and safety of personnel conducting outdoor site works under hot weather conditions.

Mental Wellness & Work-life Balance:

In addition to physical health management, the Group attaches great importance to employees' mental health. It actively promotes healthy work-life balance, provides professional stress relief guidance, and fosters a positive, supportive and low-stress workplace atmosphere to prevent employee burnout and maintain overall staff wellness.

Risk Monitoring & Continuous Improvement:

The Group operates a transparent hazard reporting mechanism, encouraging all employees to proactively identify and report potential workplace risks for timely rectification. Regular reviews and iterative optimisation of safety management policies and procedures are conducted, aiming to sustain a zero-workplace-incident environment and fully safeguard employees' legitimate health and safety rights and interests.

Construction Site No-smoking Policy:

A strict no-smoking policy is fully enforced at all construction and project sites under the Group's supervision. Smoking is completely prohibited across all site areas to eliminate fire hazards, reduce potential safety risks to site facilities and personnel, and maintain a safe, clean and hygienic working environment. All employees and on-site contractors are required to strictly comply with the policy, with regular site inspections conducted to ensure full implementation.

Safety Training and Inspections

The Group conducts systematic and tiered safety training tailored for office staff and field site personnel on a regular basis, covering occupational safety protocols, PPE standard usage, hazard identification, hot weather work protection, fire safety and emergency response procedures. All newly joined employees are required to complete mandatory safety induction training before participating in any site work to ensure full awareness of operational safety norms. Meanwhile, the Group implements a rigorous site inspection mechanism, including routine daily checks, periodic comprehensive safety audits and irregular spot inspections on project sites. Inspections focus on potential safety loopholes, non-compliant operations and hidden hazards, with detailed records filed and timely rectification plans issued for identified issues. Continuous safety training and rigorous inspection supervision jointly standardise on-site operational behaviours, reduce workplace risk exposure, and form a closed-loop safety management system for sustained improvement.

During the reporting year, the Group maintained full compliance with all applicable health and safety legislations, including but not limited to the Hong Kong Occupational Safety and Health Ordinance and the Labour Law of the People's Republic of China, with no material non-compliance incidents that could impose significant adverse impacts on the Group's operations and reputation. The Group achieved zero lost working days arising from work-related accidents throughout the year and zero work-related injury occurred during the period.

Occupational Health and Safety Data

	2026		2025		2024	
Health and safety	**Male**	**Female**	Male	Female	Male	Female
Rate of work-related fatalities	**–**	**–**	–	–	–	–
Lost hours due to work injury	**–**	**–**	–	–	–	–

B.3 Development and Training

The Group is committed to fostering a learning-oriented corporate culture and views employee development as a key driver of sustainable growth. A comprehensive and structured training and development framework has been established to support continuous skills upgrading and career progression for all staff. The Group provides a full spectrum of training programmes, including targeted on-the-job training, professional technical courses, industry regulatory updates, occupational health and safety training, and soft skills workshops to enhance both professional competence and overall workplace capabilities. New employees undergo structured induction training to integrate smoothly into the Group's culture and operations, while existing staff are encouraged to participate in external seminars, professional certification courses and skills upgrading programmes to stay abreast of industry trends and technical advancements. The Group also supports internal talent mobility and career advancement, creating clear development paths to help employees realise their full potential and grow alongside the Group. By investing in continuous learning and talent development, the Group strengthens its human capital, improves operational excellence, and sustains long-term competitiveness in the industry.

During the Year, 155 hours of regular training courses were provided to the employees included but not limited to orientation training, technical training and quality training.

	2026		
Position	**Total training hours (Male)**	**Total training hours (Female)**	**Total**
Senior management	12	4	16
Middle management	16	3	19
General Staff	88	32	120
Total	116	39	155

B.4 Labour Standard

The Group strictly adheres to prevailing local and cross-border labour regulations and international labour conventions, firmly prohibiting child labour and forced labour in all business operations and workforce arrangements. We implement rigorous recruitment verification procedures to confirm valid age identity of all job applicants, ensuring no underage personnel are engaged for any work posts. No compulsory labour, involuntary service or restrictive employment practices are adopted throughout employment management.

During the Year, the Group was not aware of any material non-compliance with child and forced labour related laws and regulations, including but not limited to the Hong Kong Employment Ordinance and the Labour Law of the People's Republic of China that would have a significant impact on the Group. The Group also extends such labour standards requirements to contracted partners and suppliers, conducting regular reviews to supervise their compliance performance. All staff work voluntarily with freely agreed employment terms, safeguarding basic human rights and maintaining ethical and compliant labour practices across the organisation.

B.5 Supply Chain Management

Subconsultant Management

The Group adopts stringent and systematic management measures for all engaged subconsultants to secure consistent service quality and operational compliance. Comprehensive qualification review, professional competency assessment and background verification are conducted prior to formal engagement. When assessing subconsultants, the Group takes into account various key factors covering corporate background, industry reputation, job references, past engagement performance, tender pricing, service quality, length of business partnership, as well as their environmental and social performance. Ongoing performance monitoring and periodic evaluation are implemented throughout cooperation tenure to track service delivery, work standard adherence and safety compliance. Underperforming parties will be guided to make rectification, ensuring all outsourced consultancy works align with the Group's internal requirements and industry benchmarks. The Group also conducts checks to identify any legal cases associated with subconsultants. Subconsultancy engagements may be terminated should partners commit serious breaches of environmental and labour laws and regulations.

Fair and Open Tendering

All procurement and project tendering procedures are executed in a transparent, fair and impartial manner in accordance with internal policies and regulatory requirements. Unified bidding rules, objective assessment benchmarks and standard selection mechanisms are applied to every tender exercise. Undue preference, private dealings and irregular manipulation are strictly prohibited, offering equal participation opportunities to all eligible bidders. The Group maintains complete tender records to retain traceability, fostering a credible and level competitive environment within the industry supply chain.

During the Year, the Group had a total of 35 (2025: 46) subconsultants. The number of suppliers and subcontractors by geographical region of the Groups is as follows:

By location	Number of suppliers
Hong Kong	33
Macau	2
Total	35

Environmental and Social Risk Management

The Group embeds environmental and social risk management into its full-cycle supply chain and subconsultant governance to mitigate ESG risks associated with outsourced services. During partner screening and evaluation, the Group conducts comprehensive ESG due diligence, assessing subconsultants environmental performance, labour compliance, workplace safety standards and social responsibility records, alongside their technical capability and financial standing. The Group also verifies partners' legal background to rule out those with adverse legal disputes, environmental violations or non-compliant labour practices.

To promote environmentally preferable products and services when selecting subconsultants, the Group maintains frequent communication with partners to understand their capability to deliver environmentally friendly offerings and services that comply with recognised green standards and specifications. The Group actively incentivises green practices by granting higher bidding priority to subconsultants that proactively provide eco-friendly products and services. Subconsultant selection is comprehensively determined based on their overall performance, including the aforementioned assessment criteria, professional evaluation results and sustainable green practices.

All subconsultants are required to strictly comply with applicable Hong Kong and Mainland environmental, labour and occupational safety regulations. Any material breaches of environmental or labour requirements will trigger remedial actions, suspension or termination of cooperation. With systematic pre-qualification screening and ongoing ESG monitoring, the Group manages supply chain risks effectively, advocates responsible procurement, and maintains consistent ESG standards across its business ecosystem.

B.6 Product Responsibility

As a professional engineering consultancy service provider, the Group upholds rigorous product and service responsibility principles throughout all project delivery processes. The Group is committed to delivering high-quality, safe, reliable and compliant engineering consultation, site supervision and technical services that fully comply with Hong Kong statutory requirements, industry codes of practice and professional standards. The Group prioritises public safety, project sustainability and client interests by implementing standardised quality control mechanisms, stringent technical review procedures and systematic risk assessment protocols at every project stage. The Group adheres to ethical service practices, ensures accurate and professional technical deliverables, and strictly prohibits misleading information and non-compliant service outputs. Through continuous quality optimisation and standardised service management, the Group safeguards the credibility, safety and sustainability of all delivered projects, fulfilling its product and service responsibility to clients, the public and the industry.

During the Year, the Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services provided, including but not limited to the Hong Kong Copyright Ordinance, the Hong Kong Personal Data (Privacy) Ordinance, and the Patent Law of the People's Republic of China that would have a significant impact on the Group

Quality Management

Specialising in Hong Kong structural and geotechnical engineering consultancy and construction supervision, the Group has established a formal Quality Management System in accordance with ISO 9001 requirements to foster a sustainable, performance-oriented quality culture across all operations. The Group maintains a robust, project-based quality management system to uphold consistent service excellence across all infrastructure projects. It enforces full-lifecycle quality control covering site investigation, technical review, on-site supervision and project handover, fully complying with local engineering ordinances and industry codes.

To strengthen on-site quality governance, the Group typically employs one full-time foreman to oversee the quality of foundation works, while the Group's project managers periodically visit construction sites to inspect and verify the calibre of ongoing works.

The Group also adopts a strict multi-tiered technical vetting mechanism, where registered professional engineers and senior technical staff conduct layered verification and cross-checks on all structural drawings, geotechnical reports and site records to eliminate technical errors and potential safety hazards. Regular internal quality audits and project reviews are performed to optimise workflows and upgrade service standards continuously. Through disciplined technical governance, ISO 9001-standard management and rigorous field supervision, the Group ensures accurate, reliable and compliant deliverables, delivering high-quality, safe and responsible engineering services to clients and the community.

Customer Service

The Group places strong emphasis on customer satisfaction and sustainable client relationship management as a core component of its product responsibility framework, with all customer service procedures fully aligned with its ISO 9001 Quality Management System requirements. Adhering to standardised, systematic service protocols, the Group maintains open and proactive communication channels with clients throughout the entire project lifecycle, covering project consultation, progress updates, technical enquiry response and post-delivery follow-ups.

The Group has established a structured customer feedback collection, review and handling mechanism to systematically capture clients' opinions, suggestions and service-related enquiries. All feedback and complaints are properly recorded, assessed, tracked and resolved in a timely and transparent manner, with complete documentation retained for continuous service improvement. By implementing ISO 9001-standard customer service workflows and closed-loop feedback management, the Group continuously optimises its service responsiveness, addresses client expectations effectively, upholds high service transparency and accountability, and builds long-term trustworthy partnerships with all clients. This KPI is not applicable to the Group's business. As a construction engineering consultancy service provider, the Group does not design, produce or sell physical manufactured products, and therefore has no product recall mechanisms or relevant recall incidents, the Group had not received any material product and service-related complaints.

Intellectual Property Rights

The Group attaches great importance to the protection and management of intellectual property rights (IPR) as an integral part of its product responsibility and professional service governance. Committed to upholding rigorous IPR compliance standards, the Group strictly safeguards all internally developed technical reports, engineering designs, site analysis data, professional consultancy documents and proprietary technical know-how generated throughout project deliveries. The Group enforces standardised internal protocols to regulate the creation, usage, storage and sharing of intellectual property assets, preventing unauthorised disclosure, duplication, infringement and improper exploitation of confidential and proprietary content.

Meanwhile, the Group fully respects the legitimate intellectual property rights of clients, industry institutions and third parties, and ensures all project deliverables are produced in compliance with relevant IPR regulations and licensing requirements.

The Group conducts regular staff awareness training to strengthen internal IPR compliance awareness, and employees in violation of the policy will be subject to disciplinary actions. Through standardized compliance management and strict internal governance, the Group mitigates intellectual property-related legal and operational risks, protects the originality and professionalism of its engineering services, and maintains credible and ethical business operations.

Protection of Privacy

The Group prioritises personal data and commercial privacy protection as a key component of product responsibility, strictly complying with the Personal Data (Privacy) Ordinance and relevant regulatory requirements in Hong Kong. The Group has implemented stringent data governance and confidentiality protocols to secure all sensitive client information, project data and personal information collected during consultancy and construction supervision services. Only authorized personnel are able to access and manage sensitive data and information. The Group's employees are prohibited from revealing or capitalising on any confidential matters or client's information no matter during employment or after termination of employment.

To enforce strict privacy compliance, any employee who is found to have divulged confidential information to any third parties without authorisation will be subjected to disciplinary actions. The Group also provides regular privacy protection training to enhance staff awareness of data confidentiality and compliance, establishing a secure and responsible information management mechanism that safeguards client interests, maintains business confidentiality and upholds the Group's ethical and professional service standards. During 2026, no material illegal or non compliant incidents materially affecting the Group were identified.

B.7 Anti-corruption

Upholding integrity, transparency and ethical governance in all professional practices, the Group incorporates anti-corruption governance into its product responsibility and daily operational management. The Group has formulated the Anti-Corruption Policy to standardise behavioural guidelines and compliance requirements for all employees, project teams and collaborative partners throughout project consultation, tendering, construction supervision and service delivery processes. The Group strictly prohibits all forms of bribery, fraud, illegal kickbacks and corrupt conducts that may compromise project quality, operational fairness and corporate credibility. Regular anti-corruption training and internal compliance briefings are organised to strengthen staff integrity awareness and eliminate malpractice risks in engineering services and business operations. The Group maintains a zero-tolerance attitude towards corruption, with clear supervisory mechanisms and accountability measures in place to investigate irregularities. Any violation of the anti-corruption policy will result in corresponding disciplinary sanctions and remedial actions, ensuring all projects and professional services are delivered in a fair, clean and compliant manner.

The Group delivers comprehensive anti-corruption and business ethics training to all directors and senior management. The training curriculum covers anti-bribery, anti-corruption and anti-fraud regulations as well as professional business ethics, and is supplemented by industry-specific case studies for practical warning education. Such regular training strengthens the leadership team's integrity awareness, reinforces ethical judgment, and entrenches clean and compliant governance across the Group's operations. The Company is also devising a plan to expand the scope of anti-corruption training and extend it to our workforce in the upcoming financial years. The Company will roll out standardized interactive anti-corruption training to all middle management and general staff starting from the next financial year, with full participation data to be disclosed in subsequent ESG Reports.

During the reporting year, no concluded legal cases involving corrupt practices were filed against the Group or its employees. The Group confirms no material non-compliance with laws and regulations governing bribery, extortion, fraud and money laundering, including, without limitation, the Hong Kong Prevention of Bribery Ordinance and the Company Law of the People's Republic of China, which would have incurred a material adverse impact on the Group's business and operations.

In 2026, the breakdown of participants and average training hours per person for anti-corruption training by employment category is set out below:

2026		
Training Target	**Number of Trainees**	**Average Training Hours (Hours)**
Board Members	6	1.0
Senior Management	5	1.0

Anti-money Laundering

The Group has established its Anti-money Laundering and Counter-terrorist Financing Policy to ensure full adherence to prevailing regulatory requirements. The Group strictly prohibits staff from soliciting, accepting or offering any improper advantages, including gifts, discounts and tips, from or to clients, subcontractors and all parties with business connections with the Group. Employees are also prohibited from providing unauthorised professional advice or engaging in any transactions that may result in conflicts of interest. The Finance Department conducts annual money laundering risk assessments covering the Group's overall business operations to identify potential compliance vulnerabilities. Relevant responsible departments implement comprehensive due diligence procedures prior to engaging with new business counterparties. In the event of any detected suspicious activity indicators, the Financial Manager shall promptly escalate the matters to the relevant independent authorities for follow-up actions.

Whistleblowing Mechanism

To foster a transparent, honest and ethical workplace culture, the Board has formally established and endorsed a whistleblowing policy for the Group. This policy enables all employees and stakeholders to report suspected negligence, corruption, bribery and any other forms of workplace misconduct in a secure and formal manner. All incoming reports and complaints are managed promptly, fairly and confidentially throughout the investigation and follow-up process. The policy is designed to fully protect whistleblowers from unfair dismissal, victimisation and any unwarranted disciplinary actions arising from their genuine reports. Any individuals found engaging in victimisation or retaliation against personnel who raise legitimate concerns under this policy will face appropriate disciplinary sanctions in accordance with internal governance requirements.

Our board, particularly our INEDs, will oversee all reports and follow up on all valid and goodwill filings.

Goodwill whistleblowers shall file their reports in sufficient detail and with an option to file in confidence. They shall file their reports in address to our Chairman of Audit Committee through the following two channels.

- by mailing to our registered office in Hong Kong or,
- by emailing to general@niuholdings.com.hk

B.8 Community Involvement

The Group actively fulfils its corporate social responsibility and commits itself to becoming a trustworthy and responsible corporate citizen through sustained community engagement and charitable initiatives. Guided by robust internal control and ethical governance principles, the Group has formulated a formal Charity Policy that defines clear guidelines, approval procedures, accountability mechanisms and partner selection standards to ensure transparent, compliant and effective philanthropic management.

Aligning with its internal control framework covering risk management, code of conduct and ethical practices, the Group conducts due diligence on charitable partners to verify credibility, operational compliance and social impact, preventing conflicts of interest and ensuring resources are directed to meaningful community projects. The Group advocates altruistic values and encourages all employees to participate in voluntary and charitable activities during their personal spare time, complementing internal training and culture-building programmes to embed social responsibility into daily operations.

By integrating philanthropic management with internal control protocols, risk oversight and staff development, the Group ensures structured, auditable and accountable social contribution practices. It continuously reinforces its social commitment, supports community welfare, and delivers sustainable long-term social value while upholding the highest standards of governance, transparency and integrity across all philanthropic and business activities.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

ESG Pillar	KPIs	Subject Areas/ Aspects	Description	Corresponding Section
ENVIRONMENTAL	A1.0	Emissions – General Disclosures	Emission management policies; compliance with environmental laws; emission reduction target formulation	A. Environmental Aspect – A1
	A1.1	Emissions – Air Pollutant Emissions	Air pollutant types/data; control measures; emission reduction targets	A. Environmental Aspect – A1
	A1.2	Emissions – Greenhouse Gas Emissions	Scope 1/2 GHG emissions total/ intensity; monitoring & reduction measures	A. Environmental Aspect – A1
		Emissions – Greenhouse Gas Emissions	Scope 3 GHG emissions	A. Environmental Aspect – A1
	A1.4	Emissions – Hazardous Waste Production	Hazardous waste total/intensity; classification/storage/disposal measures	A. Environmental Aspect – A1
	A1.5	Emissions – Non-Hazardous Waste Production	Non-hazardous waste total/ intensity; sorting/recycling measures	A. Environmental Aspect – A1
	A1.5	Emissions – Emission Reduction Targets	GHG/air pollutant reduction targets; implementation steps & tracking mechanism	A. Environmental Aspect – A1
	A1.6	Emissions – Waste Reduction & Handling	Waste reduction targets; full-process handling methods; traceability management	A. Environmental Aspect – A1
	A2.0	Resource Use – General Disclosures	Resource efficiency policies; green production design principles; monitoring mechanism	A. Environmental Aspect – A2
	A2.1	Resource Use – Energy Consumption	Energy consumption total/intensity by type; energy-saving measures	A. Environmental Aspect – A2

ESG Pillar	KPIs	Subject Areas/ Aspects	Description	Corresponding Section
	A2.2	Resource Use – Water Consumption	Water consumption total/ intensity; water-saving & recycling measures	A. Environmental Aspect – A2
	A2.3	Resource Use – Energy Efficiency Goals	Energy efficiency targets; implementation steps; equipment upgrade & process optimization	A. Environmental Aspect – A2
	A2.4	Resource Use – Water Efficiency & Access	Water efficiency targets; water source management; wastewater reuse measures	Not applicable as disclosed in the section
	A2.5	Resource Use – Packaging Material Consumption	Packaging material total/ intensity; eco-friendly packaging optimization	A. Environmental Aspect – A2
	A3.0	Environment and Natural Resources – General Disclosures	Environmental impact minimization policies; green operation principles	A. Environmental Aspect – A3
	A3.1	Environment and Natural Resources – Impact Reduction Measures	Pollution control; biodiversity protection; raw material sustainability; ecological restoration	A. Environmental Aspect – A3
	A4.0	Climate Change – General Disclosures	Climate change risk management framework; TCFD alignment; policy formulation	A. Environmental Aspect – A4
	A4.1	Climate Change – Risk Response & Impact Management	Physical/transition risks; impact assessment; targeted response measures	A. Environmental Aspect – A4
SOCIAL	B1.0	Employment – General Disclosures	Employment policies; labor law compliance; equal employment & anti-discrimination	B. Social Aspect – B1
	B1.1	Employment – Employee Structure	Employee numbers by position/ gender/age/region	B. Social Aspect – B1

Environmental, Social and Governance Report

ESG Pillar	KPIs	Subject Areas/ Aspects	Description	Corresponding Section
	B1.2	Employment – Employee Turnover Rate	Turnover rate by position/gender/ age/region; retention measures	B. Social Aspect – B1
	B2.0	Health and Safety – General Disclosures	EHS management policies; occupational health & safety law compliance	B. Social Aspect – B2
	B2.1	Health and Safety – Work-Related Fatalities	Work-related fatalities number/ rate in the past three years	B. Social Aspect – B2
	B2.2	Health and Safety – Lost Days Due to Work Injury	Lost working days due to work injury; injury treatment & prevention	B. Social Aspect – B2
	B2.3	Health and Safety – OHS/EHS Implementation Measures	Safety training; hazard control; PPE provision; emergency management	B. Social Aspect – B2
	B3.0	Development and Training – General Disclosures	Training policies; skill enhancement framework; training needs assessment	B. Social Aspect – B3
	B3.1	Development and Training – Training Participation Rate	Training participation rate by gender/position/department	B. Social Aspect – B3
	B3.2	Development and Training – Average Training Hours	Average training hours by gender/ position; core training content	B. Social Aspect – B3
	B4.0	Labour Code – General Disclosures	Labor code compliance policies; prohibition of child/forced labor	B. Social Aspect – B4
	B4.1	Labour Code – Recruitment Practice Review	Recruitment process review measures; anti-child/forced labor control	B. Social Aspect – B4

ESG Pillar	KPIs	Subject Areas/ Aspects	Description	Corresponding Section
	B4.2	Labour Code – Violation Remediation Steps	Violation investigation; rectification measures; responsible person accountability	B. Social Aspect – B4
	B5.0	Supply Chain Management – General Disclosures	Supply chain ESG policies; international standard compliance; green supply chain construction	B. Social Aspect – B5
	B5.1	Supply Chain Management – Supplier Distribution	Supplier numbers by region/type; core supplier classification	B. Social Aspect – B5
	B5.2	Supply Chain Management – Supplier Engagement Practices	ESG evaluation/audit/training; qualified supplier standards	B. Social Aspect – B5
	B5.3	Supply Chain Management – Risk Identification Measures	Supply chain ESG risk identification at all stages; risk assessment & control	B. Social Aspect – B5
	B5.4	Supply Chain Management – Eco-Friendly Supplier Selection	Green procurement criteria; eco-friendly product/service promotion	B. Social Aspect – B5
	B6.0	Product Liability – General Disclosures	Product responsibility policies; quality/safety law compliance; customer rights protection	B. Social Aspect – B6
	B6.1	Product Liability – Product Recall Rate	Not applicable as disclosed in Section B.6 – the Group only provides construction engineering consultancy services with no physical manufactured products, hence no product recall scenarios exist	B. Social Aspect – B6
	B6.2	Product Liability – Customer Complaints	Customer complaint number; feedback mechanism & resolution methods	B. Social Aspect – B6

ESG Pillar	KPIs	Subject Areas/ Aspects	Description	Corresponding Section
	B6.3	Product Liability – Intellectual Property Protection	IP management system; core technology protection; anti-infringement measures	B. Social Aspect – B6
	B6.4	Product Liability – Quality Verification & Recall Procedures	Full-process quality control; product recall classification & implementation steps	B. Social Aspect – B6
	B6.5	Product Liability – Consumer Data Protection	Data privacy policies; access control; leakage prevention measures	B. Social Aspect – B6
	B7.0	Anti-Corruption – General Disclosures	Anti-corruption policies; compliance with anti-corruption laws; ethical operation principles	B. Social Aspect – B7
	B7.1	Anti-Corruption – Corruption Cases Outcome	Corruption case number/ outcome; no penalty record	B. Social Aspect – B7
	B7.2	Anti-Corruption – Preventive & Whistleblowing Measures	Anti-corruption audits; confidential reporting mechanism; investigation & disposal	B. Social Aspect – B7
	B7.3	Anti-Corruption – Training Provision	Anti-corruption training coverage/ hours; training content for employees/suppliers	B. Social Aspect – B7
	B8.0	Community Investment – General Disclosures	Community investment policies; community needs assessment; business-community alignment	B. Social Aspect – B8
	B8.1	Community Investment – Contribution Focus Areas	Employment promotion; tech popularization; education assistance; environmental protection	B. Social Aspect – B8
	B8.2	Community Investment – Allocated Resources	Financial/material/human resources allocated; public welfare activity results	B. Social Aspect – B8

Corporate Governance Report

The Board is pleased to present this corporate governance report for the year ended 31 March 2026. This report highlights the key corporate governance practices of the Company, and explains the principles and the applications as well as deviations (if any) of the CG Code.

CORPORATE GOVERNANCE PRACTICES

Since the Listing, the Board has recognised that transparency and accountability are important to a listed company. Therefore, the Company is committed in establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's stakeholders as a whole.

The Company's governance code is based on the principles of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the GEM Listing Rules. The Company is committed to ensuring a quality board and transparency and accountability to Shareholders.

The Company has complied with the CG Code during the Year and up to the date of this annual report, with an exception of deviation as explained below:

Under Code Provision C.1.7, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Board has not arranged an insurance cover in respect of Directors' liability as the Board considers that the industry, business and financial situation of the Company are currently stable, and the Company has established sufficient internal control system. The Board will review the need for the insurance cover from time to time.

On the other hand, following the resignation of Ms. SIU Yuk Ming as independent non-executive Director with effect from 31 October 2025, the Company has failed to fulfill (i) the minimum number of independent non-executive Directors as required under Rule 5.05(1) of the GEM Listing Rules; and (ii) the minimum number of members of the Audit Committee as required under Rule 5.28 of the GEM Listing Rules. The Company has then complied with the above requirements of the GEM Listing Rules after the appointment of Mr. WONG Chun Man as an independent non-executive Director with effect from 30 January 2026.

Under Rule 5.05A of the GEM Listing Rules, an issuer must appoint independent non-executive Directors representing at least one-third of its board of directors. The Board comprised six members (seven members as at 31 March 2026) with one executive Director (two executive Directors as at 31 March 2026), two non-executive Directors and three independent non-executive Directors as at the date of this annual report. As such, the number of independent non-executive Directors made up one-third of the Board as required under Rule 5.05A of the GEM Listing Rules.

Save as disclosed in this report, the Company complied with all code provisions in the CG Code during the Year.

The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of Shareholders and other stakeholders of the Company.

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all the Directors and was not aware of any non-compliance with the required standard of dealings and the Company's code of conduct regarding securities transactions by Directors during the year ended 31 March 2026.

BOARD OF DIRECTORS

As at the date of this report, the Board comprised six Directors, including one executive Director, namely Mr. LEUNG Chun Yu Edmund; two non-executive Directors, namely Mr. YUEN Chi Ping and Dr. CHAN Yin Nin; and three independent non-executive Directors, namely Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man.

Mr. YUEN Chi Ping and Dr. CHAN Yin Nin are both the chairmen of the Board.

RESPONSIBILITIES OF THE BOARD

The Board is entrusted with the overall responsibility for promoting the success of the Company by directing and supervising the Company's business and affairs. All the Directors should make decisions objectively in the interests of the Company. The Board makes decisions on certain important matters, including but not limited to annual business plans, annual financial budgets, annual remuneration proposals, interim and annual financial reports, declaration and payment of dividends, capital restructuring, and significant acquisitions and disposals. The Board has the full support from the executive Director and the senior management of the Company to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Director and the senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Director(s) and senior management. The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Company has an experienced and committed senior management team. Most of our senior management have been serving the Group for more than ten years. The committed and continued service of our senior management team allows the Group to execute our business strategies with long-term vision and objective without interruption. Our senior management team is familiar with the operations of our Group, and is responsible for the quality control measures and supervision of our operations in all aspects, including cooperation between our departments and offices in different locations.

Corporate Governance Report

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

RELATIONSHIPS BETWEEN MEMBERS OF THE BOARD

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

CHAIRMAN AND CHIEF EXECUTIVE

The roles and duties of the chairman of the Board and the chief executive of the Company are carried out by different individuals to achieve a balance of authority and power.

Currently, both Mr. YUEN Chi Ping and Dr. CHAN Yin Nin take up the role of chairmen of the Board, and no role of managing director of the Company maintains after Mr. TSANG Wing Ki's departure on 31 October 2025. With the support of the senior management, the chairmen are also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies, which is in compliance with Code Provision C.2.1 of the CG Code.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "**Board Diversity Policy**"). Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee reviews the Board's composition under diversified perspectives, and monitors the implementation of the Board Diversity Policy. The Nomination Committee has considered an appropriate balance of diversity of the Board be maintained and neither the Board nor the Nomination Committee has set any measurable objective implementing the Board Diversity Policy.

Workforce Diversity Policy

The Company values diversity, recognising that a diverse workforce is vital for sustainable business success. It is committed to fostering an inclusive and cooperative work environment where everyone can flourish. The Group strives to ensure equal opportunities across all employment aspects and to maintain a workplace free from discrimination or any form of physical or verbal harassment based on race, religion, color, gender, physical or mental disability, age, place of origin, marital status or sexual orientation.

While the Board has attained a gender ratio of 0.17%, the Company has also maintained a gender ratio of 25% for our total workforce.

Nomination Policy

The nomination policy of the Company was adopted by the Board and became effective on 27 August 2018. Nomination Committee plays the major role of recruitment of suitable candidates to sit on the Board, including appointment and re-appointment of directors to ensure the Board possesses pre-requisite skills, experience and diversified perspectives in line with the Company's business development. The Board bears the ultimate responsibility for the selection and appointment of directors. It will take Nomination Committee's recommendation into consideration for the appointment or re-appointment of candidates as the Company's directors.

Selection Criteria

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of all Shareholders. Candidates will be selected for their ability to exercise good judgment to provide practical insights and diverse perspectives. The Nomination Committee considers the following qualifications in recommending suitable candidates to the Board:

- high professional and personal ethics;
- independence;
- compliance with legal and regulatory requirements;
- ability to provide insights and practical wisdom based on their experience and expertise relevant to the Company's business;
- commitment to enhancing Shareholders' value; and
- independent with reference to the independent guidelines set out in Rules 5.05(2) and 5.09 of the GEM Listing Rules if the candidate is nominated as an independent non-executive Director.

These qualifications are for reference and not all suitable candidates may fulfil all of them. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as Director and to the public disclosure of their personal data on documents or the relevant websites for the purpose of or in relation to their standing for election as Director.

The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

Nomination Procedure

Company secretary of the Board shall call a meeting of the Nomination Committee, and invite nominations of candidates, if any, for Board members' consideration by the Nomination Committee prior to its meeting.

For filling a causal vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

A circular will be sent to Shareholders in order to provide information concerning the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from Shareholders. The circular will set out the lodgment period for Shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee shall ensure that the composition of the Board is in conformity with the provisions of all applicable laws and regulations.

BOARD PROCESS AND BOARD MEETINGS

The Board meets regularly to, inter alia, determine overall strategies, receive management updates, approve business plans as well as financial results and to consider other significant matters to the Group. Management also provides updates to the Board with respect to the business activities and development of the Group on a regular basis.

Each Director ensures that he/she can give sufficient time and attention to the affairs of the Company and contribute to the Group's development through their constructive and informed comments. All of the members of the Board have also disclosed and updated their number and nature of offices held and time involved in handling the matters of the Company on a regular basis.

Corporate Governance Report

The Board is scheduled to meet in person or through other electronic means of communication at least four times a year to, among other matters, review past financial and operating performance and discuss the Group's direction and strategies. 17 Board meetings and 2 general meetings were held during the year ended 31 March 2026 and the attendance record of each Director at the Board meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Board meetings	Number of attendance/ number of general meetings
Executive Directors		
Mr. MAN Kwok Hing (Retired on 30 September 2025)	3/17	1/2
Ms. LEUNG Suet Yiu	12/17	2/2
Mr. TSANG Wing Ki *(Managing Director)* (Resigned on 31 October 2025)	9/17	2/2
Mr. LEUNG Chun Yu Edmund	17/17	2/2
Non-executive Directors		
Mr. YUEN Chi Ping *(Chairman)*	17/17	2/2
Mr. TAKEDA Masahiro (Retired on 30 September 2025)	3/17	1/2
Dr. CHAN Yin Nin *(Chairman)* (Appointed on 31 March 2026)	1/17	0/2
Independent non-executive Directors		
Ms. SIU Yuk Ming (Resigned on 31 October 2025)	9/17	2/2
Ms. LUNG Wing Yee	13/17	2/2
Mr. LEUNG Man Chun	13/17	2/2
Mr. WONG Chun Man (Appointed on 30 January 2026)	1/17	0/2

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors and senior management; developing and reviewing the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct applicable to employees and Directors; and reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report. The Board holds meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Directors are supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable them to discharge their duties.

Every Board member has full access to the advice and services of the company secretary of the Company with a view to ensuring that Board procedures, and all applicable rules and regulations are followed. They are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

All Directors (including executive Directors, non-executive Directors and independent non-executive Directors) have been appointed for an initial term of three years commencing from the date of appointment subject to retirement and re-election in accordance with the Articles. Each independent non-executive Directors is required to inform the Company as soon as practicable if there is any change that may affect his/her independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independency pursuant to Rule 5.09 of the GEM Listing Rules and the Company has considered all independent non-executive Directors to be independent.

The Board has recommended the re-appointment of the retiring Directors standing for re-election at the Annual General Meeting. Details of the information of the retiring Directors standing for re-election are set out in the circular accompanying the notice of the Annual General Meeting.

Corporate Governance Report

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rule 5.05(1) and 5.05(2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors, one of whom possesses the appropriate professional qualifications in accounting and financial management. The proportion of independent non-executive Directors in the Board is pursuant to 5.05A of the GEM Listing Rules. Each of the three independent non-executive Directors has confirmed his/her independence of the Company and the Company has considered each of them to be independent in accordance with the guidelines of assessing independence as set out in Rule 5.09 of the GEM Listing Rules. Each of the three independent non-executive Directors has signed a letter of appointment with the Company for a specific term of three years commencing from the date of appointment subject to retirement and re-election in accordance with the Articles.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are aware of the requirement under Code Provision 5.02F, 5.02G and 5.02H of the CG Code regarding continuous professional development. All Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

To assist Directors' continuous professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills in relation to their contributions to the Board.

According to the training record maintained by the Company, during the year ended 31 March 2025, all Directors had participated in continuous professional development in the following manner:

Name of Directors	Type of trainings
Mr. MAN Kwok Hing (Retired on 30 September 2025)	nil
Ms. LEUNG Suet Yiu	i
Mr. TSANG Wing Ki *(Managing Director)* (Resigned on 31 October 2025)	nil
Mr. LEUNG Chun Yu Edmund	i
Non-executive Directors	
Mr. YUEN Chi Ping *(Chairman)*	i
Mr. TAKEDA Masahiro (Retired on 30 September 2025)	nil
Dr. CHAN Yin Nin *(Chairman)* (Appointed on 31 March 2026)	nil
Independent non-executive Directors	
Ms. SIU Yuk Ming (Resigned on 31 October 2025)	nil
Ms. LUNG Wing Yee	i
Mr. LEUNG Man Chun	i, ii
Mr. WONG Chun Man (Appointed on 30 January 2026)	nil

i. reading journals and newspaper regarding updates on corporate governance affairs and directors' duties and responsibilities.

ii. physically attend trainings by professional partners.

INDUCTION OF NEW DIRECTORS

Every newly appointed Director will undergo a formal, thorough and customised induction upon their initial appointment. This process is designed to ensure that they gain a clear understanding of the Company's business and operations, as well as a complete awareness of their responsibilities and duties according to the GEM Listing Rules and applicable legal requirements.

Mr. WONG Chun Man (appointed as an independent non-executive Director on 30 January 2026) participated in training session held before his appointment. During this session, an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the GEM Listing Rules that are applicable to him as a director of a listed company and the possible consequences of making false declarations or giving false information to the Stock Exchange. He has confirmed his understanding of his obligation as a director of a listed company on 29 January 2026.

Dr. CHAN Yin Nin (appointed as a non-executive Director and the Co-Chairman on 31 March 2026) participated in training session held before his appointment. During this session, an external legal adviser provided legal advice on Hong Kong law as regards the requirements under the GEM Listing Rules that are applicable to him as a director of a listed company and the possible consequences of making false declarations or giving false information to the Stock Exchange. He has confirmed his understanding of his obligation as a director of a listed company on 30 March 2026.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs.

Audit Committee

The Company established the Audit Committee with written terms of reference in accordance with Rule 5.28 to 5.33 of the GEM Listing Rules and in compliance with Code Provision D.3.3 of the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists of three independent non-executive Directors, namely Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man. The chairman of the Audit Committee is Mr. LEUNG Man Chun, who has appropriate professional qualifications as required under the GEM Listing Rules.

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment and removal of external auditors; review the financial statements of the Company and areas involving judgements in respect of financial reporting; and oversee internal control procedures of the Company. All members of the Audit Committee are appointed by the Board.

The works performed by the Audit Committee during the year ended 31 March 2026 are summarised as below:

(1) reviewed the Group's annual report for the year ended 31 March 2026, and interim report for the period ended 30 September 2025, before recommending them to the Board for approval;

(2) reviewed the accounting principles and practices adopted by the Company and discussed with the external auditor on the audit matters in relation to the statutory audit for the year ended 31 March 2026;

(3) reviewed the independence and objectivity of external auditor;

(4) recommended to the Board on the appointment and re-appointment and change of the external auditors and the relevant terms of engagement, including their remuneration; and

(5) reviewed the risk management and internal control systems of the Group and the effectiveness of the Group's internal audit function for the year ended 31 March 2026 which covered financial, operational and compliance controls. The process used in such review included discussions with the management of the Company on the risk areas identified and the review of findings and reports from an independent professional advisor. The Audit Committee reviewed and concurred with the management's confirmation that the Group's risk management and internal control systems were effective and adequate for the year end 31 March 2026.

Corporate Governance Report

During the year ended 31 March 2026, three Audit Committee meetings were held. The attendance record of each Director at the Audit Committee meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Audit Committee meetings
Independent non-executive Directors	
Ms. SIU Yuk Ming *(Chairlady)* (Resigned on 31 October 2025)	2/3
Mr. LEUNG Man Chun *(Chairman)*	3/3
Ms. LUNG Wing Yee	3/3
Mr. WONG Chun Man (Appointed on 30 January 2026)	0/3

Remuneration Committee

The Remuneration Committee has been established with written terms of reference in compliance with Code Provision E.1.2 of the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee currently comprises three independent non-executive Directors, namely Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man, with Mr. LEUNG Man Chun as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, make recommendations to the Board on the remuneration packages and/or remuneration of individual Directors and senior management, and review performance-based remuneration; and ensure none of the Directors is involved in determining his/her own remuneration.

The works performed by the Remuneration Committee during the year ended 31 March 2026 are summarised below:

(1) reviewed the remuneration of the Directors and senior management for the year ended 31 March 2026.

(2) make recommendations to the Board regarding the remuneration of new independent non-executive director and non-executive director.

(3) reviewed the discretionary bonus for executive directors and senior management for the year ended 31 March 2026.

During the year ended 31 March 2026, 1 Remuneration Committee meeting was held. The attendance record of each Director at the Remuneration Committee meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Remuneration Committee meetings
Independent non-executive Directors	
Mr. LEUNG Man Chun *(Chairman)*	1/1
Ms. SIU Yuk Ming (Resigned on 31 October 2025)	1/1
Ms. LUNG Wing Yee	1/1
Mr. WONG Chun Man (Appointed on 30 January 2026)	0/1

The emoluments payable to Directors depends on their respective contractual terms under the service contracts or the appointment letters, and as recommended by the Remuneration Committee. The Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and remuneration of non-executive Directors and independent non-executive Directors. Details of the Directors' emoluments are set out in note 13 to the consolidated financial statements.

Pursuant to Code Provision E.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the year ended 31 March 2026 is as follows:

	Number of employees
Nil to HK$1,000,000	–
HK$1,000,001 to HK$1,500,000	3

Nomination Committee

The Nomination Committee has been established with written terms of reference in compliance with Code Provision B.3.1 of the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee currently comprises three independent non-executive Directors, namely Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man, with Ms. LUNG Wing Yee as the chairlady of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships with reference to the Board Diversity Policy; assess the non-executive Directors and independence of independent non-executive Directors; and make recommendations to the Board on the appointment or re–appointment of Directors.

The Nomination Committee and the Board, when forming their recommendations on the proposals on re-election of retiring Director(s) and election of new Director(s), have been following the Company's nomination policy which sets out a mechanism for nominating talented and capable person(s) to lead the Company. The nomination policy can be viewed on the Company's website at www.niuholdings.com.hk.

The works performed by the Nomination Committee during the year ended 31 March 2026 are summarised below:

(1) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;

(2) recommended on proposed changes to the Board to complement the Company's corporate strategy;

(3) assessed the independence of independent non-executive Directors;

(4) reviewed the Board Diversity Policy;

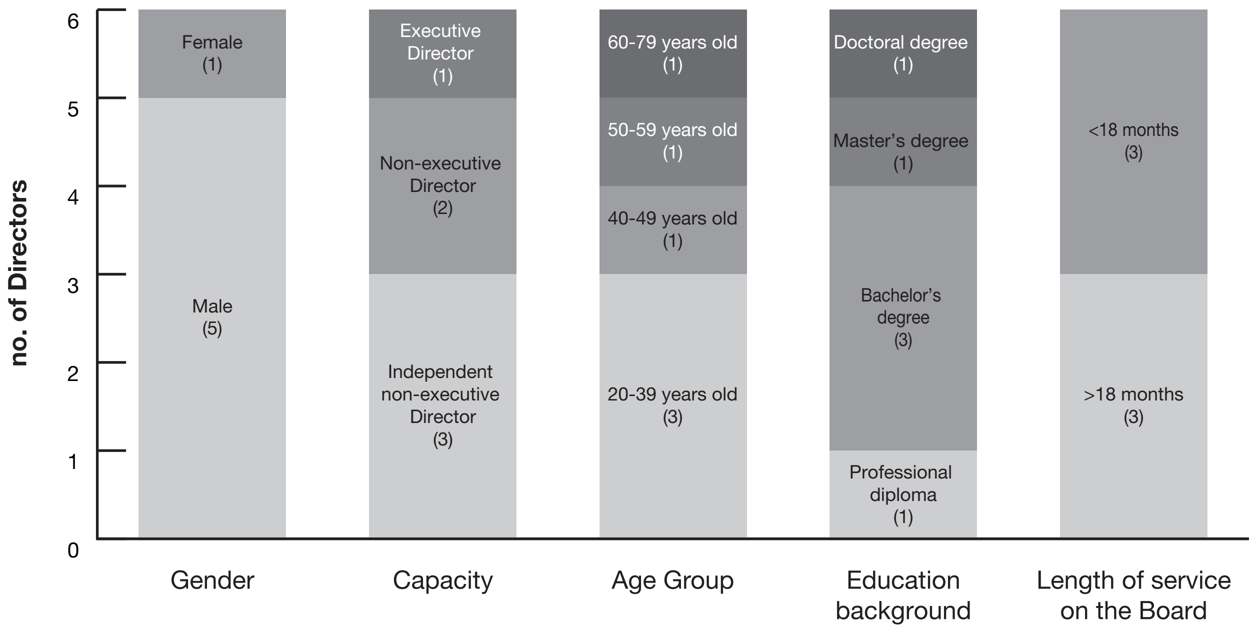
(5) make recommendations to the Board on the appointment of independent non-executive director and non-executive director; and

(6) recommended the re-election of the retiring directors at the annual general meeting of the Company.

During the year ended 31 March 2026, one Nomination Committee meeting was held. The attendance record of each Director at the Nomination Committee meetings is set out in the table below:

Name of Directors	Number of attendance/ number of Nomination Committee meetings
Independent non-executive Directors	
Ms. SIU Yuk Ming (Resigned on 31 October 2025)	1/1
Ms. LUNG Wing Yee *(Chairlady)*	1/1
Mr. LEUNG Man Chun	1/1
Mr. WONG Chun Man (Appointed on 30 January 2026)	0/1

An analysis of the Board's diversity as at the date of this report is set out as follows:



The Nomination Committee considered an appropriate balance of diversity of the Board has been maintained during the Year.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that gives a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the financial statements of the Group. As at 31 March 2026 and as at the date of this report, 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.

The responsibility of the external auditor 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 statements by external auditor, TARGET CPA Limited, about their reporting responsibility on the consolidated financial statements of the Group for the year ended 31 March 2026 are set out in the independent auditor's report on pages 96 to 103 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board oversees management in the establishment, implementation and monitor of the Group's internal control system to safeguard Shareholders' interests and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The Board is responsible for the risk management and internal control systems of the Group and reviewing their effectiveness. The 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 misstatement or losses.

During the year ended 31 March 2026, the Group has complied with Principle D.2 of the CG Code by establishing and maintaining appropriate and effective risk management and internal control systems. Management is responsible to establish, implement and monitor the Group's internal control system underpinning the risk management framework. All employees are committed to implement the risk management framework into the daily operation. The Board assesses the effectiveness of internal controls by considering reviews performed by the Audit Committee and senior management. Main features of the risk management and internal control systems are described below:

Risk Management System

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group adopts a risk management system which manages the risk associated with its businesses and operations. The system comprises the following phases:

- ***Identification:*** Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.

- ***Evaluation:*** Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.

- ***Management:*** Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Internal Control System

The Company has an internal control system in place. The system enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the system are shown as follows:

- ***Control Environment:*** A set of standards, processes and structures that provide the basis for carrying out internal controls across the Group.

- ***Risk Assessment:*** A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.

- ***Control Activities:*** Actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.

- ***Information and Communication:*** Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.

- ***Monitoring:*** Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

The Group has engaged DRJ Limited, an independent internal control adviser, to carry out the internal audit functions by performing independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems during the Year. For the year ended 31 March 2026, a review of the effectiveness of the Group's risk management and internal control systems was conducted by DRJ Limited, and the review results were summarised and reported to the Audit Committee and the Board.

For the year ended 31 March 2026, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems through the Audit Committee's review covering all material controls, including financial, operational and compliance controls, and is of the view that the Group's risk management and internal control systems are adequate and effective to safeguard the interests of Shareholders and the Company as a whole.

Objectives of Risk Management and Internal Control

The objectives of the risk management and internal control system of the Group are to identify and manage the risk of the Group's with the acceptable safety levels and achieve the Group's strategic objectives. The Group has adopted a three line risk management approach to identify, analysis, evaluation, mitigate and handle risks. At the first line of defence, staff in office/on site who must understand their roles and responsibilities are responsible for identifying, assessing and monitoring risks associated with transactions. The second line of defence is the Group's management that provides independent oversight of the risk management activities of the first line of defence. They ensure that risks are within the Group's risk capacity and that the control of the first line of defence is effective. As the final line of defence, the Audit Committee, with the advices and opinions from the external professional party (such as the external auditor and internal control adviser), conducts a review on annual basis and ensures that the first and second lines of defence are performed effective.

Handling and Dissemination of Inside Information

The Board acknowledges its responsibilities under the SFO and the GEM Listing Rules that inside information should be announced immediately when it is the subject of a decision. The inside information policy of the Company sets out guidelines and procedures for the Directors and relevant officers of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in timely manner. Directors and relevant officers in possession of potential inside information and/or inside information of the Group are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain the information confidential. The Board will update and review the policy as and when necessary in light of changes in circumstances and changes in the GEM Listing Rules, Part XIVA of the SFO and relevant statutory and regulatory requirements from time to time.

AUDITOR'S REMUNERATION

TARGET CPA Limited is the external auditor of the Company which was appointed by the Board on 9 January 2026.

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

For the year ended 31 March 2026, the remuneration paid or payable to the external auditor of the Company in respect of the statutory audit services and non-audit services for the Group are as follows:

	2026 **HK$'000**	2025 HK$'000
Statutory audit services	**688**	800
Non-audit services*	**–**	–

* The non-audit services were mainly for reviewing interim results.

COMPANY SECRETARY

Mr. NG Chun Chung ("**Mr. Ng**"), aged 44, graduated from Lingnan University with a degree of Bachelor of Business Administration in Accounting. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Ng has over 19 years of working experience in auditing, accounting, investment and corporate finance. He was appointed as the company secretary of the Company since 15 September 2023.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard Shareholders' interest and rights, separate resolutions can be proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange and the Company after the relevant Shareholders' meeting.

PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETING

The following procedures for Shareholders to convene an extraordinary general meeting of the Company (the "**EGM**") are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

(a) any 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 (the "**Eligible Shareholder(s)**") carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "**Company Secretary**"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition;

(b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at Room 804, Intercontinental Plaza, No. 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong SAR, or the branch share registrar in Hong Kong of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong SAR (the "**Hong Kong Branch Share Registrar**") for the attention of the Board and/or the Company Secretary;

(c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the Eligible Shareholders concerned in accordance with the statutory requirements to all the registered Shareholders;

(d) the Requisition will be verified with the Hong Kong Branch Share Registrar and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and the Board will not accordingly call for an EGM;

(e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing Shareholders to move new resolutions at the general meetings of the Company under the Cayman Islands Companies Act. However, pursuant to the Articles, Shareholders who wish to move a resolution may by means of Requisition convene an EGM following the procedures set out above.

Corporate Governance Report

PROCEDURES FOR RAISING ENQUIRIES

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be first directed to the Company Secretary at the principal place of business of the Company in Hong Kong at Room 804, Intercontinental Plaza, No. 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong SAR.

Should there be any enquiries and concerns from Shareholders, they may send written enquiries to the principal place of business of the Company in Hong Kong at Room 804, Intercontinental Plaza, No. 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong SAR 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.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Board recognises the importance of good communications with all Shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business development and financial performance through its annual and interim reports. The disclosure of the Group's information in a reasonable and timely manner by the Board is to facilitate the Shareholders as well as the investors to have better understanding in relation to the business performance, operations and strategies of the Group. Through our website at www.niuholdings.com.hk which allow the Company's potential and existing investors as well as the public to assess and acquire the up-to-date company and financial information. The contact details of the Company are provided in the annual report and the Company's website. Shareholders can send their enquiries to the Board through these means.

The Board welcomes views of Shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members of the Group are available at the meetings to answer any questions raised by Shareholders.

After reviewing the Shareholders' communication channels, the Board is of the view that the Shareholders' communication policy adopted by the Company has been effectively implemented during the year ended 31 March 2026.

Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its Memorandum and Articles of Association. The Company adopted the amended and restated Memorandum and Articles of Association of the Company and the second amended and restated Memorandum and Articles of Association of the Company on 27 August 2018 and 17 November 2023 respectively in order to comply with the listing requirements in Hong Kong and the revised GEM Listing Rules. During the year ended 31 March 2026, there has been no change in the Company's constructional documents.

The third amended and restated Memorandum and Articles of Association of the Company was approved by the Independent Shareholders at the further adjourned extraordinary general meeting of the Company convened and held on 14 May 2026 by a special resolution.

DIVIDEND POLICY

The Company has implemented a dividend policy aimed at enabling Shareholders to share in the Company's profits while ensuring sufficient reserves are maintained to support the Group's ongoing growth. Any decision regarding the declaration, type, timing and amount of dividends must comply with applicable laws and regulations and the Company's Articles of Association. When determining whether to distribute dividends, the Board will consider various factors such as the Company's financial performance, available distributable reserves, operational and liquidity needs, as well as present and future development plans. The Board will periodically review and, if necessary, update the Company's dividend policy. The Company has adopted a dividend policy, the objective of which is to allow Shareholders to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The declaration, form, frequency and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the Articles. In deciding whether to declare any dividend, the Board will take into account a number of factors, including the financial results, the distributable reserves, the operations and liquidity requirements, and the current and future development plans of the Company. The Board will review the dividend policy of the Company as appropriate from time to time.

RESULTS AND APPROPRIATIONS

The Group's financial results for the year ended 31 March 2026 are presented in the consolidated statement of profit or loss and other comprehensive income on page 104 of this annual report.

The Board has not proposed a final dividend for the year ended 31 March 2026 (31 March 2025: none).

Directors' Report

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 March 2026.

CORPORATE ESTABLISHMENT

The Company was incorporated in the Cayman Islands as an exempted Company with limited liability on 25 August 2017 under the Companies Law of Cayman Islands.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are: (i) provision of geotechnical engineering consultancy services and (ii) provision of IT solutions and services in Hong Kong and the PRC. The activities and particulars of the Company's subsidiaries are demonstrated under note 31 to the consolidated financial statements of this annual report.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2026 required by Schedule 5 to the Hong Kong Companies Ordinance is set out in the section headed "Management Discussion and Analysis" on pages 7 to 15 of this annual report.

KEY RISKS AND UNCERTAINTIES

The Group believes that there are certain risks involved in our operations, many of which are beyond our control. The relatively material risks encompass the following:

- the Group relies heavily on our professional staff, in particular, our management team, in operating the business;

- our continued success depends on our responsiveness to our client's preference;

- the Group determines the tender price based on, among other things, the estimated time and costs involved in a project, which may deviate from the actual time and costs involved;

- negative publicity or damage to our business reputation may have a potential adverse impact on our project engagement;

- the Group's revenue is mainly derived from projects which are non-recurring in nature;
- the Group is subject to potential exposure to professional liabilities;
- the service fee may not be paid in full due to our clients' projects not being completed as originally planned;
- the Group exposes to the credit risk of trade receivables and may experience increasing balance of such receivables and longer trade receivables' turnover days in the future; and
- mismatch in liquidity and cashflow associated with net bank overdraft position mainly caused by the prolonged trade receivables settlement cycle as our Group generally offered no credit terms to our clients.

Details of these risks are set out in the section headed "Risk factors" in the Prospectus.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 March 2026 and up to the date of this report, as far as the Company is aware, there was no material breach or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is committed to contributing to the sustainability of the environment from its business activities. The Group has established measures and created certain environmental framework to minimise and monitor the environmental impacts attributable to its operations. The Group has implemented green office practices such as acquisition of second-hand office furniture as far as possible, use of recycled paper for printing and copying, and switching off idling lightings and electrical appliances to reduce energy consumption.

Further discussions on the environmental policies and performances of the Company are set out in the Environmental, Social and Governance Report on pages 25 to 60 of this annual report.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that employees are valuable assets and regards human resources as its corporate wealth. The objective of the Group's human resource management is to reward and recognise performing staff by providing an attractive remuneration package. The Group determines the salary of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group conducts annual review on salary rises, bonuses and promotions based on the performance of each employee. The Group has employee handbooks outlining terms and conditions of employment, expectations of employees' conduct, employees' rights and benefits.

The Group treasures to maintain a good relationship with its customers. We are committed to offering a broad and diverse range of inspiring, value-for-money and good quality designs to our customers.

Directors' Report

The Group maintains a fair, safe and ethical approach in its day-to-day operation towards its numerous and diversified subconsultants. To comply with the laws and regulations of its operating countries, the Group has established stringent internal controls on procuring services through fair and unbiased tender process. The selection of subconsultants will be based on competitive pricing, specifications and standards and service quality as well as service support.

DIVIDEND POLICY

The Company has adopted a dividend policy, the objective of which is to allow Shareholders to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The declaration, form, frequency and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the Articles. In deciding whether to declare any dividend, the Board will take into account a number of factors, including the financial results, the distributable reserves, the operations and liquidity requirements, and the current and future development plans of the Company. The Board will review the dividend policy of the Company as appropriate from time to time.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2026 are set out in the consolidated statement of profit or loss and other comprehensive income on page 104 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2026 (31 March 2025: nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting is scheduled to be held on 1 September 2026. In order to determine eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 27 August 2026 to Tuesday, 1 September 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Branch Share Registrar not later than 4:30 p.m. on Wednesday, 26 August 2026.

FINANCIAL SUMMARY

The summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 188 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 29 to the consolidated financial statements.

USE OF PROCEEDS FROM THE SHARE OFFER

As at 31 March 2026, the Company has utilised the net proceeds raised from the Share Offer in accordance with the intended use of proceeds set out in the Prospectus. Details of the intended use of proceeds and utilised net proceed are set out on pages 13 to 14 of this annual report.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 27 August 2018 (the "**Adoption Date**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The following is a summary of the principal terms of the Share Option Scheme:

(a) Purpose

The Share Option Scheme is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

(i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and

(ii) attracting and retaining or otherwise maintaining an on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Participants of the Share Option Scheme

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "**Eligible Participants**") to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (g) below:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries; and

(iii) any advisers, consultants, subconsultants, customers and agents of the Company or any of its subsidiaries and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Company or any of its subsidiaries.

(c) Total number of Shares available for issue

The Company is entitled to issue a maximum of 9,600,000 Shares upon exercise of the share option to be granted under the Share Option Scheme after share consolidation. As at 31 March 2026 and as at the date of this report, with a total of 4,480,895 share options granted on 27 October 2025, 4,480,895 share options are outstanding and so 4,480,895 Shares are available for issue, representing 3.10% of the issued Shares of the Company as at the date of this report.

During the Year and as at the date of this report, the remaining Scheme mandate available for future grant pursuant to the Share Option Scheme was 5,119,105 Shares (representing approximately 3.54%) of issued Shares as at the date of this report.

(d) Maximum entitlement of each Eligible Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of our Company but subsequently cancelled) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the issued Shares as at the date of grant. Any further grant of options in excess of this 1% limit must be approved by the Shareholders in general meeting in advance.

Options granted to a Substantial Shareholder or an independent non-executive Director or their respective associates (as defined in the GEM Listing Rules) in any 12-month period up to and including the date of such grant (a) representing in aggregate over 0.1% of the total number of Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million, must be approved by the Shareholders in general meeting in advance.

(e) Minimum vesting period

No minimum period for which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

(f) Payment on acceptance of the option

Participants of the Share Option Scheme are required to submit to the Company a duly signed offer letter within 21 days from the offer date together with a remittance in favour of the Company of HK$1 as the consideration of the grant.

(g) Basis of determining the exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Share.

(h) Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the Adoption Date. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date. The remaining life of the Share Option Scheme is approximately 3 years.

On 27 October 2025, with Board's approval as recommended by the Remuneration Committee, the Company granted a total of 4,480,895 share options to its Directors and employees, with exercise price HK$0.25 per Share vested on the date of grant, and exercise period and validity period both from 27 October 2025 until 26 October 2035. There is no performance target attached to the Share Options, nor the Share Options granted subject to any clawback mechanism but shall lapse (to the extent not already exercised) on the date when the Grantee(s) ceases to be an eligible participant under the Share Option Scheme. For further details, please refer to the Company's announcement dated 27 October 2025 and those set out in note 28 to the consolidated financial statements. The granted options have not yet been exercised, nor there are any movements of the options granted under the Share Option Scheme during the Year (no share options outstanding on 1 April 2025) as shown in below table:

Grantees	Outstanding at 1 April 2025	Granted during year	Exercised during the year	Lapsed during the year	Cancelled during the year	Outstanding at 31 March 2026
Director – Mr. YUEN Chi Ping	–	144,545	–	–	–	144,545
Employees	–	4,336,350	–	–	–	4,336,350
Total:	–	4,480,895	–	–	–	4,480,895

Save as disclosed above, there were no share options outstanding as at 31 March 2026 and up to the date of this report.

Directors' Report

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 106 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2026, the Company has no reserves available for distribution to the Shareholders, comprising share premium and retained profits, calculated in accordance with the Companies Law of Cayman Islands (31 March 2025: approximately HK$31.7 million).

CHARITABLE DONATIONS

During the year ended 31 March 2026, the Group did not make any charitable or other donations.

MAJOR CUSTOMERS AND SUBCONSULTANTS

For the year ended 31 March 2026, the percentage of revenue attributable to the Group's major customers is set out below:

Revenue

–	The largest customer	13.3%
–	The total of the five largest customers	41.7%

For the year ended 31 March 2026, the percentage of cost of services attributable to the Group's major subconsultants is set out below:

Cost of services

–	The largest subconsultant	21.7%
–	The total of the five largest subconsultants	85.1%

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest subconsultants during the year ended 31 March 2026.

Directors' Report

DIRECTORS

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

Executive Directors

Ms. LEUNG Suet Yiu (Resigned on 29 May 2026)
Mr. MAN Kwok Hing (Retired on 30 September 2025)
Mr. TSANG Wing Ki *(Managing Director)*
(Resigned on 31 October 2025)
Mr. LEUNG Chun Yu Edmund

Non-Executive Directors

Mr. YUEN Chi Ping *(Chairman)*
Mr. TAKEDA Masahiro
(Retired on 30 September 2025)
Dr. CHAN Yin Nin *(Chairman)*
(Appointed on 31 March 2026)

Independent Non-Executive Directors

Ms. SIU Yuk Ming (Resigned on 31 October 2025)
Ms. LUNG Wing Yee
Mr. LEUNG Man Chun
Mr. WONG Chun Man (Appointed on 30 January 2026)

Pursuant to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members of the Company after his appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Mr. WONG Chun Man and Dr. CHAN Yin Nin shall hold office only until the Annual General Meeting and, being eligible may offer themselves for re-election at the Annual General Meeting pursuant to Article 83(3) of the Articles.

Pursuant to Article 84(1) of the Articles, at each annual general meeting 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.

Mr. LEUNG Chun Yu Edmund and Ms. LUNG Wing Yee will retire and, being eligible, offer themselves for re-election at the Annual General Meeting pursuant to Article 84 of the Articles.

Directors' Report

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on pages 16 to 24 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Mr. LEUNG Chun Yu Edmund, executive Director, has entered into director agreements with the Company for a term of three years commencing from the date of appointment until terminated by not less than one month's notice in writing served by either party on the other.

Mr. YUEN Chi Ping and Dr. CHAN Yin Nin, non-executive Directors, have entered into director agreements with the Company for a term of three years commencing from the date of appointment until terminated by not less than one month's notice in writing served by either party on the other.

Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man, independent non-executive Directors, have entered into director agreements with the Company for a term of three years commencing from the date of appointment until terminated by not less than one month's notice in writing served by either party on the other.

None of the Directors proposed for re-election at the Annual General Meeting has entered into any service contract 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

On 11 February 2026, the Company announced a proposed rights issue on the basis of two (2) Rights Shares for every one (1) existing Share held on the record date on a non-fully underwritten basis. Pursuant to the Underwriting Agreement entered into between the Company and Mr. Yuen on 11 February 2026, Mr. Yuen, in addition to his obligations under the Irrevocable Undertaking, conditionally agreed to underwrite the unsubscribed Rights Shares in accordance with the terms and conditions of the Underwriting Agreement. As Mr. Yuen is a substantial shareholder, the Chairman and a non-executive Director of the Company, he is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Underwriting Agreement and the transactions contemplated thereunder constituted connected transactions of the Company and were subject to the applicable reporting, announcement, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Further details of the Rights Issue and the connected transaction are set out in the Company's announcement dated 11 February 2026, the prospectus dated 28 May 2026 and the announcement dated 6 July 2026 relating to the results of the Rights Issue.

Save as disclosed above and disclosed in note 36 to the consolidated financial statements, there was no connected transaction, arrangements and contracts of significance, to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Directors' Report

PERMITTED INDEMNITY PROVISION

The Articles provides that the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. Such provision was in force during the year ended 31 March 2026 and remains in force as at the date of this annual report.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 March 2026.

MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole and any substantial part of the Group was entered into or existed during the Year.

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 13 and note 14 to the consolidated financial statements.

EMOLUMENT POLICY

Remuneration is mainly determined with reference to market trends, the Group's operating results and the performance, qualification and experience of individual employee. Remuneration packages mainly consisted of basic salary, medical coverage, overtime allowance and travelling allowance as well as discretionary bonus.

The Group offers competitive remuneration and benefit package to its employees. Further, the Company has adopted the Share Option Scheme to provide incentive or reward to the Group's employees for their contributions to promote the long-term growth of the Group.

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group. The remuneration of the Directors are mainly determined by reference to the Group's operating results, comparable market statistics, the responsibilities and duties assumed by each Director as well as their individual performance.

PENSION SCHEME

In Hong Kong, the Group participates in the Mandatory Provident Fund Scheme (the "**MPF Scheme**") established under the Mandatory Provident Fund Schemes Ordinance. For members of the MPF Scheme, the Group contributes 5% of the relevant payroll costs per employee, at a maximum of HK$1,500 per month for the year ended 31 March 2026. The Group also contributes voluntary contribution, at a maximum of HK$1,500 per month, to certain employees as staff benefits for the year ended 31 March 2026.

The Group also participates in the local retirement or social security schemes in countries or locations where the Group operates. The Group is required to make defined contributions to the schemes at rates calculated as a certain percentage of the monthly payroll or as stipulated by the relevant government authorities.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group, and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 March 2026.

DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations

As at 31 March 2026, the interest and the short positions the Directors and chief executive of the Company 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) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long position in the Shares

Name of Directors or chief executives	Nature of interest	Number of Shares held/interested	Number of underlying Shares held *Note 1*	Percentage interest in the issued share capital of the Company *Note 3*
Mr. Yuen	Beneficial owner	21,823,600	–	15.10%
	Beneficial owner	–	144,545	0.10%
Dr. CHAN Yin Nin ("**Dr. Chan**") *(Note 3)*	Interest of corporation controlled	10,903,200	–	7.54%
	Beneficial owner	–	1,445,450	1.00%

Notes:

1. These represent the interests in underlying Shares in respect of share options granted by the Company on 27 October 2025.

2. Based on the number of issued Share of 144,545,000 as at 31 March 2026.

3. Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. KWONG Po Lam ("**Mr. Kwong**"), which in turn holds 10,903,200 Shares, representing approximately 7.54% of the total share capital of the Company. As the concerted group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 10,903,200 Shares held by Manning Properties Limited.

(b) Interests in shares of the associated corporation of the Company

Name of Directors	Name of associated corporation	Capacity/Nature of interest	Number of shares held in the associated corporation	Approximate percentage of shareholding in the associated corporation
Dr. Chan	Manning Properties Limited	Beneficial owner	7,500 ordinary shares	68.2%

Note: Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds 10,903,200 Shares, representing approximately 7.54% of the total share capital of the Company.

Save as disclosed above, as at 31 March 2026, none of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was required to be (i) 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 he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Substantial Shareholders and other persons' interest and short positions in Shares and underlying Shares

As at 31 March 2026, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any other Substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Substantial Shareholders	Nature of interest	Number of Shares held/ interested	Percentage interest in the issued share capital of the Company *Note 4*
Manning Properties Limited *Note 1*	Beneficial owner	10,903,200	7.54%
Mr. Kwong *Note 1*	Interest of corporation controlled	10,903,200	7.54%
Ms. Julia Gower CHAN ("**Mrs. Chan**") *Note 2*	Interest of spouse	12,348,650	8.54%
Ms. LEUNG Kwai Ping ("**Ms. Leung**") *Note 3*	Interest of spouse	10,903,200	7.54%

Notes:

1. Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds 10,903,200 Shares, representing approximately 7.54% of the total share capital of the Company as at 31 March 2026. As the concerted group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 10,903,200 Shares held by Manning Properties Limited.

2. Mrs. Chan is the spouse of Dr. Chan. By virtue of the SFO, Mrs. Chan is deemed to be interested in the shares of the Company interested by Dr. Chan.

3. Ms. Leung is the spouse of Mr. Kwong. By virtue of the SFO, Ms. Leung is deemed to be interested in the shares of the Company interested by Mr. Kwong.

4. Based on the number of issued Share of 144,545,000 as at 31 March 2026.

Directors' Report

Save as disclosed above, as at 31 March 2026, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or which were required to record in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2026 were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 March 2026 are set out in note 36 to the consolidated financial statements of this annual report.

The related party transactions as disclosed in note 36 to the consolidated financial statements of this annual report are not regarded as connected transactions under Chapter 20 of the GEM Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

SUFFICIENCY OF PUBLIC FLOAT

From publicly available information and as far as the Directors are aware, the Company has maintained a sufficient public float since the Listing Date and has continued to maintain such a float under the GEM Listing Rules as at the date of this annual report.

Directors' Report

AUDITOR

McMillan Woods (Hong Kong) CPA Limited (appointed since 25 January 2022) has resigned as the auditor of the Company with effect from 9 January 2026 and TARGET CPA Limited has been appointed as the auditor of the Company with effect from 9 January 2026 to fill the casual vacancy immediately following the resignation of McMillan Woods (Hong Kong) CPA Limited.

The consolidated financial statements of the Company for the year ended 31 March 2026 have been audited by TARGET CPA Limited.

TARGET CPA Limited will retire and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the Annual General Meeting.

PRE-EMPTIVE RIGHTS

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period are set out in note 37 to consolidated financial statements.

By order of the Board
NIU Holdings Limited

Mr. YUEN Chi Ping
Chairman

Hong Kong, 30 June 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF NIU HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of NIU Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on page 104 to 187, which comprise the consolidated statement of financial position as at 31 March 2026, 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 2026, 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**"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

1. Revenue recognition from contracts with customers;

2. Allowance of expected credit losses ("**ECLs**") for trade receivables and contract assets;

3. Impairment assessment of goodwill; and

4. Impairment assessment of property, plant and equipment and right-of-use assets.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition from contracts with customers	
Refer to material accounting policy information in note 4, key sources of estimation uncertainties in note 5 and its relevant disclosures in note 8 to the consolidated financial statements. We identified the revenue recognition on comprehensive structural and geotechnical engineering consultancy service income as a key audit matter due to the significant judgments exercised by the management in determining the estimation of contract revenue by basing on contract costs incurred using input method. For the year ended 31 March 2026, the Group recognised revenue from comprehensive structural and geotechnical engineering consultancy services amounting to approximately HK$77,946,000. The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contract costs and stage of completion of the contract and to provide appropriately for loss making contracts. The management reviews and revises the estimates of total contract costs for the comprehensive structural and geotechnical engineering consultancy services as the contract progresses, hence the actual outcome of the contract in terms of its total contract costs may be higher or lower than the estimates previously made and this will affect the revenue and profit recognised for the financial year.	Our audit procedures in relation to revenue recognition from contracts with customers included: – Understanding the procedures and relevant internal controls of the Group in preparing and updating cost budgets for the projects and recording contract costs; – Evaluating the basis of contract budgets through discussion with management about preparation of those budgets; – Checking the allocation of staff costs to contracts, being the major components of contract costs, on a sample basis, by reference to the timesheet recording system and human resources records; – Testing contract costs incurred to date and total budgeted costs to underlying supporting evidence, on a sample basis; – Assessing whether provisions for loss making contracts made by management were appropriate; – Assessing reliability of contract budgets by comparing actual contract costs against original budgeted costs of completed projects; and – Checking the calculations of percentage of completion of individual contract and the amounts of contract revenue and gross profit recognised.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Allowance of ECLs for trade receivables and contract assets	
Refer to material accounting policy information in note 4, key sources of estimation uncertainties in note 5 and its relevant disclosures in notes 20 and 22 to the consolidated financial statements. We identified the allowance of ECLs for trade receivables and contract assets as a key audit matter due to the significance of trade receivables and contract assets to the Group's consolidated statement of financial position and the involvement of subjective judgement and management estimation in evaluating the ECLs of the Group's trade receivables and contract assets at the end of the reporting period. As at 31 March 2026, the Group's net trade receivables and contract assets amounted to approximately HK$25,950,000 and HK$32,435,000 respectively, which are material to the consolidated financial statements. As disclosed in note 6(a) to the consolidated financial statements, the Group uses provision matrix to calculate the ECL. The provision rates are based on debtor's aging consisting of debtors with common credit risk characteristic. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As disclosed in note 6(a) to the consolidated financial statements, allowance of ECLs of approximately HK$4,058,000 for the Group's trade receivables was recognised and allowance of ECLs of approximately HK$711,000 for contract assets was recognised during the year ended 31 March 2026. The Group's allowance for lifetime ECL on trade receivables and contract assets as at 31 March 2026 amounted to approximately HK$17,125,000 and HK$2,439,000, respectively.	Our procedures in relation to allowance of ECLs for trade receivables and contract assets included: – Understanding the management process in estimation of ECL and the methodology for ECL model adopted by the Group; – Tracing the information used by management to develop the provision matrix as at 31 March 2026 to supporting bases and evidences on a sample basis; – Obtaining and testing the accuracy of trade receivables and contract assets aging analysis as at 31 March 2026, on a sample basis, by comparing individual items in the analysis with the relevant invoices; and – With the assistance of auditor's report, challenging management's basis and judgement in determining credit loss allowance on trade receivables and contract assets as at 31 March 2026, including their identification of credit impaired trade receivables, the reasonableness of management's grouping of the remaining trade receivables and contract assets into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information including the economic variables, assumptions and probability weighting used in each of the economic scenarios).

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
Refer to material accounting policy information in note 4, key sources of estimation uncertainties in note 5 and its relevant disclosures in note 18 to the consolidated financial statements. We identified the impairment assessment of goodwill as a key audit matter due to the significant judgments and assumptions used in the estimation of the recoverable amounts of the relevant CGUs and the calculation of the impairment losses. For the year ended 31 March 2026, the Group recognised impairment loss on goodwill amounting to approximately HK$3,117,000. In determining the amount of impairment loss for goodwill, the recoverable amount, which is the value in use of the cash-generating unit ("**CGU**") to which goodwill has been allocated, was estimated by reference to the business valuations of the CGUs performed by an external professional valuer. The value in use is based on cash flow forecast of the CGU and takes into account the key assumptions used by management, including discount rate, growth rate, budgeted sales and gross margin.	Our procedures in relation to impairment assessment of goodwill included: – Obtaining an understanding on how the management perform impairment assessment including the preparation of cash flow forecast and assumptions estimation; – Evaluating the external professional valuer's independence, competence, capabilities and objectivity; – Performing arithmetical checking on the business valuations of the CGUs performed by the external professional valuer; and – Assessing the appropriateness of the discount rate used on impairment assessment and assessing the impact on the value in use.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of property, plant and equipment and right-of-use assets	
Refer to material accounting policy information in note 4, key sources of estimation uncertainties in note 5 and its relevant disclosures in notes 16 and 17 to the consolidated financial statements. We identified impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with the significant degree of estimations made by the management of the Group associated with the recoverable amounts of the CGUs to which property, plant and equipment and right-of-use assets have been allocated. For the year ended 31 March 2026, the Group recognised impairment loss on property, plant and equipment and right-of-use assets amounting to approximately HK$4,747,000 and HK$5,177,000 respectively. As disclosed in the consolidated financial statements, the management assessed the impairment of property, plant and equipment and right-of-use assets by estimation of recoverable amount of the CGU (or group of CGUs) to which property, plant and equipment and right-of-use assets has been allocated which is the higher of the value-in-use ("**VIU**") and fair value less costs of disposal. The VIU calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or group of CGUs) and a suitable discount rate. Key estimates involved in the preparation of cash flow projections for the period covered by the approved financial budgets include the growth rates in revenue, estimated gross profit, estimated profit before tax and pre-tax discount rates.	Our procedures in relation to impairment assessment of property, plant and equipment and right-of-use assets included: – Discussing with the management to understand the management process and the key controls in impairment assessment of property, plant and equipment and right-of-use assets and evaluating the key estimations made by the management in the impairment assessment of property, plant and equipment and right-of-use assets including the growth rates in revenue, estimated gross profit, estimated profit before tax and pre-tax discount rates; – Evaluating the appropriateness of pre-tax discount rates applied in the forecast by comparing them to economic and industry data; and – Evaluating the reasonableness of the financial budgets approved by the management by comparing the actual results of the CGU (or group of CGUs) to the previously forecasted results used in the impairment assessment of property, plant and equipment and right-of-use assets.

OTHER MATTER

The consolidated financial statements of the Company for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 31 July 2025.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 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.

Those charged with governance are 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. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement 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 consolidated 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 those charged with governance 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.

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

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

From the matters communicated with those charged with governance, 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.

TARGET CPA LIMITED
Certified Public Accountants

Chin Chi Ho Stanley
Practising Certificate Number: P07911

Hong Kong, 30 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

		Year ended 31 March	
		2026	2025
	Notes	**HK$'000**	HK$'000
Revenue	*8*	**77,946**	104,274
Cost of services		**(55,128)**	(79,755)
Gross profit		**22,818**	24,519
Other income	*9*	**139**	1,410
Fair value changes on financial assets at fair value through profit or loss ("**FVTPL**")		**(73,297)**	77,700
Allowance of expected credit losses ("**ECLs**") for trade and other receivables and contract assets, net		**(14,724)**	(4,012)
Impairment on goodwill		**(3,117)**	–
Impairment on property, plant and equipment		**(4,747)**	–
Impairment on right-of-use assets		**(5,177)**	–
General and administrative expenses		**(59,212)**	(35,216)
Finance costs	*10*	**(499)**	(388)
(Loss)/profit before tax	*11*	**(137,816)**	64,013
Income tax (expense)/credit	*12*	**(1,474)**	493
(Loss)/profit for the year		**(139,290)**	64,506
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(373)**	18
Other comprehensive (expense)/income for the year, net of tax		**(373)**	18
Total comprehensive (expense)/income for the year		**(139,663)**	64,524
(Loss)/profit for the year attributable to:			
Owners of the Company		**(138,853)**	64,506
Non-controlling interests		**(437)**	–
		(139,290)	64,506
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(139,226)**	64,524
Non-controlling interests		**(437)**	–
		(139,663)	64,524
			(restated)
(Loss)/earning per share			
– basic and diluted (HK cents)	*15*	**(82.99)**	40.75

Consolidated Statement of Financial Position

At 31 March 2026

	Notes	At 31 March 2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment	16	–	2,590
Right-of-use assets	17	–	9,066
Goodwill	18	–	–
Financial assets at FVTPL	21	25,834	96,831
Rental deposits		852	743
Prepayments	20	–	1,500
Deferred tax assets	19(b)	–	1,500
		26,686	112,230
Current assets			
Trade and other receivables	20	54,428	84,987
Contract assets	22	32,435	29,844
Cash and cash equivalents	23	20,906	16,358
		107,769	131,189
Current liabilities			
Trade and other payables	24	28,672	8,808
Contract liabilities	25	29,174	26,726
Lease liabilities	26	3,218	2,610
Income tax payable	19(a)	62	185
		61,126	38,329
Net current assets		46,643	92,860
Total assets less current liabilities		73,329	205,090
Non-current liabilities			
Bond payables	27	3,300	–
Lease liabilities	26	4,867	6,830
Provision for long service payment	24	1,222	940
		9,389	7,770
NET ASSETS		63,940	197,320
CAPITAL AND RESERVES			
Share capital	29	14,455	13,820
Reserves		47,000	183,500
Equity attributable to owners of the Company		61,455	197,320
Non-controlling interests		2,485	–
Total Equity		63,940	197,320

The consolidated financial statements on page 104 to 187 were approved and authorised for issue by the Board of Directors on 30 June 2026 and are signed on its behalf by:

Yuen Chi Ping
Chairman

Leung Chun Yu Edmund
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company									
	Share capital	Share premium *(Note 29(d))*	Merger reserves *(Note 29(c))*	Legal reserves *(Note 29(g))*	Share option reserves *(Note 28)*	Translation reserves *(Note 29(e))*	Retained earnings	Subtotal	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2024	12,320	90,536	647	49	–	393	11,851	115,796	–	115,796
Profit for the year	–	–	–	–	–	–	64,506	64,506	–	64,506
Other comprehensive income:										
Exchange differences on translation of foreign operations	–	–	–	–	–	18	–	18	–	18
Total comprehensive income	–	–	–	–	–	18	64,506	64,524	–	64,524
Placing of new shares *(Note 29(b))*	1,500	16,500	–	–	–	–	–	18,000	–	18,000
Transaction cost attributable to placing of new shares *(Note 29(b))*	–	(1,000)	–	–	–	–	–	(1,000)	–	(1,000)
At 31 March 2025 and 1 April 2025	13,820	106,036	647	49	–	411	76,357	197,320	–	197,320
Loss for the year	–	–	–	–	–	–	(138,853)	(138,853)	(437)	(139,290)
Other comprehensive expense:										
Exchange differences on translation of foreign operations	–	–	–	–	–	(373)	–	(373)	–	(373)
Total comprehensive expense	–	–	–	–	–	(373)	(138,853)	(139,226)	(437)	(139,663)
Placing of new shares *(Note 29(b))*	635	1,890	–	–	–	–	–	2,525	–	2,525
Transaction cost attributable to placing of new shares *(Note 29(b))*	–	(50)	–	–	–	–	–	(50)	–	(50)
Acquisition of a subsidiary *(Note 32)*	–	–	–	–	–	–	–	–	2,922	2,922
Share-based payments *(Note 28)*	–	–	–	–	886	–	–	886	–	886
At 31 March 2026	14,455	107,876	647	49	886	38	(62,496)	61,455	2,485	63,940

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Operating activities		
(Loss)/profit before tax	**(137,816)**	64,013
Adjustments for:		
Finance costs	**499**	388
Interest income	**(132)**	(864)
Depreciation of property, plant and equipment	**1,938**	1,402
Depreciation of right-of-use assets	**3,585**	3,360
Impairment on goodwill	**3,117**	–
Impairment on property, plant and equipment	**4,747**	–
Impairment on right-of-use assets	**5,177**	–
Share-based payment expense	**886**	–
Loss on lease modification	**2,378**	29
Fair value changes on financial assets at FVTPL	**73,297**	(77,700)
Allowance of ECLs for trade and other receivables and contract assets, net	**14,724**	4,012
Operating cash flows before changes in working capital	**(27,600)**	(5,360)
Changes in working capital:		
Decrease/(increase) in trade and other receivables	**19,540**	(33,880)
Increase in contract assets	**(3,302)**	(3,881)
Increase in trade and other payables	**13,048**	1,181
Increase in contract liabilities	**2,448**	3,165
Cash from/(used in) operations	**4,134**	(38,775)
Income tax (paid)/refunded	**(123)**	1,066
Interest paid	**–**	(1)
Net cash generated from/(used in) operating activities	**4,011**	(37,710)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	Year ended 31 March 2026 HK$'000	2025 HK$'000
Investing activities			
Purchase of property, plant and equipment		**(90)**	(401)
Acquisition of a subsidiary	*32*	**(1,000)**	–
Interest received		**132**	864
Net cash (used in)/generated from investing activities		**(958)**	463
Financing activities			
Repayment of lease liabilities		**(3,914)**	(3,330)
Interest paid on lease liabilities		**(499)**	(387)
Proceeds from placing of new shares		**2,525**	18,000
Transaction cost attributable to placing of new shares		**(50)**	(1,000)
Proceeds from bond payables		**3,300**	–
Net cash generated from financing activities		**1,362**	13,283
Net increase/(decrease) in cash and cash equivalents		**4,415**	(23,964)
Cash and cash equivalents at beginning of the year		**16,358**	40,323
Effect of foreign exchange rate changes		**133**	(1)
Cash and cash equivalents at end of the year	*23*	**20,906**	16,358

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. GENERAL INFORMATION

NIU Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 25 August 2017 under the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Room 804, Intercontinental Plaza, No. 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company and its shares are listed on GEM of The Hong Kong of Stock Exchange Limited ("**Stock Exchange**") since 17 September 2018. The principal activities of its subsidiaries are set out in note 31 to the consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise HKFRS Accounting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), rounded to the nearest thousand, which is the functional currency of the Company and its subsidiaries (collectively the "**Group**") carrying on business in Hong Kong. Except for financial assets at fair value through profit or loss are measured at fair value, the measurement basis used in the presentation of the consolidated financial statements is the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for good and services.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to be consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of new and amendments to HKFRS Accounting Standards

The Group has applied the following amendments to a HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The adoption of the amendments to HKFRS Accounting Standards and interpretation in current year has had no material impact on the Group's financial performance and positions for the current and prior years on the disclosures.

(b) 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[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards —Volume 11[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective for annual periods beginning on or after a date to be determined

Except as described below, the directors anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

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

HKFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the material accounting policy information below (e.g. certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Noncurrent Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the noncontrolling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively.

Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("**CGU**") (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are held for use in the 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Furniture and fixtures	20%
Equipment	20 – 33%
Motor vehicle	33%
Leasehold improvement	33%

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liabilities. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group companies, which does not have recent third-party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Leases (Continued)

The Group as a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Leases (Continued)

The Group as a lessor (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

(g) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("**ECLs**") in accordance with the policy set out in note 4(t) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(h) Recognition and derecognition of financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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 or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Recognition and derecognition of financial instruments (Continued)

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Debt instruments held by the Group are classified into amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Financial assets (Continued)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks. Cash and cash equivalents are assessed for ECL. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(l) Financial liabilities and equity instruments

Financial liabilities is classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policy adopted for equity instruments is set out in note 4(n) to the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Equity instruments

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

(o) Revenue recognition

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

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 and 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 good or service.

A contract asset represents the Group's right to consideration in exchange for goods or 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 goods or 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 an presented on a net basis.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Revenue recognition (Continued)

For comprehensive structural and geotechnical engineering consultancy services – Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. In the opinion of the directors of the Company, the input method faithfully depicts the Group's performance in transferring control of goods or services as there is a direct relationship between the Group's inputs and the transfer of control of the assets created by the Group's services to its customers. The output method is not adopted to measure progress as the outputs used to measure progress are not directly observable and, in the opinion of the directors of the Company, the information required to apply them is not available to the Group without undue cost.

For installation of IT equipment

Revenue from installation services is recognised over time according to the progress of the services.

Revenue from other sources

Interest income is recognised as it accrues using the effective interest method.

Revenue from provision of equipment rental is recognised in profit or loss in equal instalments over the periods covered by the lease terms.

(p) Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the reporting period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Employee benefits (Continued)

(ii) Retirement benefits

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

The Group operates a Mandatory Provident Fund Scheme (the "**MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$25,000 prior to June 2014 or HK$30,000. Employer can make voluntary contributions to employee contribution accounts. Contributions are subject to the governing rules of the MPF scheme. Contributions to the plan vest immediately.

The entity within the Group in the People's Republic of China ("**PRC**") participates in PRC local retirement schemes organised by relevant government authorities for its employees in the PRC and contributes to these schemes based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement contribution obligations payable to all existing and future retired employees under these schemes. Contributions to these schemes vest immediately.

The entity within the Group in Macau also participates in a central social security scheme operated by the Macao Special Administrative Region Government. The subsidiary operating in Macau is required to make contributions for its employees who are registered as residents to the central social security scheme. Contributions to this scheme vest immediately.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. 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.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and 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 option reserve will continue to be held in share option reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss 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 and 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 deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Taxation (Continued)

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

(s) 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 chief operating decision maker 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, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(t) Impairment of non-financial assets

The carrying amounts of non-financial assets, including property, plant and equipment and right-to-use assets, are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets and contracts assets

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

The Group always recognises 12-month ECL for other receivables and lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets and contracts assets (Continued)

Significant increase in credit risk (Continued)

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets and contracts assets (Continued)

Definition of default

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

– when there is a breach of financial covenants by the counterparty; or

– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

– significant financial difficulty of the issuer or the counterparty;

– a breach of contract, such as a default or past due event;

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

– it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets and contracts assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two 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. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit loss ("ECL")

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

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as interest expense.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the note 37 to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4 to the consolidated financial statements, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent 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.

Critical accounting judgements in applying accounting policies

(a) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

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

(a) Revenue recognition from contracts with customers

The Group recognises contract revenue and costs in relation to comprehensive structural and geotechnical engineering consultancy services by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contract costs and stage of completion of the contract and to provide appropriately for loss making contracts.

The management estimates the amount of foreseeable losses and stage of completion of contract work in relation to comprehensive structural and geotechnical engineering consultancy services based on the latest available cost budgets of the contracts prepared by project team with reference to the overall performance of each contract work and the management's best estimates and judgements.

Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement. Notwithstanding that the management reviews and revises the estimates of contract costs for the contract of comprehensive structural and geotechnical engineering consultancy services as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than those estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years.

During the year ended 31 March 2026, approximately HK$77,946,000 (2025: HK$104,274,000) of revenue was recognised over time based on the abovementioned input method.

(b) Allowance of ECLs for trade receivables and contract assets

The management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings, ageing and past due status of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 6a, 20 and 22 to the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

(b) Allowance of ECLs for trade receivables and contract assets (Continued)

As at 31 March 2026, the carrying amount of trade receivables and contract assets were approximately HK$25,950,000 and approximately HK$32,435,000 respectively (net of allowance of approximately HK$17,125,000 and HK$2,439,000 respectively) (2025: HK$48,099,000 and HK$29,844,000 respectively (net of allowance of HK$13,067,000 and HK$1,728,000 respectively)).

(c) Fair value of the unlisted equity securities

The fair value of unlisted equity securities that are not traded in an active market is determined by using valuation techniques. The Group use its judgement to select net asset approach and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used and the impact of changes to these assumptions are disclosed in note 7(c) to the consolidated financial statements.

As at 31 March 2026, the carrying amounts of the Group's unlisted equity securities was approximately HK$25,834,000 (2025: HK$96,831,000).

(d) Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, of any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount value of an asset can be supported by the recoverable amount, in the case of value in use; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash-generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

For the year ended 31 March 2026, the Group recognised impairment loss on property, plant and equipment and right-of-use assets amounting to approximately HK$4,747,000 and HK$5,177,000 respectively. Detail of the impairment of property, plant and equipment and right-of-use assets are disclosed in notes 16 and 17 to the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

(e) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

For the year ended 31 March 2026, the Group recognised impairment loss on goodwill amounting to approximately HK$3,117,000.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, price risk, foreign currency risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Credit risk

As at 31 March 2026 and 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets measured at amortised costs and contract assets as stated in the consolidated statement of financial position.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets arising from contracts with customers

The Group has concentration of credit risk from its major customers. For the year ended 31 March 2026, aggregate revenue from the top five customers of the Group accounted for 35.6% (2025: 29.7%) of the total revenue. As at 31 March 2026, amounts due from them amounted to approximately HK$6,759,000 (2025: HK$17,331,000), representing 26.05% (2025: 28.3%) of the trade receivables of the Group and contract assets relating to these five customers amounted to approximately HK$3,471,000 (2025: HK$4,482,000), representing 10.70% (2025: 14.2%) of the contract assets of the Group. These major customers are mainly construction companies in Hong Kong with good reputation.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality. Scoring attributed to customers are reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balance or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Bank balances

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other receivables

The Group has considered that credit risk on other receivables has increased significantly since initial recognition and has assessed the ECL rate under lifetime ECL method (2025: 12-month ECL method) based on the Group's assessment in the risk of default of the respective counterparties.

The following tables provides information about the Group's exposure to credit risk and ECLs for trade receivables, contract assets and other receivables, as at 31 March 2026 and 2025:

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Trade receivables

	At 31 March 2026			
	Average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Less than 60 days past due	8.24%	15,130	1,246	13,884
Over 60 days and within 90 days past due	11.64%	2,483	289	2,194
Over 90 days and within 180 days past due	12.57%	3,667	461	3,206
Over 180 days and within 270 days past due	14.58%	3,353	489	2,864
More than 270 days past due	79.38%	18,442	14,640	3,802
		43,075	17,125	25,950

	At 31 March 2025			
	Average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Less than 60 days past due	5.86%	24,537	1,437	23,100
Over 60 days and within 90 days past due	9.33%	9,929	926	9,003
Over 90 days and within 180 days past due	10.72%	5,661	607	5,054
Over 180 days and within 270 days past due	15.34%	4,421	678	3,743
More than 270 days past due	56.68%	16,618	9,419	7,199
		61,166	13,067	48,099

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Contract assets

	At 31 March 2026			
	Weighted average expected loss rate %	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**	**Net carrying amount HK$'000**
Current (not past due)	**6.99%**	**34,874**	**2,439**	**32,435**

	At 31 March 2025			
	Weighted average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Current (not past due)	5.47%	31,572	1,728	29,844

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2024	5,643	3,692	9,335
Transfer	(748)	748	–
Reversal of ECLs	(3,656)	(1,570)	(5,226)
Allowance of ECLs	7,163	1,795	8,958
At 31 March 2025 and 1 April 2025	8,402	4,665	13,067
Transfer	(5,820)	5,820	–
Reversal of ECLs	(1,307)	(5,717)	(7,024)
Allowance of ECLs	2,240	8,842	11,082
At 31 March 2026	3,515	13,610	17,125

The following table shows the movement in lifetime ECL that has been recognised for contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000
At 1 April 2024	1,460
Allowance of ECLs	268
At 31 March 2025 and 1 April 2025	1,728
Allowance of ECLs	711
At 31 March 2026	2,439

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Other receivables

	At 31 March 2026			
	Average expected loss rate %	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**	**Net carrying amount HK$'000**
Current (not past due)	**30.85%**	**41,182**	**12,704**	**28,478**

	At 31 March 2025			
	Average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Current (not past due)	0.05%	38,406	18	38,388

The following table shows the movement of 12-month ECL and lifetime ECL that has been recognised for other receivables under the general approach:

	12-month ECL HK$'000	**Lifetime ECL** HK$'000
At 1 April 2024	6	–
Allowance of ECLs	12	–
At 31 March 2025 and 1 April 2025	18	–
Transfer	(18)	18
Allowance of ECLs	–	9,955
Acquisition of a subsidiary	–	2,731
At 31 March 2026	–	12,704

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the senior management when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants (if any), to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The contractual undiscounted cash flows of trade and other payables are required to be settled within one year or on demand, and the total contractual undiscounted cash flows of these financial liabilities are not materially different from their carrying amounts at 31 March 2026 and 2025.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	Weighted average effective interest rate %	Within one year or on demand HK$'000	More than one year but less than two years HK$'000	More than two years but less than five years HK$'000	More than five years HK$'000	Total contractual undiscounted amount HK$'000	Carrying amount HK$'000
At 31 March 2026							
Trade and other payables	–	26,844	–	–	–	26,844	26,844
Bond payables	6.00%	198	198	594	3,498	4,488	3,300
Lease liabilities	5.33%	3,752	4,720	414	–	8,886	8,085
		30,794	4,918	1,008	3,498	40,218	38,229
At 31 March 2025							
Trade and other payables	–	6,980	–	–	–	6,980	6,980
Lease liabilities	5.33%	3,040	2,463	4,925	–	10,428	9,440
		10,020	2,463	4,925	–	17,408	16,420

(c) Price risk

The Group is exposed to equity price risk arising from equity investments classified as financial assets at FVTPL. The Group's equity price risk is mainly concentrated on unlisted equity securities.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Price risk (Continued)

If equity prices had been 10% higher/lower (2025: 10% higher/lower):

- loss after tax for the year ended 31 March 2026 would decrease/increase by HK$2,469,000 (2025: profit after tax increase/decrease by HK$9,257,000). This is mainly due to the changes in fair value of financial assets at FVTPL.

(d) Foreign currency risk

For presentation purpose, the Group's consolidated financial statements is shown in Hong Kong dollars, rounded to the nearest thousand, which is the functional currency of the Company and its subsidiaries carrying on business in Hong Kong. As at 31 March 2026 and 2025, all entities within the Group have no material financial instruments that were denominated in a currency other than the functional currency in which they measured. As a result, no material foreign currency exchange risk is expected.

(e) Interest rate risk

The Group's lease liabilities and bond payables bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to variable interest-rate risk arises from its bank deposits. However, the risk is considered insignificant to Group's result of operation in 2026 and 2025. Accordingly, no sensitivity analysis is presented.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Financial instruments by categories

	At 31 March	
	2026	2025
	HK$'000	HK$'000
Financial assets		
Financial assets at amortised cost	**54,729**	98,001
Financial assets at FVTPL	**25,834**	96,831
Total financial assets	**80,563**	194,832
Financial liabilities		
Financial liabilities at amortised cost	**30,144**	6,980

(g) Fair values of financial instruments carried at other than fair value

Except as disclosed in note 7 to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position that approximate their respective fair value.

7. FAIR VALUE MEASUREMENT

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

7. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Disclosure of level in fair value hierarchy

Description	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
As 31 March 2026				
Recurring fair value measurement				
Financial assets at FVTPL				
Unlisted equity securities	**–**	**–**	**25,834**	**25,834**
As 31 March 2025				
Recurring fair value measurement				
Financial assets at FVTPL				
Unlisted equity securities	–	96,831	–	96,831

During the year ended 31 March 2026, unlisted equity investment amounting to HK$23,534,000 were reclassified from Level 2 to Level 3 measurements. This transfer resulted the underlying financial asset, becoming unobservable inputs for the asset and liability.

During the year ended 31 March 2025, equity investment amounting to HK$26,631,000 were reclassified from Level 3 to Level 2 measurements. This transfer resulted from the underlying financial asset, previously comprising an unlisted equity interest, becoming listed on the NASDAQ on 17 April 2024, thereby making observable market inputs available.

7. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Reconciliation of assets measured at fair value based on level 3:

	Unlisted equity investment HK$'000
At 1 April 2024	26,631
Transfer out of level 3	(26,631)
At 31 March 2025 and 1 April 2025	–
Transfer in of level 3	23,534
At 31 March 2026	23,534

The total losses recognised in profit or loss included losses of approximately HK$73,297,000 (2025: gains HK$89,490,000) related to assets held at the end of the reporting period are presented in the fair value changes on financial assets at FVTPL in the consolidated statement of profit or loss and other comprehensive income.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2026 and 2025

Financial instruments in level 2	**Valuation technique**	**Inputs**	**Fair value** **2026** **HK$'000**	2025 HK$'000
Financial assets at FVTPL				
Unlisted equity securities *(Note 21)*	Net asset approach	Quoted market prices of underlying investment	**23,534**	96,831
Unlisted equity securities *(Note 21)*	Precedent transaction method	Transaction price	**2,300**	–

8. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The principal activities of the Group are provision of (i) comprehensive structural and geotechnical engineering consultancy services; and (ii) equipment rental services in Hong Kong; and (iii) provision of installation services for IT equipment.

(i) Disaggregation of revenue

Disaggregation of revenue by services lines is as follows:

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Disaggregated by major service lines:		
– Construction of new properties	**66,765**	89,316
– Refurbishment/maintenance of existing properties	**5,508**	7,369
– Others	**5,673**	7,589
	77,946	104,274

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Timing of revenue recognition:		
– Over time	**77,946**	104,274

Revenue mainly represents the contract revenue from provision of comprehensive structural and geotechnical engineering consultancy services recognised over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these services based on the stage of completion of contract using input method during the year.

Others represent revenue from the provision of installation services for IT equipment, expert witness services and other minor works services. These revenues are recognised over time during the years ended 31 March 2026 and 2025.

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 March 2026, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK$134,437,000 (2025: HK$125,010,000). This amount represents revenue expected to be recognised in the future from contracts for provision of engineering services entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is carried out. The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 are as follows:

	At 31 March	
	2026	2025
	HK$'000	HK$'000
Expected to be recognised within 1 year	**86,006**	63,331
Expected to be recognised between 1-2 years	**29,251**	34,877
Expected to be recognised after 2 years	**19,180**	26,802
	134,437	125,010

(b) Segment reporting

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2026, the Group commenced the business engaging in information technology service activities upon the completion of the acquisition of Smart Building Management System Limited, and it is considered as a new operating and reportable segment by the CODM.

During the year ended 31 March 2025, the CODM considered that there was only one reportable operating segment, being the comprehensive structural and geotechnical engineering consultancy services business of the Group. Since the Group mainly provided comprehensive structural and geotechnical engineering consultancy services, the operating segment had been identified on the basis of internal management reports prepared in accordance with accounting policies conforming with HKFRS Accounting Standards and CODM regularly reviewed the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment was presented for the year ended 31 March 2025.

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment reporting (Continued)

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Information technology service – provision of a one-stop service, from design and supply to installation and maintenance; and

2. Comprehensive structural and geotechnical engineering consultancy services – provision of construction of new properties, refurbishment/maintenance of existing properties and other services.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment reporting (Continued)

For the year ended 31 March 2026

	Information technology service HK$'000	Comprehensive structural and geotechnical engineering consultancy services HK$'000	Total HK$'000
REVENUE			
External sales	–	77,946	77,946
Segment loss	(4,209)	(57,247)	(61,456)
Other income			139
Fair value changes on financial assets at FVTPL			(73,297)
Unallocated allowance of ECLs for trade and other receivables and contract assets, net			(1)
Unallocated general and administrative expenses			(2,702)
Finance costs			(499)
Loss before tax			(137,816)
Other segment information			
Included in measure of segment results:			
Addition to non-current assets	–	6,159	6,159
Depreciation and amortisation	–	(5,523)	(5,523)
Allowance of ECLs for trade and other receivables and contract assets, net	–	(14,724)	(14,724)
Impairment on goodwill	(3,117)	–	(3,117)
Impairment on property, plant and equipment	–	(4,747)	(4,747)
Impairment on right-of-use asset	–	(5,177)	(5,177)

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment reporting (Continued)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers based on the geographical location of the operations of the Group; and (ii) the Group's non-current assets other than prepayments, rental deposits, financial assets at FVTPL and deferred tax assets is based on the geographical location of the assets.

	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Hong Kong	**77,946**	104,274	**–**	11,141
Mainland China	**–**	–	**–**	515
	77,946	104,274	**–**	11,656

Information about major customers

During the years ended 31 March 2026 and 2025, no external customers individually contributing 10% or more of the Group's total revenue.

9. OTHER INCOME

	Year ended 31 March	
	2026 HK$'000	2025 HK$'000
Interest income	**132**	864
Bad debts recovery	**–**	25
Sundry income	**7**	521
	139	1,410

10. FINANCE COSTS

	Year ended 31 March	
	2026 HK$'000	2025 HK$'000
Interest on bank overdraft	**–**	1
Interest on lease liabilities	**499**	387
	499	388

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11. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging:

		Year ended 31 March	
		2026	2025
		HK$'000	HK$'000
(a)	**Staff costs**		
	Directors' remuneration *(note 13(a))*	**1,421**	18,890
	Salaries, wages and other benefits, excluding those of directors	**63,727**	54,266
	Contributions to defined contribution retirement plan, excluding those of directors	**1,783**	2,350
	Total staff costs	**66,931**	75,506
(b)	**Other items**		
	Auditor's remuneration	**688**	730
	Depreciation of property, plant and equipment	**1,938**	1,402
	Depreciation of right-of-use assets	**3,585**	3,360

12. INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Current tax		
Hong Kong Profits Tax:		
– Provision for the year	**–**	185
Deferred tax	**1,474**	(678)
	1,474	(493)

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 March 2026. Tax for overseas subsidiaries is charged at the appropriate current rates of taxation based on the rules and regulations in the relevant tax jurisdictions.

12. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the year ended 31 March 2025.

Enterprise Income Tax ("**EIT**") in Mainland China has been provided at the rate of 25% (2025: 25%) on the estimated assessable profits arose in Mainland China during the year except as described below. Certain subsidiaries of the Company satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises. For a small low-profit enterprise, the portion of annual taxable income up to RMB1,000,000 is calculated at 25% of that income and taxed at a 20% EIT rate. The portion of annual taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000 is calculated at 50% of that income and also taxed at a 20% EIT rate. Any taxable income above RMB3,000,000 is fully taxable at 100% and subject to the standard 25% EIT rate.

No provision of Macau Complementary Tax has been made for the years ended 31 March 2026 and 2025 since the Group's Macau subsidiary has no assessable profit for both years.

Reconciliation between income tax expenses/(credit) and accounting (loss)/profit before tax at applicable tax rates:

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
(Loss)/profit before tax	**(137,816)**	64,013
Notional tax on loss before taxation, calculated at the tax rates applicable to the respective tax jurisdictions	**(9,369)**	(1,339)
Tax effect of non-deductible expenses	**4,644**	1,261
Tax effect of non-taxable income	**(20)**	(150)
Tax effect of tax losses not recognised	**4,896**	89
Tax effect of temporary different not recognised	**1,323**	9
Tax effect of concessionary tax rate	**–**	(124)
Tax effect of utilisation of tax losses not previously recognised	**–**	(236)
Effect of tax reduction in Hong Kong Profits Tax	**–**	(3)
Income tax expenses/(credit)	**1,474**	(493)

13. DIRECTORS' REMUNERATION

(a) Directors' emoluments

The remuneration of directors, including Chief Executive of the Company, for the year is set out below:

	Directors' fees HK$'000	Salaries, allowances and benefits HK$'000	Discretionary bonus HK$'000	Contributions to defined contribution retirement plan HK$'000	Total HK$'000
Year ended 31 March 2026					
Executive directors					
Mr. Leung Chun Yu Edmund *(note (iii))*	238	–	–	–	238
Mr. Man Kwok Hing *(note (iv))*	90	–	–	–	90
Mr. Tsang Wing Ki (Managing Director) *(note (v))*	138	–	–	–	138
Ms. Leung Suet Yiu *(note (vi))*	174	–	–	–	174
Non-executive directors					
Mr. Takeda Masahiro *(note (vii))*	–	–	–	–	–
Mr. Yuen Chi Ping *(note (viii))*	360	–	90	–	450
Dr. Chan Yin Nin *(note (ix))*	–	–	–	–	–
Independent non-executive directors					
Mr. Leung Man Chun *(note (x))*	120	–	–	–	120
Ms. Lung Wing Yee *(note (xi))*	120	–	–	–	120
Ms. Siu Yuk Ming *(note (xii))*	70	–	–	–	70
Mr. Wong Chun Man *(note (xiii))*	21	–	–	–	21
	1,331	–	90	–	1,421

13. DIRECTORS' REMUNERATION (CONTINUED)

(a) Directors' emoluments (Continued)

	Directors' fees HK$'000	Salaries, allowances and benefits HK$'000	Discretionary bonus HK$'000	Contributions to defined contribution retirement plan HK$'000	Total HK$'000
Year ended 31 March 2025					
Executive directors					
Dr. Chan Yin Nin *(note (ix))*	–	5,158	6,000	19	11,177
Mr. Kwong Po Lam *(note (xiv))*	–	3,224	2,800	19	6,043
Mr. Leung Chun Yu Edmund *(note (iii))*	240	–	–	–	240
Mr. Man Kwok Hing	180	–	–	–	180
Mr. Kazuya Yanagihara *(note (xv))*	180	–	–	–	180
Mr. Tsang Wing Ki *(Managing Director) (note (v))*	240	–	–	–	240
Ms. Leung Suet Yiu *(note (vi))*	180	–	–	–	180
Non-executive directors					
Mr. Fukumitsu Hirokazu *(note (xvi))*	120	–	–	–	120
Mr. Takeda Masahiro *(note (vii))*	120	–	–	–	120
Independent non-executive directors					
Mr. Choy Wai Shek, Raymond, *MH, JP* *(note (xvii))*	90	–	–	–	90
Mr. Hidaka Masakage *(note (xviii))*	80	–	–	–	80
Mr. Leung Man Chun *(note (x))*	–	–	–	–	–
Mr. Sze Kyran, MH *(note (xvii))*	90	–	–	–	90
Ms. Lung Wing Yee *(note (xi))*	30	–	–	–	30
Ms. Siu Yuk Ming *(note (xii))*	120	–	–	–	120
	1,670	8,382	8,800	38	18,890

13. DIRECTORS' REMUNERATION (CONTINUED)

(a) Directors' emoluments (Continued)

Notes:

(i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2025: Nil).

(ii) The executive directors' emoluments shown above were mainly 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 directors of the Company.

(iii) Mr. Leung Chun Yu Edmund was appointed as executive director of the Company with effect from 23 August 2024.

(iv) Mr. Man Kwok Hing retired as executive director of the Company with effect from 30 September 2025.

(v) Mr. Tsang Wing Ki was appointed as executive director of the Company with effect from 3 April 2024 and resigned as executive director of the Company with effect from 31 October 2025.

(vi) Ms. Leung Suet Yiu resigned as executive director of the Company with effect from 29 May 2026.

(vii) Mr. Takeda Masahiro was appointed and retired as non-executive director of the Company with effect from 3 April 2024 and 30 September 2025 respectively.

(viii) Mr. Yuen Chi Ping was appointed as non-executive director of the Company with effect from 1 April 2025.

(ix) Dr. Chan Yin Nin resigned as executive director of the Company with effect from 1 April 2025 and appointed as non-executive director of the Company with effect from 31 March 2026.

(x) Mr. Leung Man Chun was appointed as independent non-executive director of the Company with effect from 31 March 2025.

(xi) Ms. Lung Wing Yee was appointed as independent non-executive director of the Company with effect from 23 December 2024.

(xii) Ms. Siu Yuk Ming resigned as independent non-executive director of the Company with effect from 31 October 2025.

(xiii) Mr. Wong Chun Man was appointed as independent non-executive director of the Company with effect from 30 January 2026.

(xiv) Mr. Kwong Po Lam was the managing director of the Company and is regarded as the Chief Executive of the Company. His remuneration disclosed above includes the services rendered as the Chief Executive. He resigned as executive director of the Company with effect from 5 November 2024.

(xv) Mr. Kazuya Yanagihara resigned as executive director of the Company with effect from 31 March 2025.

(xvi) Mr. Fukumitsu Hirokazu was appointed and resigned as non-executive director of the Company with effect from 3 April 2024 and 31 March 2025 respectively.

(xvii) Mr. Choy Wai Shek, Raymond and Mr. Sze Kyran resigned as independent non-executive director of the Company with effect from 23 December 2024.

(xviii) Mr. Hidaka Masakage was appointed and resigned as independent non-executive director of the Company with effect from 12 August 2024 and 31 March 2025 respectively.

(xix) The discretionary bonus was determined by reference to the individual performance of the directors and was approved by the remuneration committee of the Company.

(xx) There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2025: Nil).

13. DIRECTORS' REMUNERATION (CONTINUED)

(b) Directors' material interests in transactions, arrangements or contracts

Save for disclosed in note 36 to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 March 2026 (2025: Nil).

(d) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year ended 31 March 2026 (2025: Nil).

14. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group for the year, none was a director of the Company (2025: 2 directors), whose emoluments are disclosed in note 13(a) to the consolidated financial statements. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**10,198**	3,331
Discretionary bonus *(note)*	**3,200**	83
Contributions to defined contribution retirement plan	**162**	36
	13,560	3,450

Note: Discretionary bonus was determined by the directors of the Company by reference to the individual performance and contribution to the Group.

14. INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the above 5 (2025: 3) individuals with the highest emoluments are within the following bands:

	Year ended 31 March	
	2026	2025
	Number of individuals	Number of individuals
HK$1,000,001 to HK$1,500,000	**3**	3
HK$4,000,001 to HK$5,000,000	**1**	–
HK$6,000,001 to HK$7,000,000	**1**	–

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2026 (2025: nil).

15. (LOSS)/EARNING PER SHARE

The calculation of the basic and diluted (loss)/earning per share attributable to owners of the Company is based on the following data:

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
(Loss)/profit for the year attributable to owners of the Company	**(138,853)**	64,506
Number of shares:		
Weighted average number of ordinary shares in issue ('000)	**167,303**	158,323
Basic and diluted (loss)/earning per share (HK cents)	**(82.99)**	40.75

The calculation of basic (loss)/earning per share is based on the (loss)/profit for the year attributable of owners of the Company and weighted average number of shares in issue. The weighted average number of ordinary shares for current and prior years have been adjusted retrospectively to reflect the effect of the share consolidation that took effect on 9 June 2025.

Diluted (loss)/earning per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

15. (LOSS)/EARNING PER SHARE (CONTINUED)

The share options in issue have not been included in the calculation of the diluted (loss)/earning per share, as the adjusted exercise prices of those share options are higher than the average annual market price of the Company's shares. Accordingly, these share options had no dilutive effect during the year ended 31 March 2026 and 2025, and the diluted (loss)/earning per share is the same as the basic (loss)/earning per share during the year ended 31 March 2026 and 2025.

	Year ended 31 March	
	2026	2025
	'000	'000
Weighted average number of ordinary shares for the purpose of basic (loss)/earning per share	**167,303**	158,323
Effect of dilution – share option *(note)*	**110,171**	357,914
Weighted average number of ordinary shares for the purpose of diluted (loss)/earning per share	**277,474**	516,237

Note: The computation of diluted loss (2025: earning) per share does not assume conversion of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share (2025: decrease in earning per share).

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16. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK$'000	Equipment HK$'000	Motor vehicle HK$'000	Leasehold improvement HK$'000	Total HK$'000
Cost					
At 1 April 2024	2,535	5,837	880	123	9,375
Additions	14	387	–	–	401
Exchange adjustment	(3)	(2)	–	(1)	(6)
At 31 March 2025	2,546	6,222	880	122	9,770
At 1 April 2025	2,546	6,222	880	122	9,770
Additions	1	4,089	–	–	4,090
Disposal	–	–	(880)	–	(880)
Exchange adjustment	34	15	–	7	56
At 31 March 2026	2,581	10,326	–	129	13,036
Accumulated depreciation and impairment					
At 1 April 2024	1,973	3,116	660	34	5,783
Charge for the year	178	963	220	41	1,402
Exchange adjustment	(3)	(2)	–	–	(5)
At 31 March 2025	2,148	4,077	880	75	7,180
At 1 April 2025	2,148	4,077	880	75	7,180
Charge for the year	176	1,720	–	42	1,938
Impairment recognised	224	4,516	–	7	4,747
Disposal	–	–	(880)	–	(880)
Exchange adjustment	33	13	–	5	51
At 31 March 2026	2,581	10,326	–	129	13,036
Net carrying value					
At 31 March 2026	–	–	–	–	–
At 31 March 2025	398	2,145	–	47	2,590

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment

During the year ended 31 March 2026, as there was a loss incurred, the management of the Group concluded there was indication for impairment and conducted impairment assessment on property, plant and equipment and right-of-use assets based on the value-in-use calculation with the assistance of the independent professional qualified valuer. The Group estimates the recoverable amounts of the property, plant and equipment and right-of use assets based on higher of fair value less costs of disposal and value-in use.

Based on the result of assessment, management of the Group determined that the recoverable amount of the cash-generating unit is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of assets is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value-in-use calculation and the allocation, impairment losses of approximately HK$4,747,000 (2025: Nil) and HK$5,177,000 (2025: Nil) have been recognised against the carrying amount of property, plant and equipment and right-of-use assets respectively within the relevant functions to which these assets relate.

17. RIGHT-OF-USE ASSETS

	Office premises HK$'000	Office equipments HK$'000	Total HK$'000
Cost			
At 1 April 2024	16,445	2,049	18,494
Additions	799	1,799	2,598
Modification	5,360	–	5,360
Termination	(799)	(1,842)	(2,641)
Exchange adjustment	(10)	–	(10)
At 31 March 2025	21,795	2,006	23,801
At 1 April 2025	21,795	2,006	23,801
Additions	2,069	–	2,069
Modification	(16,980)	–	(16,980)
Exchange adjustment	23	–	23
At 31 March 2026	6,907	2,006	8,913
Accumulated depreciation and impairment			
At 1 April 2024	12,016	82	12,098
Charge for the year	2,951	409	3,360
Termination	(317)	(399)	(716)
Exchange adjustment	(7)	–	(7)
At 31 March 2025	14,643	92	14,735
At 1 April 2025	14,643	92	14,735
Charge for the year	3,175	410	3,585
Impairment recognised	3,673	1,504	5,177
Modification	(14,602)	–	(14,602)
Exchange adjustment	18	–	18
At 31 March 2026	6,907	2,006	8,913
Net carrying value			
At 31 March 2026	–	–	–
At 31 March 2025	7,152	1,914	9,066

17. RIGHT-OF-USE ASSETS (CONTINUED)

Lease liabilities of approximately HK$8,085,000 (2025: HK$9,440,000) are recognised with related right-of-use assets of approximately HK$Nil (2025: HK$9,066,000) as at 31 March 2026. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Depreciation expenses on right-of-use assets	**3,585**	3,360
Interest expense on lease liabilities (included in finance costs)	**499**	387
Impairment loss on right-of-use assets	**5,177**	–

18. GOODWILL

	HK$'000
Cost	
At 1 April 2024, 31 March 2025 and 1 April 2025	–
Arising on acquisition of a subsidiary *(note 32)*	3,117
At 31 March 2026	3,117
Accumulated impairment	
At 1 April 2024, 31 March 2025 and 1 April 2025	–
Impairment loss recognised	3,117
At 31 March 2026	3,117
Net carrying amounts	
At 31 March 2026	–
At 31 March 2025	–

During the year, the business in Smart Building Management System Limited achieved results significantly below management's original expectations at the acquisition date. The directors of the Company have consequently determined impairment of goodwill directly related to Smart Building Management System Limited amounting to approximately HK$3,117,000. The impairment loss has been included in profit or loss. Goodwill related to Smart Building Management System Limited amounting to HK$3,117,000 has been fully impaired.

18. GOODWILL (CONTINUED)

The following table set out the key assumptions for the value-in-use calculation:

	Assumption used
Growth rate	2.0%
Pre-tax discount rate	16.0%

The growth rates used in line with long term inflation rate forecast in Hong Kong. The discount rate reflects current market assessments of the time value of money and specific risks relating to the cash-generating unit. Other assumptions included budgeted income estimated based on the past performance and management's expectations of market developments.

19. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current tax

Movement of income tax payable in the consolidated statement of financial position is as follows:

	2026 HK$'000	2025 HK$'000
Tax payable at 1 April	**185**	(1,066)
Provision for Hong Kong Profits Tax for the year	**–**	185
Income tax (paid)/refunded	**(123)**	1,066
Tax payable at 31 March	**62**	185

(b) Deferred tax

Deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

	2026 HK$'000	2025 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	**–**	1,500

19. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax (Continued)

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

Deferred tax assets arising from:	ECL provision HK$'000	Depreciation in excess of related depreciation allowance HK$'000	Total HK$'000
At 1 April 2024	1,041	15	1,056
Credited/(charged) to profit or loss	452	(8)	444
At 31 March 2024 and 1 April 2025	1,493	7	1,500
Charged to profit or loss	(1,467)	(7)	(1,474)
Exchange realignment	(26)	–	(26)
At 31 March 2026	–	–	–

Deferred tax liabilities arising from:	Depreciation allowance in excess of related depreciation HK$'000
At 1 April 2024	234
Credit to profit or loss	(234)
At 31 March 2024, 1 April 2025 and 31 March 2026	–

At 31 March 2026, the Group has unused tax losses of approximately HK$38,322,000 (2025: HK$7,960,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$6,943,000 (2025: HK$6,064,000) with expiry dates as disclosed in the following table. Other tax losses may be carried forward indefinitely.

19. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax (Continued)

	2026 HK$'000	2025 HK$'000
2026	–	107
2027	319	319
2028	1,728	1,728
2029	2,123	2,123
2030	1,787	1,787
2031	986	–
	6,943	6,064

20. TRADE AND OTHER RECEIVABLES

	At 31 March 2026 HK$'000	2025 HK$'000
Trade receivables	43,075	61,166
Less: Allowance for ECL	(17,125)	(13,067)
Trade receivables, net of allowance for ECL	25,950	48,099
Deposits, prepayments and other receivables	41,182	38,406
Less: Allowance for ECL	(12,704)	(18)
Deposits, prepayments and other receivables, net of allowance for ECL	28,478	38,388
Total trade and other receivables	54,428	86,487
Less: non-current portion		
– Prepayments	–	(1,500)
	54,428	84,987

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 March 2026, the gross carrying amounts of trade receivables from contracts with customers amounted to approximately HK$43,075,000 (2025: HK$61,166,000).

The following is an ageing analysis of the trade receivables presented based on invoice dates at the end of the reporting period, net of allowance for credit losses recognised:

	At 31 March	
	2026	2025
	HK$'000	HK$'000
Within 30 days	**10,484**	12,950
Over 30 days and within 90 days	**7,130**	11,221
Over 90 days and within 180 days	**3,667**	13,994
Over 180 days	**4,669**	9,934
	25,950	48,099

The management of the Group closely monitors the credit quality of trade receivables. Before accepting any new customer, the Group's management will assess the potential customer's credit quality and determine the credit limits of each customer. Credit limits attributable to customers are reviewed periodically. The credit terms of the Group granted to customers generally range from 0 to 60 days.

The Group has a policy for allowance of ECL which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement including the creditworthiness and the past collection history of each customer.

Details of impairment assessment of trade receivables are set out in note 6(a) to the consolidated financial statements. The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2026	2025
	HK$'000	HK$'000
HK$	**54,271**	86,186
Macau Pataca ("**MOP**")	**23**	202
Renminbi ("**RMB**")	**134**	99
	54,428	86,487

21. FINANCIAL ASSETS AT FVTPL

	At 31 March 2026 HK$'000	2025 HK$'000
Unlisted equity securities	**25,834**	96,831

The financial assets at FVTPL are denominated in HK$.

As at 31 March 2026 and 2025, the Group's unlisted investment represented unlisted equity interests.

22. CONTRACT ASSETS

	At 31 March 2026 HK$'000	2025 HK$'000
Arising from performance under construction contracts	**34,874**	31,572
Less: Allowance for ECL	**(2,439)**	(1,728)
	32,435	29,844

	Year ended 31 March 2026 HK$'000	2025 HK$'000
Transfer of contract assets at the beginning of the year to receivables during the year	**4,150**	10,948

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

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

The Group's comprehensive structural and geotechnical engineering consultancy services contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits which range from 5% to 50% of total contract sum as part of its credit risk management policies and recognise as contract liabilities. The Group determines the amount of deposit depending on the nature and scope of works. The subsequent milestones is generally according to a progressive payment on contract.

22. CONTRACT ASSETS (CONTINUED)

The increase in contract assets was mainly due to the higher in number of contract works completed for which the related services had been delivered but invoices had not yet been issued to customers at the end of the reporting period.

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

Disclosure requirement relating to ECL is set out in Note 6(a) to the consolidated financial statements.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	At 31 March	
	2026	2025
	HK$'000	HK$'000
Cash and cash equivalent in the consolidated statement of financial position:		
– Cash at banks and on hand	**20,906**	16,358

As at 31 March 2026, the cash and bank balances of the Group denominated in RMB amounted to approximately HK$240,000 (2025: HK$75,000). Conversion of RMB into foreign currencies is subjected to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

24. TRADE AND OTHER PAYABLES

	At 31 March 2026 HK$'000	2025 HK$'000
Trade payables	**1,207**	1,171
Provision for annual leave and long service payment *(note)*	**3,050**	2,768
Deposits received	**3,500**	–
Accrued expenses and other payables	**22,137**	5,809
Total trade and other payables	**29,894**	9,748
Less: non-current portion		
– Provision for long service payment	**(1,222)**	(940)
	28,672	8,808

Note:

The movements of provision for annual leave and long service payment during the year are as follows:

	Annual leave HK$'000	Long service payment HK$'000	Total HK$'000
At 1 April 2024	1,828	804	2,632
Addition provisions	–	136	136
At 31 March 2025 and 1 April 2025	1,828	940	2,768
Addition provisions	–	282	282
At 31 March 2026	1,828	1,222	3,050

The provision for annual leave represents employee entitlements to annual leave. A provision is made for the estimated liability for unused annual leave as a result of services rendered by employees up to the end of the reporting period.

The provision for long service payment represents the obligation to pay long service payment under Hong Kong Employment Ordinance (Chapter 57).

The ageing analysis of the Group's trade payables based on invoice dates is as follows:

	At 31 March 2026 HK$'000	2025 HK$'000
Within 30 days	**87**	486
31 – 60 days	**174**	282
61 – 90 days	**53**	3
Over 90 days	**893**	400
	1,207	1,171

24. TRADE AND OTHER PAYABLES (CONTINUED)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
HK$	**27,897**	9,129
MOP	**1,414**	20
RMB	**583**	599
	29,894	9,748

Accrued expenses and other payables comprised mainly the accrued expenses of staff salaries and staff welfare (including staff's accrued bonus, overtime claims and travelling allowances), auditor's remuneration and office expenses.

25. CONTRACT LIABILITIES

	At 31 March	
	2026 **HK$'000**	2025 HK$'000
Arising from performance under construction contracts	**29,174**	26,726

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

Movement in the contract liabilities balance during the year are as follows:

	2026 **HK$'000**	2025 HK$'000
At the beginning of the year	**26,726**	23,561
Decrease in contract liabilities as a result of revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	**(18,860)**	(10,729)
Increase on contract liabilities as a result of receipts in advance from customers	**21,308**	13,894
At the end of the year	**29,174**	26,726

25. CONTRACT LIABILITIES (CONTINUED)

The increase (2025: increase) in contract liabilities in 2026 was mainly due to the increase (2025: increase) in advances received from customers in relation to the performance under construction at the end of the reporting period.

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

When the Group receives a deposit before the service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a 5%-50% deposit from certain customers before the commencement of services commences.

26. LEASE LIABILITIES

The following tables shows the remaining contractual maturities of the Group's lease liabilities as at 31 March 2026 and 2025:

	2026		2025	
	Present value of the minimum lease payment HK$'000	**The minimum lease payment HK$'000**	Present value of the minimum lease payment HK$'000	The minimum lease payment HK$'000
Within 1 year	**3,218**	**3,752**	2,610	3,040
After 1 year but within 2 years	**4,495**	**4,720**	2,158	2,463
Over 2 years	**372**	**414**	4,672	4,925
	8,085	**8,886**	9,440	10,428
Less: total future interest expenses		**(801)**		(988)
Total lease liabilities		**8,085**		9,440
Less: non-current portion		**(4,867)**		(6,830)
Current portion		**3,218**		2,610

Note:

The Group leased the office premises and office equipments as disclosed in note 17 to the consolidated financial statements to operate for office uses. The lease terms were 2-5 years (2025: 2-5 years). During the year ended 31 March 2025, the Group entered into a lease contract to extend the lease period. A lease modification to the right-of-use assets and lease liabilities amounting to approximately HK$5,360,000 was recognised. The Group also early terminated leases for office premises and office equipment and resulting in a loss on termination of approximately HK$73,000 and gain on termination of approximately HK$44,000 respectively.

26. LEASE LIABILITIES (CONTINUED)

Note: (Continued)

For the year ended 31 March 2026, the total cash outflow for leases including repayment of lease liabilities and payment of interest expenses are approximately HK$4,413,000 (2025: HK$3,717,000). The payment of interest expenses amounting to approximately HK$499,000 (2025: HK$387,000) was classified as financing cash flows.

The weighted average incremental borrowing rate applied to lease liabilities range 5.33% (2025: 5.33%).

Lease liabilities are denominated in HK$ and RMB of approximately HK$8,085,000 and HK$Nil (2025: HK$8,721,000 and HK$405,000) respectively.

27. BOND PAYABLES

	2026 **HK$'000**	2025 HK$'000
Unsecured bond issue in 2025, measured at amortised cost:	**3,300**	–

Unlisted bonds issued in 2025

During the year ended 31 March 2026, the Company newly issued unlisted bonds to certain independent third parties with total principal amount of HK$3,300,000. The bonds are unsecured, interest bearing 6% per annum and will be matured in 2032.

28. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "**2018 Share Option Scheme**") was adopted pursuant to a resolution passes on 27 August 2018 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 26 August 2028. Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for share in the Company.

At 27 October 2025, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 4,480,895 shares (2025: Nil), representing 3.1% (2025: Nil) of the shares of the Company in issue at that date. 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 may be exercised at any time from the date of grant of the share option to the 10 anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's 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 Company's share.

Details of specific categories of options are as follows:

	Date of grant	Vesting period	Exercise period	Exercise Price	Exercise date
2018 Share Option Scheme	27 October 2025	N/A	27 October 2025 to 26 October 2035	HK$0.25	N/A

The following table disclosures movement of the Scheme during the year:

Option type	Outstanding at 1 April 2025	Granted during year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding at 31 March 2026
2018 Share Option Scheme	–	4,480,895	–	–	–	4,480,895
Exercisable at the end of the year						4,480,895
Weighted average exercise price	–	HK$0.25	–	–	–	HK$0.25

28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

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

The share options outstanding at 31 March 2026 had a weighted average remaining contractual life of 9.58 years (2025: Nil).

In respect of the share options exercised during the year, the weighted average share price at the dates of exercises was HK$0.25 (2025: Nil).

During the year ended 31 March 2026, options were granted on 27 October 2025. The estimated fair value of the options granted on those dates are HK$0.20. The closing price of the Company's shares immediately before 27 October 2025, the date of grant, was HK$0.24.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2026
Exercise price	HK$0.25
Expected volatility	159.93%
Expected life	10 years
Risk-free rate	2.95%

The expected life used in the model has been adjusted, based on the director's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of HK$886,000 for the year ended 31 March 2026 (2025: Nil) in related to share options granted by the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

29. CAPITAL AND RESERVES

(a) Movement in component of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Share capital

	Number of shares	Share capital HK$'000
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 (Ordinary shares of HK$0.01 each)	1,500,000,000	15,000
31 March 2026 (Ordinary shares of HK$0.1 each) *(note (iii))*	1,500,000,000	150,000
Issued and fully paid:		
At 1 April 2024	1,232,000,000	12,320
Placing of new share on 29 May 2024 *(note (i))*	150,000,000	1,500
At 31 March 2025 and 1 April 2025	1,382,000,000	13,820
Issuance of new shares by way of placing, net of issue costs *(note (ii))*	63,450,000	635
Share consolidation *(note (iii))*	(1,300,905,000)	–
At 31 March 2026	144,545,000	14,455

29. CAPITAL AND RESERVES (CONTINUED)

(b) Share capital (Continued)

Note:

(i) On 3 May 2024 and 17 May 2024, the Company and a placing agent entered into a placing agreement and supplemental agreement, pursuant to which the Company has conditionally agreed to place a maximum of 150,000,000 placing shares to not less than six Placees at a price of HK$0.12 per share. The placing was completed on 29 May 2024 pursuant to which the Company has allotted and issued 150,000,000 placing shares. The net proceeds derived from the placing amounted to approximately HK$17,000,000 and resulted in the increase in share capital of approximately HK$1,500,000 and share premium of approximately HK$15,500,000, net of transaction costs of approximately HK$1,000,000. The net proceeds from the placing will be used for the development of food and beverage and IT business segments and general working capital.

(ii) On 30 May 2025, an aggregate of 63,450,000 placing shares have been allotted and issued with the net proceeds amounting to approximately HK$2.47 million at the issue price of HK$0.039 per placing share.

(iii) On 15 April 2025, the director of the Company proposed to implement a share consolidation on the basis that every 10 issued would be consolidated into one consolidated share, and to increase the Company's authorised share capital (conditional on the share consolidation having become effective) from HK$15,000,000 divided into 150,000,000 consolidated shares to HK$150,000,000 divided into 1,500,000,000 consolidated shares by the creation of an additional 1,350,000,000 consolidated shares. Pursuant to an ordinary resolution passed on 5 June 2025, the share consolidation and increase in authorised share capital were approved by the shareholders of the Company and has become effective on 9 June 2025. Immediately after the share consolidation and increase in authorised share capital, the total number of authorised shares of the Company became 150,000,000, and the total number of issued shares of the Company was adjusted from 1,445,450,000 to 144,545,000.

(c) Merger reserves

Merger reserves represent the reserves that arose pursuant to a reorganisation of the Company and its subsidiaries now comprising the Group which was completed on 20 November 2017 to rationalise the Group's structure (the "**Reorganisation**") in preparation of the listing of the shares of the Company on GEM of the Stock Exchange, whereby the Company became the holding company of the Group under the Reorganisation, details of which are fully explained in the paragraphs headed "Reorganisation" of the section headed "History, Reorganisation and Group Structure" in the prospectus of the Company dated 31 August 2018.

(d) Share premium

The share premium account records the excess of the total consideration over the par value of the shares issued by the Company, net of share issue expenses incurred.

(e) Translation reserves

The reserves comprise all foreign exchange differences arising from the translation of the financial statements of subsidiaries with functional currencies other than HK$. The reserves are dealt with in accordance with the accounting policies set out in note 4(c).

29. CAPITAL AND RESERVES (CONTINUED)

(f) Legal reserves

In accordance with the Article 377 of the Commercial Code of Macao Special Administrative Region, the subsidiary registered in Macao Special Administrative Region is required to transfer part of its profits of each accounting period of not less than 25% to legal reserves, until the amount reaches half of its registered share capital.

(g) Share option reserves

The share option reserve represents the cumulative fair value of share options granted by the Company that has been recognised as an expense in accordance with HKFRS 2 Share-based Payment and credited to equity over the vesting period of the relevant share options. Upon the exercise of share options, the related amount in the share option reserve is transferred to share capital and share premium. When vested share options lapse, expire or are forfeited after the vesting date, the relevant amount in the share option reserve is transferred directly to retained earnings. The share option reserve is not available for distribution as dividends.

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its business and provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure there was adequate working capital to serve its debt obligations. At 31 March 2026 and 2025, the ratio of the Group's total liabilities over its total assets was 18.9% and 25.3% respectively.

For the listing on the Stock Exchange, the Company has to have a public float of at least 25% of the total number of the Shares in issue, except for above, neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements. The Company has maintained the prescribed public float under the GEM Listing Rules during the years ended 31 March 2026 and 2025.

30. DIVIDEND

The directors of the Company do not recommend the payment of final dividend for the year ended 31 March 2026 (2025: nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

31. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2026 and 2025 are set out below:

Name of company	Place of incorporation/ establishment and place of operation	Registered/ issued and fully paid up capital	Attributable equity interest: The Group's effective interest	Held by the Company	Held by subsidiary	Principal activities
WAC (Hong Kong) Limited	BVI	US$1 (2025: US$1)	100% (2025: 100%)	100% (2025: 100%)	– (2025: –)	Investment holding
WAC (Macau) Limited	BVI	US$1 (2025: US$1)	100% (2025: 100%)	100% (2025: 100%)	– (2025: –)	Investment holding
Kelca Limited	Hong Kong	HK$500,000 (2025: HK$500,000)	100% (2025: 100%)	100% (2025: 100%)	– (2025: –)	Provision of IT solutions & services, procurement of IT products
Smart Building Management System Limited	Hong Kong	HK$10,000 (2025: –)	60% (2025: –)	– (2025: –)	60% (2025: –)	Provision of information technology services activities
Wong & Cheng Consulting Engineers Limited	Hong Kong	HK$550,000 (2025: HK$550,000)	100% (2025: 100%)	– (2025: –)	100% (2025: 100%)	Provision of comprehensive structural and geotechnical engineering consultancy services
黃鄭建築科技開發(深圳)有限公司 *(note (i))*	PRC	HK$1,000,000 (2025: HK$1,000,000)	100% (2025: 100%)	– (2025: –)	100% (2025: 100%)	Provision of computer – aided drawings and design of construction and back office support
Wong & Cheng Consulting Engineers (Macau) Limited	Macau	MOP100,000 (2025: MOP100,000)	100% (2025: 100%)	– (2025: –)	100% (2025: 100%)	Provision of comprehensive structural and geotechnical engineering consultancy services
AP Construction Engineering Limited	Hong Kong	HK$1 (2025: HK$1)	100% (2025: 100%)	– (2025: –)	100% (2025: 100%)	Provision of equipment rental services
King Of Catering (HK) Limited	Hong Kong	HK$1 (2025: HK$1)	100% (2025: 100%)	– (2025: –)	100% (2025: 100%)	Dormant

Note:

(i) 黃鄭建築科技開發(深圳)有限公司 is registered as a wholly-foreign-owned enterprise under PRC Law.

32. ACQUISITION OF A SUBSIDIARY

On 27 November 2025, the Group acquired an 60% interest in Smart Building Management System Limited. Smart Building Management System Limited is principally engaged in the provision of information technology services and was acquired with the objective of expanding the Group's relevant business. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	HK$'000
Cash	1,000
Other receivables	6,500
	7,500

Assets acquired and liabilities recognised at the date of acquisition

	HK$'000
Other receivables	14,403
Other payables	(6,966)
Tax payables	(132)
Net assets	7,305

Non-controlling interests

The non-controlling interests (40%) in the Smart Building Management System Limited recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Smart Building Management System Limited and amounted to approximately HK$2,922,000.

32. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Goodwill arising on acquisition

	HK$'000
Consideration transferred	7,500
Add: Non-controlling interests	2,922
Less: recognised amounts of net assets acquired	(7,305)
Goodwill arising on acquisition	3,117

Goodwill arose on the acquisition of Smart Building because the acquisition included the synergies which enhance the technological capabilities and providing clients with flexible and cost-efficient IT resources.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow on acquisition of Smart Building Management System Limited

	HK$'000
Cash consideration paid	1,000

Impact of acquisition on the results of the Group

Had the acquisition been completed on 1 April 2025, loss for the year would have been approximately HK$138,204,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2025, nor is it intended to be a projection of future results.

33. FINANCIAL INFORMATION OF THE COMPANY

Statement of financial position

At 31 March 2026

	Note	**2026 HK$'000**	2025 HK$'000
ASSETS			
Non-current assets			
Investments in subsidiaries		**–**	–
Financial assets at FVTPL		**2,300**	–
		2,300	–
Current assets			
Other receivables		**113**	117
Amounts due from subsidiaries		**–**	45,757
Cash and cash equivalents		**1**	–
		114	45,874
LIABILITIES			
Current liability			
Accrued expense and other payables		**24**	374
Net current assets		**90**	45,500
Total assets less current liabilities		**2,390**	45,500
Non-current liability			
Bond payables		**3,300**	–
Net (liabilities)/assets		**(910)**	45,500
EQUITY			
Share capital	*29*	**14,455**	13,820
Share premium		**107,876**	106,036
Share option reserve		**886**	–
Accumulated losses		**(124,127)**	(74,356)
Total (deficit)/equity		**(910)**	45,500

Approved and authorised for issue by the Board of Directors on 30 June 2026 and signed on its behalf by:

Yuen Chi Ping	**Leung Chun Yu Edmund**
Chairman	*Director*

33. FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

Statement of financial position (Continued)

Note:

Movements of the Company's reserves are as follows:

	Share premium HK$'000	Share option reserves HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 April 2024	90,536	–	(72,313)	18,223
Loss and total comprehensive expense for the year	–	–	(2,043)	(2,043)
Placing of new shares	16,500	–	–	16,500
Transaction cost attributable to placing of new shares	(1,000)	–	–	(1,000)
Balance at 31 March 2025 and 1 April 2025	106,036	–	(74,356)	31,680
Loss and total comprehensive expense for the year	–	–	(49,771)	(49,771)
Placing of new shares	1,890	–	–	1,890
Transaction cost attributable to placing of new shares	(50)	–	–	(50)
Share-based payments	–	886	–	886
Balance at 31 March 2026	107,876	886	(124,127)	(15,365)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

(a) Major non-cash transaction

Other than disclosed in elsewhere in the consolidated financial statements, the Group had the major non-cash transaction as follow.

During the year ended 31 March 2026, the Group entered into lease contracts in which addition and modification to right-of-use assets and lease liabilities amounting to approximately HK$2,069,000 and HK$490,000 (2025: HK$2,598,000 and HK$5,360,000) were recognised, respectively.

(b) Reconciliation of liabilities arising from financing activities

The following table shows the Group's change in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities 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.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (Continued)

	Bond payables HK$'000	**Lease liabilities** HK$'000	**Total** HK$'000
At 1 April 2024	–	6,819	6,819
Charges from financing cash flows:			
Payment for the lease liabilities	–	(3,330)	(3,330)
Interest paid	–	(387)	(387)
Other charges:			
Interest expenses	–	387	387
New leases	–	2,598	2,598
Modification	–	5,360	5,360
Termination	–	(2,004)	(2,004)
Exchange adjustment	–	(3)	(3)
At 31 March 2025 and 1 April 2025	–	9,440	9,440
Changes from financing cash flows:			
Payment for lease liabilities	–	(3,914)	(3,914)
Interest paid	–	(499)	(499)
Proceeds from bond payables	3,300	–	3,300
Other changes:			
Interest expenses	–	499	499
New leases	–	2,069	2,069
Modification	–	490	490
At 31 March 2026	3,300	8,085	11,385

35. COMMITMENTS

The Group did not have any material commitments as at 31 March 2026 and 2025.

36. MATERIAL RELATED PARTY TRANSACTIONS

Transactions with key management personnel

All members of key management personnel are the directors of the Company and their remuneration is disclosed in note 13(a) to the consolidated financial statements.

37. EVENTS AFTER THE REPORTING PERIOD

On 11 February 2026, the Company proposed to raise up to approximately HK$30.933 million before expenses by way of the issue to the qualifying shareholders of a maximum of 289,090,000 rights shares at the subscription price of HK$0.107 per rights share on the basis of two (2) rights shares for every one (1) existing share held on the record date on a nonfully underwritten basis. The rights issue is available only to the qualifying shareholders and will not be extended to the non-qualifying shareholders.

The rights issue was approved by independent shareholders by a resolution passed on further adjourned extraordinary general meeting held on 14 May 2026. On 18 June 2026, a total of 11 valid applications had been received for a total of 149,385,757 rights shares, representing approximately 51.67% of the offered shares. Pursuant to the irrevocable undertaking, the underwriter has subscribed for 43,647,200 rights shares provisionally allotted to him. The remaining 139,704,243 unsubscribed rights shares, representing approximately 48.33% of the offered shares, will be subject to the compensatory arrangements.

For further details, please refer to the prospectus of the Company dated 28 May 2026 and the announcements of the Company dated 27 May 2026 and 18 June 2026.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, extracted from the audited financial statements in annual reports is as follows.

RESULTS

	Year ended 31 March				
	2022	**2023**	**2024**	**2025**	**2026**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Revenue	79,121	86,904	100,981	104,274	**77,946**
Profit/(loss) before taxation	(3,619)	3,599	3,584	64,013	**(137,816)**
Income tax credit/(expense)	(1,032)	(1,728)	134	493	**(1,474)**
Profit/(loss) for the year	(4,651)	1,871	3,718	64,506	**(139,290)**
Other comprehensive income/ (expense)	(68)	132	202	18	**(373)**
Profit/(loss) and total comprehensive income/ (expense) for the year	(4,719)	2,003	3,920	64,524	**(139,663)**

ASSETS AND LIABILITIES

	At 31 March				
	2022	2023	2024	2025	**2026**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	120,385	137,454	154,981	243,419	**134,455**
Total liabilities	(30,432)	(45,498)	(39,185)	(46,099)	**(70,515)**
Net assets	89,953	91,956	115,796	197,320	**63,940**

Glossary

"Annual General Meeting"	the annual general meeting of the Company to be held on Tuesday, 1 September 2026
"Articles" or "Articles of Association"	the articles of association of our Company as amended from time to time
"associate(s)"	has the meaning ascribed to it under Rule 20.06(2) of the GEM Listing Rules
"Audit Committee"	the audit committee of the Board
"Authorized Person"	a person whose name is on the authorized persons' register kept by the Building Authority under section 3(1) of the BO as an architect, an engineer, or a surveyor
"BIM"	building information modelling
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning number eight or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for normal banking business
"CG Code"	Corporate Governance Code and Corporate Governance Report, Appendix C1 to the GEM Listing Rules
"China" or "PRC"	the People's Republic of China, and except where the context requires otherwise, does not include Hong Kong, Macau and Taiwan
"close associate(s)"	has the meaning ascribed to it under Rule 1.01 of the GEM Listing Rules
"Companies Law"	the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands, as amended, consolidated, revised or otherwise modified from time to time
"Company"	NIU Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 25 August 2017 and the issued Shares of which are listed on GEM of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under Rule 20.06(7) of the GEM Listing Rules

Glossary

"Director(s)"	the director(s) of our Company
"FVTPL"	financial assets at fair value though profit or loss
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
"Government"	the Government of Hong Kong
"Group", "our Group", "we" or "us"	the Company together with its subsidiaries
"HK$" or "HK dollar(s)" and "cent(s)"	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
"HKEX" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	the branch share registrar and transfer office in Hong Kong of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong SAR
"Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Independent Third Party"	a party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
"Internal Control Advisor"	DRJ Limited, the internal control adviser of our Company
"Listing"	the listing of our Shares on GEM on the Listing Date
"Listing Date"	17 September 2018, the date on which dealings in the Shares on GEM commence
"Macau"	the Macao Special Administrative Region of the PRC
"Memorandum" or "Memorandum of Association"	the memorandum of association of our Company as amended from time to time
"Nomination Committee"	the nomination committee of the Board

Glossary

"OPS"	OPS Holdings Limited, a company incorporated in the BVI with limited liability which was acquired by the Group on 22 July 2021. At 31 March 2025, the Group owns 15.22% equity interest of the OPS and it is a financial asset at FVTPL of the Group
"OPSHK"	OPS Interior Design Consultant Limited, a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of the OPS
"Prospectus"	the prospectus of the Company dated 31 August 2018 issued in connection with the Listing
"Registered Structural Engineer"	a person whose name is for the time being on the structural engineers' register kept by the Building Authority under section 3(3) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)
"Remuneration Committee"	the remuneration committee of the Board
"Rights Issue"	the issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price. Details please refer to the prospectus of the Company dated 28 May 2026 in connection with the Rights Issue
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share Offer"	the issue of 288,000,000 ordinary Shares by way of share offer at a price of HK$0.20 per Share on 17 September 2018
"Share Option Scheme"	the share option scheme approved and adopted by our Company pursuant to written resolutions of our Shareholders on 27 August 2018
"Share(s)"	ordinary share(s) of nominal value of HK$0.1 each in the share capital of our Company
"Shareholder(s)"	holder(s) of our Share(s) from time to time
"subsidiary(ies)"	has the meaning ascribed to it under the GEM Listing Rules

Glossary

"Substantial Shareholder(s)"	the substantial Shareholder(s) having the meaning ascribed to it under the GEM Listing Rules
"US$" or "U.S. dollar(s)"	United States dollar, the lawful currency for the United States of America
"W&C Hong Kong"	Wong & Cheng Consulting Engineers Limited (黃鄭顧問工程師有限公司), formerly known as "Wong & Cheng Consulting Engineers Limited" and "Fine Future Limited (明程有限公司)", a company incorporated in Hong Kong with limited liability on 19 June 1987, which is owned as to 100% by WAC (HK) and is our indirect wholly-owned subsidiary
"WAC (HK)"	WAC (Hong Kong) Limited, a company incorporated in the BVI with limited liability on 29 August 2017, which is our direct wholly-owned subsidiary
"%"	percent