KIN SHING HOLDINGS LIMITED
建成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1630

ANNUAL REPORT
2025

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Leung Chi Kit (Chairman)
Ms. Tso Yuk Ching
Mr. Chow Dik Cheung (Chief Executive Officer)
Mr. Chan Sik Mau

Independent Non-Executive Directors

Mr. Lam Kai Yeung
Mr. Wong Yuk Lun, Alan
Mr. Lam Wai Hung

AUDIT COMMITTEE

Mr. Lam Kai Yeung (Chairman)
Mr. Wong Yuk Lun, Alan
Mr. Lam Wai Hung

REMUNERATION COMMITTEE

Mr. Wong Yuk Lun, Alan (Chairman)
Mr. Leung Chi Kit
Ms. Tso Yuk Ching
Mr. Lam Kai Yeung
Mr. Lam Wai Hung

NOMINATION COMMITTEE

Mr. Leung Chi Kit (Chairman)
Ms. Tso Yuk Ching
Mr. Lam Kai Yeung
Mr. Wong Yuk Lun, Alan
Mr. Lam Wai Hung

INVESTMENT COMMITTEE

Mr. Chow Dik Cheung (Chairman)
Mr. Wong Yuk Lun, Alan
Mr. Lam Wai Hung

COMPANY SECRETARY

Ms. Tsui Wai Ting, Rosalie

AUTHORISED REPRESENTATIVES

Mr. Leung Chi Kit
Mr. Chow Dik Cheung

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit D, 9/F Billion Plaza 2
10 Cheung Yue Street Cheung Sha Wan Kowloon
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED PIE AUDITORS

HLB Hodgson Impey Cheng Limited

PRINCIPAL BANKER

The Bank of East Asia, Limited
DBS Bank (HK) Limited
Bank of China (Hong Kong) Limited

STOCK CODE

1630

WEBSITE

http://www.kinshingholdings.com.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Kin Shing Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I am glad to present the annual report of the Group for the year ended 31 March 2025.

REVIEW

The total revenue of our Group decreased by approximately HK$365.8 million or 29.4% from approximately HK$1.2 billion for the year ended 31 March 2024 to approximately HK$878.8 million for the year ended 31 March 2025. The decrease of the revenue was mainly due to the delay of the certified process by main contractors due to the overall market fluctuations in the industry.

On the other hand, our Group's gross profit decreased by approximately HK$31.3 million or 99.0% from approximately HK$31.6 million for the year ended 31 March 2024 to approximately HK$0.3 million for the year ended 31 March 2025. The decrease in gross profit and gross profit margin was due to (i) delay of the certified process by main contractors due to the overall market fluctuations in the industry; (ii) the unexpected additional costs caused by the changes to the on-site managements and (iii) the appointment of provisional liquidator for one of the Group customer, Paul Y. Engineering Group Limited and its subsidiaries which caused suspension in the progress of certain projects and leading to additional costs incurred. The Group recorded loss attributable to owners of the Company of approximately HK$9.5 million for the year ended 31 March 2025 as compared to the loss attributable to owners of the Company of approximately HK$43.8 million for the year ended 31 March 2024.

Although, the Group has generated HK$878.8 million revenue during the year ended 31 March 2025, the Group is still facing difficulties on adjusting the profit margin in bidding the new contracts as the overall construction industry in HK is facing challenges and the number of new projects in the market has significantly dropped. In order to diversity the scope of business of the Group and the treasury and liquidity management, the Board continued to invest in several listed securities during the reporting period in order to contribute a steady investment return to the Group.

PROSPECT

Looking forward, it is foreseeable that the intensified market competition, challenges and uncertainties in the costs of experienced workers, and subcontracting fees will continue to plague the formwork works industry. In response to the dynamic business environment and to overcome these unfavorable factors, the Group will continue to diversify the scope in different types of construction projects and the customer base to minimise its market risk. For trading and investment business, the Group expects that the market in years 2025 and 2026 will remain challenging and demanding. The competitive and volatile operating environment in the financial industry in Hong Kong will continue to exert pressure on the market. Despite the foregoing, the Group will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management to preserve adequate buffer to meet the challenges ahead.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our management and staff members for their commitment and contribution, and to all our shareholders, customers, subcontractors, suppliers and business partners for their endless support, and to the growth of the Group.

Leung Chi Kit
Chairman
Hong Kong, 30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

— Revenue of the Group for the year ended 31 March 2025 amounted to approximately HK$878,762,000 (2024: approximately HK$1,244,556,000).

— Loss attributable to the equity shareholders of the Company for the year ended 31 March 2025 amounted to approximately HK$9,460,000 (2024: approximately HK$43,810,000).

— Basic loss per share for the year ended 31 March 2025 amounted to approximately 0.63 HK cents (2024: approximately 2.92 HK cents).

BUSINESS REVIEW

The Group is principally engaged in the provision of formwork works with an insignificant portion from building construction works (including concrete works and finishes works) and investing in financial instruments. Based on the materials used in the formwork works, we categorise our formwork works into (i) traditional timber formwork by using timber and plywood; and (ii) metal formwork system by using aluminium and metals.

During the year ended 31 March 2025, formwork works contributed approximately HK$878,762,000 to the Group's revenue (2024: formwork works contributed approximately HK$1,244,556,000).

The Group predominately engaged in erecting formworks for construction works in private residential and commercial buildings during the year ended 31 March 2025. In recent years, in order to diversify the scope in different kinds of construction projects, the Group had also engaged in formwork works for construction works in public housing. As such, the construction projects undertaken by us include both public-sector projects (including projects where the ultimate employer(s) are Government departments and statutory bodies) and private sector projects (including projects where the ultimate employer(s) are property developer(s) and land owner(s)). During the year ended 31 March 2025, the revenue generated from private sector projects accounted for approximately HK$659,973,000 (2024: approximately HK$881,617,000), representing approximately 75.1% (2024: approximately 70.8%), of the total revenue of the Group, and approximately HK$218,789,000 (2024: approximately HK$362,939,000), representing approximately 24.9% (2024: approximately 29.2%), of the total revenue of the Group were generated from public sector projects undertaken by us.

Percentage of formwork works project in public and private sector for the year ended

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(Continued)*

During the year ended 31 March 2025, there were 15 customers who contributed a total revenue of approximately HK$878,762,000, whereas there were 12 customers who contributed a total revenue of approximately HK$1,244,556,000 for the corresponding period in 2024.

Number of customers of revenue contributed for the year ended

FINANCIAL REVIEW

Revenue

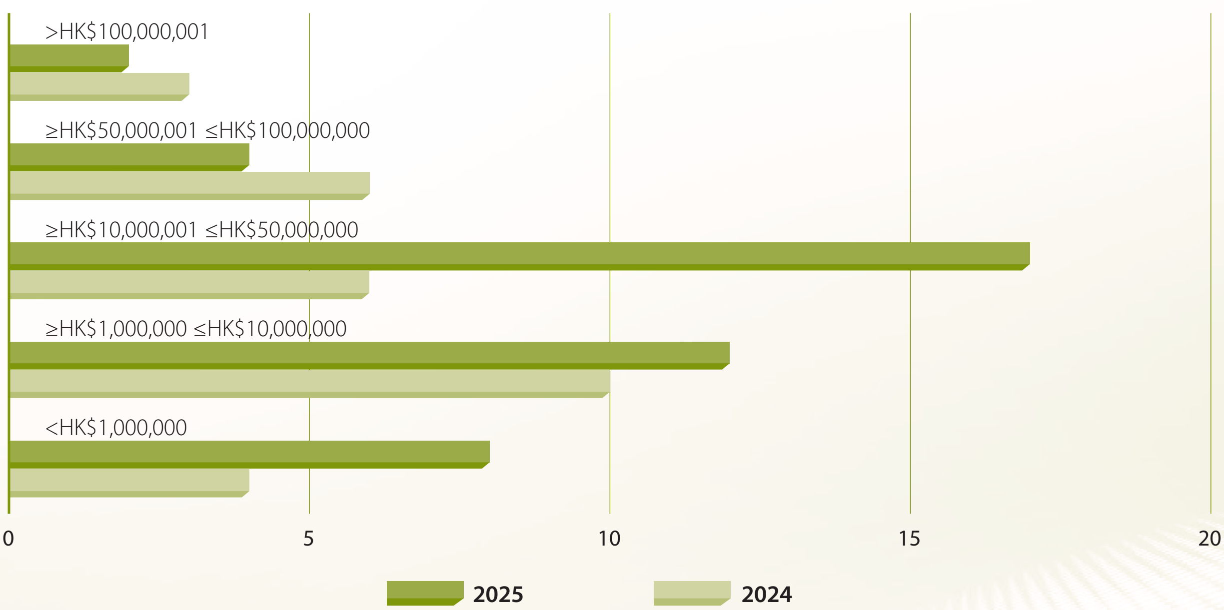
The business of the Group primarily focused in Hong Kong during the year ended 31 March 2025.

During the year ended 31 March 2025, there were 43 projects which contributed revenue of approximately HK$878,762,000, whereas revenue for the corresponding period in 2024 of approximately HK$1,244,556,000 was also contributed by 29 projects. The decrease of revenue in 2025 was mainly due to the delay of the certified process by main contractors due to the overall market fluctuations in the industry.

Set out below is a breakdown of the Group's projects based on their respective revenue recognised during the years ended 31 March 2025 and 2024.

	2025 No. of projects	2024 No. of projects
Revenue recognised		
Over HK$100,000,001	2	3
HK$50,000,001 to HK$100,000,000	4	6
HK$10,000,001 to HK$50,000,000	17	6
HK$1,000,000 to HK$10,000,000	12	10
Below HK$1,000,000	8	4
	43	29

Number of projects which revenue has been recognised for the year end



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(Continued)*

Gross profit and gross profit margin

During the year ended 31 March 2025, the Group's gross profit decreased by approximately HK$31,309,000 or approximately 99.0% from approximately HK$31,620,000 for the year ended 31 March 2024 to approximately HK$311,000 for the year ended 31 March 2025.

The Group's gross profit margin decreased from approximately 2.5% for the year ended 31 March 2024 to approximately 0.04% for the year ended 31 March 2025. The decrease in gross profit and gross profit margin due to (i) delay of the certified process by main contractors due to the overall market fluctuation in the industry; (ii) the unexpected additional costs caused by the changes to the on-site managements and (iii) the appointment of provisional liquidator for one of the Group customer, Paul Y. Engineering Group Limited and its subsidiaries which caused suspension in the progress of certain projects leading to additional costs incurred.

Other income/(losses), net

Other income increased by approximately HK$38,264,000 from other losses approximately HK$9,373,000 for the year ended 31 March 2024 to other income approximately HK$28,891,000 for the year ended 31 March 2025, representing an increase of approximately 408.3%. Such increase was mainly attributable to an unrealised gain on trading securities and dividend income received on Trading and Investment business segment recorded a net gain of approximately HK$23.6 million as compared to a net loss of approximately HK$13.8 million in last year.

Administrative expenses

Administrative expenses decreased from approximately HK$22,353,000 for the year ended 31 March 2024 to approximately HK$20,956,000 for the year ended 31 March 2025, representing a decrease of approximately 6.3%. Such decrease was mainly attributable to the decrease in administrative staff cost.

Finance costs

Finance costs decreased from approximately HK$2,984,000 for the year ended 31 March 2024 to approximately HK$2,948,000 for the year ended 31 March 2025, representing a decrease of approximately 1.2%. Such decrease was mainly attributable to the decrease in interest on lease liabilities.

Income tax

Income tax expense increased by approximately HK$856,000 for the year ended 31 March 2025. Such increase was mainly attributable to the deferred income tax expense arise from temporary difference associated with decelerated tax depreciation (2024: Nil).

FINANCIAL REVIEW *(Continued)*

Loss attributable to the equity shareholders of the Company

As a result of the foregoing, the loss attributable to the equity shareholders of the Company amounted to approximately HK$9,460,000 for the year ended 31 March 2025 as compared to loss approximately HK$43,810,000 for the year ended 31 March 2024. Such change for the year ended 31 March 2025 was mainly attributable to (i) an unrealised gain on trading securities and dividend income received on Trading and investment business segment recorded a net gain of approximately HK$23.6 million as compared to a net loss of approximately HK$13.8 million in last year; (ii) the provision of impairment losses under expected credit loss model of approximately HK$13.9 million for the year ended 31 March 2025 as compared to a provision of approximately HK$40.7 million in 2024 and (iii) the decline in gross profit of HK$31.3 million due to the delayed of the certified process by main contractors due to the overall market fluctuations in the industry.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources

As at 31 March 2025, the Group had cash and cash equivalents of approximately HK$108,415,000 as compared with that of approximately HK$169,308,000 as at 31 March 2024.

The bank borrowings of the Group as at 31 March 2025 was approximately HK$9 million (2024: Nil). The gearing ratio is calculated based on the amount of the total debts, which include, bank borrowings, amount due to a director, amount due to a related company and lease liabilities, divided by the total equity. The gearing ratio of the Group as at 31 March 2025 is approximately 146.6% (2024: approximately 125.4%).

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks and licensed financial institution. To manage liquidity risk, the Board of Directors 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.

Pledge of assets

As at 31 March 2025, the Group did not pledge its assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

As at 31 March 2025, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital commitments

As at 31 March 2025, the Group had no material off-balance sheet capital commitments.

Contingent liabilities

As at 31 March 2025, the Group had no material contingent liabilities.

CORPORATE FINANCE AND RISK MANAGEMENT *(Continued)*

Litigation and claims

In August 2022, one of the Group's subsidiary issued a claim letter to a supplier regarding the compensation claims due to the delay of delivery of materials. The compensation claims included the extra cost for transportation, warehouse, labour and materials costs amounted to approximately to HK$21,208,000. The supplier did not agree the Group's claims after negotiation but claimed that the Group has breached the exclusive terms entered into between both parties and the Group failed to settle the long-outstanding bills of approximately HK$9,798,000 (the "**Outstanding Bills**"), the supplier therefore filed a Writ of Summons and Statement of Claim to High Court of the HKSAR, Court of First Instance (Case number HCA 1556/2022) in November 2022. As of the reporting date, the parties are reviewing the provisional expert report on quantum as directed by the Court. The Group has sought for a legal opinion on the above case, as it is still in relatively early stage and subject to further development in relation to expert evidence, therefore, the Group has yet to confirm the probability and make any estimation of the compensation claims or if liable to the settlement of the Outstanding Bills.

Significant Investments Held by the Group

Name of the investment	Number of shares held as at 31 March 2025	Percentage of shareholding as at 31 March 2025	Investment Costs	Fair value as at 31 March 2025	Change in fair value for the year ended 31 March 2025	Size as compared to the Group's total assets as at 31 March 2025	Total amount of dividends received for the year ended 31 March 2025
		%	HK$'000	HK$'000	HK$'000	%	HK$'000
Hong Kong Exchanges and Clearing Limited (Stock code: 388) ("**HKEX**")	100,000	0.0079	32,449	34,480	11,700	8.26	926
China Construction Bank Corporation (Stock code: 939) ("**CCB**")	1,000,000	0.0004	5,028	6,880	2,160	1.65	586
China Mobile Limited (Stock code: 941) ("**CM**")	75,000	0.0004	3,890	6,285	1,267	1.51	338
BOC Hong Kong (Holdings) Limited (Stock code: 2388) ("**BOC**")	300,000	0.0028	8,400	9,420	3,135	2.26	514
CLP Holdings Limited (Stock code: 0002) ("**CLP**")	50,000	0.0020	3,849	3,170	53	0.76	158
Swire Properties Limited (Stock code: 1972) ("**Swire**")	100,000	0.0017	1,918	1,706	62	0.45	106
New World Development Company Limited (Stock code: 0017) ("**NWD**")	30,000	0.0012	884	148	(99)	0.04	6
Ping An Insurance (Group) Company of China Limited (Stock code: 2318) ("**Ping An**")	150,000	0.0020	6,426	6,945	1,987	1.66	360
HKT Trust and HKT Limited (Stock code: 6823) ("**HKT**")	200,000	0.0010	2,044	2,080	254	0.50	155

CORPORATE FINANCE AND RISK MANAGEMENT *(Continued)*

Description of the investments

HKEX is a recognised exchange controller under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). HKEX operates the only recognised stock and futures markets in Hong Kong through its wholly-owned subsidiaries and is the frontline regulator of listed issuers in Hong Kong.

CCB is a joint-stock company incorporated in the PRC with limited liability and its H shares are listed on the main board of the Stock Exchange. CCB is a commercial bank and operates its businesses in domestic and overseas markets through corporate banking businesses, including corporate deposit, corporate credit loan, asset custody, enterprise annuity, trading financing, international settlement, international financing and value-added services, among others, personal banking businesses, including personal deposit, loan, bank card services, private bank services, foreign exchange trading and gold trading services, among others, and capital business.

CM is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of Stock Exchange. China Mobile Group is a leading telecommunications services provider in mainland China.

BOC is a company incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange. The principal activities of BOC and its subsidiaries are the provision of banking and related financial services.

CLP is a company listed on the Hong Kong Stock Exchange, is the holding company for the CLP Group, one of the largest investor-owned power businesses in Asia Pacific. Through CLP Power Hong Kong Limited, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity to 80% of Hong Kong's population.

Swire is a property developer, owner and operator of mixed-use, principally commercial properties in Hong Kong and Mainland China. The Company founded and headquartered in Hong Kong in 1972. Swire is a major property developer in Hong Kong, and is listed on the Stock Exchange of Hong Kong.

NWD is a Hong Kong-based company focused on property, hotels, infrastructure and services and department stores. The company is publicly listed on the Stock Exchange of Hong Kong Limited.

Ping An is a Chinese holding conglomerate whose subsidiaries mainly deal with insurance, banking, asset management, financial services, healthcare, auto services and smart city. The company was founded in 1988 and is headquartered in Shenzhen. Its shares are listed on the Main Board of the Stock Exchange.

HKT, also known as Hong Kong Telecom, is one of the largest telecommunications companies in Hong Kong. It has a dominant position in fixed line, mobile, IDD and broadband services in Hong Kong. The company along with HKT Trust, is a pair of listed corporations in the Hong Kong Stock Exchange.

As at 31 March 2025, except the investment in HKEX, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the Group. For details of investment in HKEX, please refer to the announcement of the Company dated 25 April 2022.

CORPORATE FINANCE AND RISK MANAGEMENT *(Continued)*

Foreign exchange risk

The Group mainly operates in Hong Kong and the majority of its operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group did not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the year ended 31 March 2025.

Principal risk and uncertainty

The Group's operation is subject to general economic and market risks which may affect the competition and profitability of construction projects. The Group's key risk exposures are summarised as follows:

1. The Group derives its revenue mainly from projects which are non-recurrent in nature, and there is no guarantee that the customers will provide us with new business or that we can secure new contracts.

2. The Group determines the contract price based on the estimated time and costs involved in the project. Inaccurate estimation or ineffective cost management may adversely affect the Group's financial results.

3. Any significant increase in construction material costs and/or the occurrence of any substandard construction materials may have adverse impacts on the financial results of the Group.

4. Construction litigation and disputes may adversely affect the Group's performance.

5. The Group's liquidity position may be adversely affected if the progress payment or the retention money is not paid or released to the Group on time or in full or the construction project cash flows are fluctuated.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognise that employees, customers and business partners are the keys to sustainable development of the Group. The Group recognises the importance of maintaining good relationships with its employees, business partners, customers, suppliers and subcontractors to achieve its long-term business growth and development. Accordingly, the Group keeps good communications and shares business updates with them when appropriate.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS *(Continued)*

The Group has provided its major customers formwork works for many years. Main contractors tend to select their subcontractors based on reputation, proven high-quality work and on-time project completion track records. Moreover, maintaining good customer relationships provides more opportunities and higher chances to (i) be invited for and (ii) win tenders. The Group considers that the long-term relationship with some of the major customers reinforces the Group as one of the preferred subcontractors to their projects. In particular, some of the customers with long-term relationship are wholly-owned subsidiaries of public companies listed on the Main Board and are long-established property developers or contractors in Hong Kong. The Directors believe that satisfactory completion of previous works on a timely basis enables us to maintain a continuous business relationship with these customers.

On the other hand, the Group keeps a pre-approved list of suppliers and a list of pre-approved subcontractors. These subcontractors possess the relevant qualifications and/or relevant experience, and certain subcontractors and suppliers have been our subcontractors and suppliers for many years. The Directors believe that the Group's stable relationship with the subcontractors and/or suppliers facilitates (i) a smooth delivery of good quality materials and/or services to the Group; (ii) a favourable bargaining position for purchase of materials with relatively stable price and terms; and (iii) the availability of supplies throughout the entire project period, which is crucial to the Group's day-to-day operations and future business development.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 1,231 employees in Hong Kong (2024: 2,179 employees). Remuneration packages are reviewed based on their performance, experience and the prevailing industry practice. The Group may pay a discretionary bonus to its employees based on individual performance in recognition of their contribution and hard work. In addition to salary payments and discretionary bonuses, the Group also provides the eligible staff other employment benefits, provident fund and educational subsidies. The total remuneration cost incurred by the Group which included headquarters' staffs and workers for the year ended 31 March 2025 was approximately HK$473,103,000 compared to approximately HK$578,773,000 for the year ended 31 March 2024.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group considers that a stringent quality assurance system and strong commitment to work's quality, safety, occupational health and environmental management are crucial in delivering quality works to the customers on a timely basis. Therefore, the Group has implemented a stringent management system to regulate the work's quality, safety and environmental management standards, which comply with international standards.

During the year ended 31 March 2025, there is no material breach of or non-compliance with applicable laws and regulations by the Group in respect of environmental issues that have significant impact on the business and operations of the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 March 2025, the Group was fined for a total sum of HK$152,800 in respect of seven summon for violation of certain regulations under the Construction Sites (Safety) Regulations and Factories and Industrial Undertakings (Safety Management) Regulations.

The Directors consider that these violations are independent and isolated incidents. During the year ended 31 March 2025, save as disclosed above or otherwise in this annual report, the Group has complied with all applicable laws and regulations in Hong Kong in all material aspects for the business operation of the Group. During the year ended 31 March 2025, the Group has also obtained all the licenses, permits or certificates which are necessary to conduct its business operation in Hong Kong.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Leung Chi Kit (梁志杰) ("Mr. Leung"), aged 65, is the spouse of Ms. Tso Yuk Ching and is one of the founders of our Group. He is an Executive Director and the Chairman of the Board. Mr. Leung attained his secondary school education in 1973 in the PRC. Mr. Leung has over 37 years of experience in formwork works and related construction works in Hong Kong. Mr. Leung is primarily responsible for formulation of overall business development strategy, overall management and administration and major business decisions of our Group. Prior to establishing our Group in March 1994, Mr. Leung worked in several construction companies in Hong Kong and was responsible for formwork works and related construction works. Leveraging on his experience gained in the industry, he started to venture his own business as a construction contractor in 1981.

Mr. Leung obtained a fellowship award from the Social Enterprise Research Academy in May 2018. He has been appointed as the Vice President of the Hong Kong China Chamber of Commerce since 30 August 2018. On 6 January 2019, Mr. Leung obtained the top ten Outstanding Chinese Business Enterprise Elite Award from Hong Kong China Chamber of Commerce.

Ms. Tso Yuk Ching (曹玉清), aged 65, is the spouse of Mr. Leung Chi Kit. She is an Executive Director of our Company, the sole director of Kin Wo Form Mould Engineering Limited ("**Kin Wo**") and has been the general manager (administration) of Leung Pui Form Mould & Engineering Co. Limited ("**Leung Pui**") since March 2016. Prior to joining the Company, Mrs. Leung has over 15 years of experience in business management while she acted as the director in Kin Wo. She has been involved in assisting Mr. Leung in the management of Leung Pui since its incorporation. Starting from June 2009, she contributed further in the management of Leung Pui by advising on its administrative matters. Her duties include overseeing human resources matters, as well as co-ordinating among different departments to ensure sufficiency of office support for the operation of Leung Pui.

Mr. Chow Dik Cheung (周迪將) ("Mr. Chow"), aged 49, is the nephew of Mr. Chow Siu Yu, one of the controlling shareholders of the Company and is an Executive Director and the Chief Executive Officer of our Company. He has over 22 years of experience in the engineering and construction industry. Mr. Chow is responsible for making major operation decisions for the Department of Commerce, Department of Safety and Department of Project Management. Mr. Chow obtained his Bachelor's Degree of Engineering in Mechatronic Engineering from the City University of Hong Kong in November 1999. He obtained a certificate of a Construction Safety Supervisor Course from the Construction Industry Training Authority in October 2001. Mr. Chow obtained his Bachelor's Degree of Engineering in Building Engineering (Construction Engineering and Management) from the City University of Hong Kong in November 2008. He further obtained a Professional Diploma in Occupational Safety & Health from the School of Continuing Education, Hong Kong Baptist University in September 2011. Mr. Chow joined our Group in May 2000 as a quantity surveyor.

Mr. Chan Sik Mau (陳錫茂), aged 70, is an Executive Director of our Company. He has over 37 years of experience in formwork works and construction work in Hong Kong. He has been working with Mr. Leung since 1996 and assisted Mr. Leung since the incorporation of our Group. Starting from January 2004, he was employed by Leung Pui as a site agent. Based on his experience and understanding of our Group, he has been assigned to manage several major construction sites and provide advice and execute the business strategy of our Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Kai Yeung（林繼陽）("Mr. Lam"), aged 55, was appointed as an independent non-executive Director of our Company on 23 May 2017. Mr. Lam is a fellow of the Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants and Certified Dealmaker in China. Mr. Lam obtained a Bachelor's Degree of Accounting from the Xiamen University in July 1990 and a Master's Degree in Business Administration from the Oxford Brookes University in the United Kingdom in July 2010. Mr. Lam is a licensed person for type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance ("**SFO**").

Mr. Lam is an executive director and the chief executive officer of Hang Pin Living Technology Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1682). Mr. Lam has been an independent non-executive director of A Metaverse Company, formerly known as Starrise Media Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1616) since June 2012.

Mr. Lam was an independent non-executive director of Shi Shi Services Limited (a company listed on the GEM of the Stock Exchange, stock code: 8181) from October 2015 to 2 December 2024.) and Finsoft Financial Investment Holdings Limited (stock code: 8018, a company listed on the GEM of the Stock Exchange) from 24 June 2015 to 24 June 2020 and an independent non-executive director of Holly Futures Co., Ltd. (stock code: 3678, a company listed on the Main Board of the Stock Exchange) from 9 June 2015 to 23 December 2021. Mr. Lam was also an executive director of Sunway International Holdings Limited (stock code: 00058, a company listed on the Main Board of the Stock Exchange) from 27 August 2021 to 10 January 2022.

Mr. Wong Yuk Lun, Alan（黃玉麟）("Mr. Wong"), aged 50, has been appointed as an independent non-executive Director on 16 December 2021. Mr. Wong obtained a Bachelor's Degree in Accounting and Financial Management from the University of Sunderland in 2010. Mr. Wong had worked for various accounting firms and commercial companies and has over 25 years' experience in merger and acquisitions, financial management, taxation, audit and non-audit services.

Mr. Wong is currently an independent non-executive director of (i) Smart City Development Holdings Limited (Stock code: 8268, formerly known as Deson Construction International Holdings Limited, a company listed on the GEM of the Stock Exchange); and (ii) Temir Corp. (Stock code: TMRR, a company listed on OTCQB Venture Market). Mr. Wong is also a non-executive director of China Cultural Tourism and Agriculture Group Limited, formerly known as TFG International Group Limited (Stock Code: 542, a company listed on the Main Board of the Stock Exchange).

Mr. Wong was an executive director, CEO and chairman of NOVA Group Holdings Limited (Stock code: 1360, a company listed on the Main Board of the Stock Exchange) from 6 April 2023 to 9 January 2025. He was also an independent non-executive director of Titan Invo Technology Limited (formerly known as TUS International Limited) (stock code: 872, a company listed on the Main Board of the Stock Exchange) from 2 September 2014 to 17 July 2020 and an independent non-executive director of Huisheng International Holdings Limited (stock code: 1340, a company listed on the main board of the Stock Exchange) from 6 July 2017 to 6 February 2024. He was also an independent non-executive director of Tech Pro Technology Development Limited (stock code: 3823, a company previously listed on the Main Board of the Stock Exchange) from 24 May 2019 to 2 March 2020.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Lam Wai Hung（林偉雄）, Mr. Lam, aged 45, has been appointed as an independent non-executive Director on 31 December 2021. Mr. Lam holds a Bachelor of Accounting and Finance Degree from Leeds Metropolitan University and is a member of the Association of Chartered Certified Accountants. He had been working in various companies listed on the Stock Exchange, and was responsible for works related to financial management, corporate finance, merger and acquisition, investor relationship and corporate governance.

Mr. Lam is currently an independent non-executive director of Far East Holdings International Limited (Stock code : 36) and Smart City Development Holdings Limited (Stock code: 8268, formerly known as Deson Construction International Holdings Limited) which was listed on the GEM of the Stock Exchange.

Mr. Lam was an executive director of NOVA Group Holdings Limited (Stock code : 1360), a company listed on the Main Board of the Stock Exchange from 6 April 2023 to 9 January 2025.

Mr. Lam previously served as company secretary and authorised representative of Titan Petrochemicals Group Limited (Stock code: 1192, a company listed on the Main Board of the Stock Exchange) from 18 January 2021 to 10 January 2023. The Bermuda Court ordered Titan to be liquidated; joint and several provisional liquidators were appointed on 11 August 2021. By judgment dated 9 August 2022, the Court of Appeal for Bermuda (the "Court of Appeal") had set aside the Winding-Up Order.

Mr. Lam was an an executive director of NOVA Group Holdings Limited (Stock code : 1360) and independent non-executive director of Jimu Group Limited (Stock code: 8187, a company listed on the GEM of the Stock Exchange) from 25 May 2021 to 14 January 2022.

Mr. Lam was an executive director of Ming Lam Holdings Limited (formerly known as Sino Haijing Holdings Limited) ("Ming Lam") (Stock Code: 1106, a company previously listed on the Main Board of the Stock Exchange) from 19 March 2015 to 4 September 2020. Mr. Lam was informed that Ming Lam was ordered to be wound up and an official receiver was appointed as the provisional liquidator by the High Court of Hong Kong on 31 August 2020. Mr. Lam confirmed that he was not a party of such winding up proceedings and is not aware of any actual or potential claim that has been or will be made against him as a result of the above.

SENIOR MANAGEMENT

Ms. Cheng Wai Man（鄭惠文）("Ms. Cheng"), aged 52, is the Head of Administration of our Group. She has over 30 years of experience in accounting and secretarial work. Ms. Cheng obtained a certificate in Book-keeping – First Level from the London Chamber of Commerce and Industry Examinations Board in the United Kingdom in 1999. She obtained a General Course Certificate (Commercial Stream) from the Hong Kong Institute of Vocational Education in September 1999. She obtained a Certificate in Book-keeping and Accounts – Second Level from the London Chamber of Commerce and Industry Examinations Board in the United Kingdom in 2000. Ms. Cheng obtained a Certificate in Accountancy from the Hong Kong Institute of Vocational Education in July 2001.

Prior to joining our Group in June 1999, Ms. Cheng was a shipping clerk of Halldonn Company Limited from December 1991 to January 1993. She then worked for Gulog Design Company as an account clerk and computer sided drafting (CAD) draftsman till November 1995. She was a secretary of Accurate Contractors & Renovators Co., Ltd. from March 1996 to July 1998.

Ms. Tsui Wai Ting Rosalie（徐煒婷）("Ms. Tsui"), aged 35, has been appointed as the Company Secretary of the Company (the "**Company Secretary**") since 20 August 2018. She has over 10 years of experiences in accounting, auditing, taxation, financial management, compliance and company secretarial works. Ms. Tsui obtained her Bachelor's Degree of Accounting from the Hong Kong Baptist University in November 2011. She has been a member of the Hong Kong Institute of Certified Public Accountants since May 2017. Prior to joining our Group, she worked as a senior audit accountant in Lau & Au Yeung C.P.A. from April 2016 to February 2018. She started to assist the financial controller of our Group since March 2018.

CORPORATE GOVERNANCE REPORT

The Board hereby presents this corporate governance report in the Group's annual report for the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to protect the interest of its shareholders and to place importance on its corporate governance system so as to formulate the business strategies and policies, and manage the associated risk through effective internal control and risk management procedures. It will also ensure greater transparency, accountability and protection of shareholders' interests.

The Company has adopted the code provisions (the "**Code Provision(s)**") and certain recommended best practices contained in Part 2 – Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices (the "**Corporate Governance Code**") set out in Appendix C1 to the Listing Rules as the code of the Company. The Board also reviews and monitors the practices of the Company from time to time with an aim to maintain and improve the Company's standards of corporate governance practices.

During the year ended 31 March 2025, in the opinion of the Directors, the Company has complied with the applicable code provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions (the "**Securities Dealing Code**") by the Directors and employees who, because of his office or employment in the Group, is likely to possess inside information of the Company.

All the Directors confirmed, upon specific enquiry made, that they have complied with the Model Code and the Securities Dealing Code during the year ended 31 March 2025. In addition, the Company is not aware of any incident of non-compliance of the Securities Dealing Code by the relevant employees during the year ended 31 March 2025.

BOARD OF DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and the Shareholders. The Board has established four Board committees (the "**Board Committees**"), being the audit committee (the "**Audit Committee**"), the nomination committee (the "**Nomination Committee**"), the remuneration committee (the "**Remuneration Committee**") and the investment committee (the "**Investment Committee**"), to oversee different areas of the Company's affairs. The terms of reference of the Board committees are posted on the Company's website and the website of the Stock Exchange and are available to Shareholders upon request.

Composition

The Board currently comprises four executive Directors and three independent non-executive Directors.

Executive Directors

Mr. Leung Chi Kit (Chairman)
Ms. Tso Yuk Ching
Mr. Chow Dik Cheung (Chief Executive Officer)
Mr. Chan Sik Mau

Independent non-executive Directors

Mr. Lam Kai Yeung
Mr. Wong Yuk Lun, Alan
Mr. Lam Wai Hung

The Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules as there are three independent non-executive Directors in the Board and the number of independent non-executive Directors constitutes more than one-third of the Board. As such, there exists a strong independent element in the Board, which can effectively exercise independent judgement. The Company has also complied with Rule 3.10(2) of the Listing Rules which stipulates that one of the independent non-executive Directors must possess appropriate professional qualification or accounting or related financial management expertise. In compliance with the Code, the independent non-executive Directors are expressly identified as such in all corporate communications that disclose the name of the Directors.

All the independent non-executive Directors namely, Mr. Lam Kai Yeung, Mr. Wong Yuk Lun, Alan and Mr. Lam Wai Hung have respectively entered into a service contract with the Company with no fixed term of service unless terminated by not less than one month' notice in writing served by either party on the other. The independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company ("**the Articles**").

Pursuant to Article 108 of the Articles, at each following annual general meeting, one-third of the Directors are required to retire from office. Each Director shall retire from office once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election or re-election.

CORPORATE GOVERNANCE REPORT

Mr. Leung Chi Kit, Ms. Tso Yuk Ching, Mr. Chow Dik Cheung, Mr. Chan Sik Mau, Mr. Lam Kai Yeung, Mr. Wong Yuk Lun, Alan and Mr. Lam Wai Hung will retire from office as Directors at the forthcoming annual general meeting of the Company, being eligible, offer themselves for re-election pursuant to Articles 108 of the Articles. No Director proposed for re-election at the annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Group considers all independent non-executive Directors to be independent under the Listing Rules.

Save that Ms. Tso Yuk Ching is the spouse of Mr. Leung Chi Kit, there are no financial, business, family or other material/relevant relationship among the members of the Board. The biographical details of each of the Directors are out in the section headed "Biographies of the Directors and Senior Management" of this annual report.

Draft minutes of board meetings are circulated to Directors for comments and the signed minutes are kept by the Company Secretary.

In order to safeguard the interest of individual Directors, the Company has also arranged directors' and officers' liability insurance for the Directors of the Company.

BOARD AND GENERAL MEETINGS

The Board meets regularly and, in addition to regular meetings, it meets as and when warranted by particular circumstances. During the year ended 31 March 2025, the Directors' attendance of the Board meetings and general meeting is set out as follows:

	Attendance/Number of general meetings during the year ended 31 March 2025	Attendance/Number of board meetings during the year ended 31 March 2025
Executive Directors		
Mr. Leung Chi Kit (Chairman)	**1/1**	4/4
Ms. Tso Yuk Ching	**1/1**	4/4
Mr. Chow Dik Cheung (Chief Executive Officer)	**1/1**	4/4
Mr. Chan Sik Mau	**1/1**	4/4
Independent Non-executive Directors		
Mr. Lam Kai Yeung	**1/1**	4/4
Mr. Wong Yuk Lun, Alan	**1/1**	4/4
Mr. Lam Wai Hung	**1/1**	4/4

BOARD RESPONSIBILITIES AND DELEGATION

The Board is responsible to the shareholders for leadership and control of the Group and collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, approving the annual development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control and risk management systems and supervising and managing management's performance.

Regarding the Group's corporate governance, since the Listing and up to the date of this report, the Board has performed the following duties:

- determined and reviewed the policies and practices on corporate governance of the Group and make recommendations;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements;
- developed, reviewed and monitored the code of conduct applicable to Directors and employees; and
- reviewed the Company's compliance with the CG Code and disclosure in this Corporate Governance report.

The Board delegates the day-to-day management, administration and operation of the Group to the management. The delegated functions are reviewed by the Board periodically to ensure they remain appropriate to the needs of the Group. The Board gives clear directions to the management as to the matters that must be approved by the Board before decisions are made on behalf of the Group by the management. In addition, the Board has also delegated various responsibilities to the Board Committees. All the Board Committees perform their distinct roles in accordance with their respective term of reference.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision C.2.1 of the Corporate Governance Code, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. In compliance with the Corporate Governance Code, the Group has appointed a separate Chairman and Chief Executive Officer of the Company since the Listing. In order to ensure that there is clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer of the Company, these two positions are assumed by different individuals. Mr. Leung Chi Kit, the Chairman of the Board, is responsible for the operation of the Board and the formulation of the Group's strategies and policies. Mr. Chow Dik Cheung, the Chief Executive Officer of the Company, with the assistance of other members of the Board and senior management, is responsible for the management of the Group's business, the implementation of significant policies, the daily operational decisions as well as the coordination of the overall operation. The Chairman of the Board ensures that all Directors are properly briefed on issues arising at the Board meetings and receive adequate, complete and reliable information in a timely manner.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

All Directors confirmed that they had complied with Code Provision C.1.4 of the Corporate Governance Code during the year ended 31 March 2025, that all Directors had participated in continuous professional development to develop and refresh their knowledge and skills. The Company has provided the Directors regular updates on the Group's business and operation and the information which covered topics, including but not limited to, the Corporate Governance Code, disclosure and compliance of insider information, updates and changes in relation to legislative and regulatory requirements in which the Group conducts its business, and sent reading materials and webinar link which are relevant to their duties and responsibilities for their study and reference during the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee was established on 23 May 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and Code Provision D.3.3 of the Corporate Governance Code and it currently comprises three independent non-executive Directors namely Mr. Lam Kai Yeung (as Chairman), Mr. Wong Yuk Lun, Alan and Mr. Lam Wai Hung.

The terms of reference of the Audit Committee (which have been amended by the Board on 2 January 2019) are available on the Stock Exchange's website and the Company's website.

The primary duties of the Audit Committee include, but not limited to:

— to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

— to review the accounting principles and policies adopted by the Company and discuss with management and the external auditor the financial reporting matters;

— to review the financial statements of the Group before their submission to the Board for approval; and

— to review the effectiveness of the internal control and risk management systems of the Group.

The Audit Committee held a meeting on 30 June 2025 to review, in respect of the year ended 31 March 2025, the annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of the external auditors and relevant scope of works and, continuing connected transactions. The attendance record of each member of the Audit Committee is set out below:

	Attendance/Number of meetings during the year ended 31 March 2025
Independent non-executive Directors	
Mr. Lam Kai Yeung (Chairman)	**2/2**
Mr. Wong Yuk Lun, Alan	**2/2**
Mr. Lam Wai Hung	**2/2**

REMUNERATION COMMITTEE

The Remuneration Committee was established on 23 May 2017 and it currently comprises three independent non-executive Directors namely Mr. Wong Yuk Lun, Alan (Chairman), Mr. Lam Kai Yeung and Mr. Lam Wai Hung, and two executive Directors namely Mr. Leung Chi Kit and Ms. Tso Yuk Ching.

The terms of reference of the Remuneration Committee (which had been amended by the Board on 17 February 2023) are available on the Stock Exchange's website and the Company's website. It is in compliance with Rule 3.25 the Listing Rules and Code Provision E.1 of the Corporate Governance Code. The principal functions include, but not limited to:

— reviewing and approving the management's remuneration proposals with reference to the Board's goals and objectives; and

— as the Board shall direct, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee consults the chairman of the Board and an executive Director about their remuneration proposals for other executive Directors and senior management.

Details of remuneration packages of the executive Directors during the year are set out under heading "Directors', Chief Executive's and Employees' Emoluments" in note 12 to the consolidated financial statements.

The Remuneration Committee held 2 meetings during the year ended 31 March 2025 to review the remuneration of all executive Directors and senior management individually. The attendance record of each member of the Remuneration Committee is set out below:

	Attendance/Number of meetings during the year ended 31 March 2025
Executive Directors	
Mr. Leung Chi Kit	2/2
Ms. Tso Yuk Ching	2/2
Independent non-executive Directors	
Mr. Lam Kai Yeung	2/2
Mr. Wong Yuk Lun, Alan (Chairman)	2/2
Mr. Lam Wai Hung	2/2

CORPORATE GOVERNANCE REPORT

DIRECTORS' REMUNERATION

Directors' emoluments are determined with reference to Directors' duties, responsibilities and performance and the results of the Group. In addition, the Directors' remuneration is reviewed by the Remuneration Committee of the Company regularly. Details of the Directors' remuneration are set out in note 12 to the consolidated financial statements.

REMUNERATION OF THE SENIOR MANAGEMENT

During the year ended 31 March 2025, the remuneration of senior management is listed as below by band:

Band of remuneration (HK$)	No. of person
Below HK$1,000,000	**2**
Above HK$1,000,000	**–**

Further details of the remuneration of the Directors and the 5 highest paid employees required to be disclosed under Appendix 16 of the Listing Rules have been set out in note 12 to the consolidated financial statements.

During the year, members of the Remuneration Committee had performed the following duties under the Terms of Reference of the Committee:

- assessed the performance of the executive Directors and consulted the Chairman of the Board and the Chief Executive Officer about their remuneration proposals for other executive Directors;
- made recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration;
- reviewed and approved the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- made recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- made recommendations to the Board on the remuneration of the independent non-executive Directors;
- considered salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; and
- ensured that no Director or any of his/her associates is involved in deciding his/her own remuneration.

NOMINATION COMMITTEE

The Company has established the Nomination Committee on 23 May 2017 with written terms of reference in compliance with Code Provision B.3 of the Corporate Governance Code. The Nomination Committee comprises two executive Directors, namely Mr. Leung Chi Kit, and Ms. Tso Yuk Ching and three independent non-executive Directors, namely Mr. Lam Kai Yeung, Mr. Wong Yuk Lun, Alan and Mr. Lam Wai Hung. Mr. Leung Chi Kit is the chairman of the Nomination Committee. The written terms of reference of the Nomination Committee which were amended by the Board on 2 January 2019 are in line with the Corporate Governance Code and are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the selection of individuals nominated for directorship, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, and assessing the independence of independent non-executive Directors.

The Nomination Committee held a meeting on 30 June 2025 to review the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors standing for election at the 2025 annual general meeting, to review the structure, size and composition of the Board and to review and report to the Board the Board Diversity Policy and the Board Nomination Policy. In identifying and selecting suitable candidates for directorships, the Nomination Committee will consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. Having reviewed the composition of the Board, details of which are set out under the section headed "Biographies of the Directors and Senior Management" on pages 14 to 17 of this annual report, the Nomination Committee considered that there is an appropriate balance of Board diversity.

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

	Attendance/Number of meetings during the year ended 31 March 2025
Executive Directors	
Mr. Leung Chi Kit (Chairman)	**1/1**
Ms. Tso Yuk Ching	**1/1**
Independent non-executive Directors	
Mr. Lam Kai Yeung	**1/1**
Mr. Wong Yuk Lun, Alan	**1/1**
Mr. Lam Wai Hung	**1/1**

BOARD NOMINATION POLICY

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

Selection Criteria

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

(1) reputation for integrity;

(2) accomplishment and experience in the business in which the Group is engaged in;

(3) commitment in respect of available time and relevant interest;

(4) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), educational background, professional experience, skills and length of service;

(5) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

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

(7) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines as set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules;

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

(9) such other perspectives appropriate to the Company's business.

Director Nomination Procedure

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

(1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;

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

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

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

(5) In the case of the appointment of an independent non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors as set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and

(6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

The Nomination Committee will monitor the implementation of the Board Nomination Policy and report to the Board annually.

BOARD DIVERSITY POLICY

Pursuant to the Corporate Governance Code, the Board has adopted a Board Diversity Policy. The Company recognises and embraces the benefits of diversity of the Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives including, but not limited to, gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

During the year ended 31 March 2025, the Board comprises seven Directors, one of whom is female. The following tables further illustrate the diversity of the Board Members:

	Age Group		
Name of Directors	**Below 50**	**50-60**	**61-70**
Mr. Leung Chi Kit (Chairman)			✔
Ms. Tso Yuk Ching			✔
Mr. Chow Dik Cheung (Chief Executive Officer)	✔		
Mr. Chan Sik Mau			✔
Mr. Lam Kai Yeung		✔	
Mr. Wong Yuk Lun, Alan		✔	
Mr. Lam Wai Hung	✔		

	Professional Experience		
Name of Directors	**Business Management**	**Industry Experience**	**Accounting and Finance**
Mr. Leung Chi Kit (Chairman)	✔	✔	
Ms. Tso Yuk Ching	✔	✔	
Mr. Chow Dik Cheung (Chief Executive Officer)	✔	✔	
Mr. Chan Sik Mau		✔	
Mr. Lam Kai Yeung			✔
Mr. Wong Yuk Lun, Alan			✔
Mr. Lam Wai Hung			✔

Measurable Objectives and Selection

The Board will take opportunity to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to having an appropriate proportion of Directors who have direct experience in the Group's core markets, with different ethnic backgrounds, and reflecting the Group's strategy.

Implementation and Monitoring

The Nomination Committee will monitor the implementation of the Board Diversity Policy and report to the Board annually.

INVESTMENT COMMITTEE

The Company has established the Investment Committee on 31 March 2022 with written terms of reference, which is available on the websites of the Stock Exchange and the Company. The duties of the Investment Committee include but not limited to (i) review the accounts of the Company from time to time; (ii) monitor and regulate investment decisions, strategies, investment plan of the Company; (iii) consider and recommend the Board of any potential investment and to take any steps appropriate and necessary in relation to the investment activities of the Company; (iv) review the potential costs and returns of investments projects of the Company from time to time; (v) review the terms of reference and its effectiveness in the perform of its duties annually and to make recommendation to the Board any changes it considers necessary.

The Investment Committee currently comprises two independent non-executive Directors namely Mr. Wong Yuk Lun, Alan, Mr. Lam Wai Hung and one executive Director Mr. Chow Dik Cheung. Mr. Chow Dik Cheung is appointed as the chairman of the Investment Committee on 10 May 2023.

The Investment Committee held 4 meetings during the year ended 31 March 2025 to review the current investment portfolio and suggest any potential investments to the Board. The attendance record of each member of the Investment Committee is set out below:

	Attendance/Number of meetings during the year ended 31 March 2025
Executive Directors	
Mr. Chow Dik Cheung (Chairman)	**4/4**
Independent non-executive Directors	
Mr. Wong Yuk Lun, Alan	**4/4**
Mr. Lam Kai Yeung	**4/4**

DIVIDEND POLICY

The Board adopted a Dividend Policy on 31 December 2018 in order to enhance transparency of the Company and facilitate shareholders and investors to make informed investment decision. The Board is committed to provide stable and sustained dividends to the Shareholders, and the Dividend Policy sets the foundation to determine a prudent and disciplined dividend payment to shareholders while preserving the Company's liquidity to capture future growth opportunities. The Board will determine the level of dividends after considering factors which include (i) group performance, (ii) financial condition, (iii) investment requirements, (iv) future prospects, (v) economic and political conditions of the business environment, and (vi) the statutory and regulatory restrictions on the payment of dividends and other factors as may be considered relevant by the Board. The Board will from time to time review the Dividend Policy as appropriate to ensure its continued effectiveness.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of financial statements which give a true and fair view of the financial position of the Group. The responsibilities of the Company's auditor on the consolidated financial statements of the Group are set out in the independent auditors' report on pages 61 to 65 of this annual report. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

EXTERNAL AUDITORS' REMUNERATION

During the year ended 31 March 2025, the Group has engaged HLB Hodgson Impey Cheng Limited, as its external auditors. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor. Details of the fees paid or payable to HLB Hodgson Impey Cheng Limited during the year are as follows:

	HK$
Audit services	**740,000**
Non-audit services	**130,000**
	870,000

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibilities for maintaining the Group's systems of internal control and risk management and reviewing their effectiveness. The internal control and risk management systems of the Group are designed to provide reasonable assurance to minimize risk of failure in operational systems, and to assist in the achievement of the Group's goals. The systems are also structured to safeguard the Group's assets, to ensure the maintenance of proper accounting records and compliance with applicable laws, rules and regulations.

The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The Board is responsible for evaluating and determining the nature and extent of the risks to take in achieving the Group's strategic objectives. The Group has not established a separate internal audit department; however, procedures are in place to provide adequate resources and qualified personnel to carry out the duties of the internal audit function, including annual review of the effectiveness of risk management and internal control.

Based on review and procedures conducted, the Board considers that the Group's risk management and internal control systems are effective and adequate. However, the risk management and internal control systems of the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Dissemination of inside information

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

COMPANY SECRETARY

The Company Secretary is Ms. Tsui Wai Ting Rosalie whose biographical details are set out in the section headed "Biographies of the Directors and Senior Management" in this annual report.

Ms. Tsui Wai Ting Rosalie has confirmed that she had attained no less than 15 hours of relevant professional training during the year ended 31 March 2025 as required by Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolutions should be proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 64 of the Articles, an extraordinary general meeting shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two calendar months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles or the Cayman Islands Companies Law for Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. As regards proposing a person for election as a Director of the Company, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director" of the Company which is posted on the Company's website.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Unit D, 9/F, Billion Plaza 2, 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong
(For the attention of the Board of Directors)
Fax: 852-8148 7458
Email: info@leungpui.com.hk

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings.

At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The Company maintains a website at www.kinshingholdings.com.hk as a communication platform with the Shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

CONSTITUTIONAL DOCUMENTS

In preparation for the Listing, the Company has adopted the second amended and restated Memorandum and Articles of Association ("**Articles**") pursuant to a special resolution passed at the annual general meeting of the Company held on 18 August 2023 and the Articles became effective on 18 August 2023. Since then, the Company has not made any changes to its Articles. An up to date version of the Company's Articles is also available on the websites of the Company and the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT US

Kin Shing Holdings Limited (the "**Company**" or "**Kin Shing**") and its subsidiaries (collectively the "**Group**", "**we**" or "**our**") are pleased to issue its Environmental, Social and Governance Report (the "**Report**").

The major operating subsidiary of the Group is an established subcontractor in Hong Kong for more than 20 years. The Group is principally engaged in the provision of formwork works with an insignificant portion from building construction works (including concrete works and finishes works). The formwork works can be categorised into two types in terms of the materials mainly used — traditional timber formwork using timber, and plywood and metal formwork system using aluminium and metal.

The Group upheld its pledge to provide premium products and services to its customers. At the same time, the Group is fully aware of its responsibility to deliver long-term, sustainable value creation to shareholders and stakeholders.

ABOUT THE REPORT

Reporting Period and Scope

Unless otherwise specified, this Report covers the period from 1 April 2024 to 31 March 2025 ("**2025**" or the "**Reporting Period**"). The reporting content in this Report comprises the environmental, social and governance ("**ESG**") activities, challenges and measures taken by the Group during the Reporting Period, and details its future planning and goals as well.

The reporting scope is consistent with the annual report, which mainly covers the major business segments of the Group, including formwork works, building construction works and securities investment. This Report discloses the Group's policies, compliance issues as well as key performance indicators ("**KPIs**") which are collected from operations under the Group's direct operational control. As the operations in the construction sites are not under the Group's direct control, relevant environmental data was not made available to the Group and therefore is excluded in this Report. The Group will extend the scope of disclosure when and where applicable.

Governance Structure

The Group endeavours to maintain good corporate governance in managing sustainability issues that have significant impacts on the environment and society posed by the Group's operation. It also enables the Group to cope with ESG challenges in a timely manner.

The Board of Directors (the "**Board**") has the overall responsibility for the Group's sustainability governance and is responsible for overseeing the potential impacts and related risks on the ESG issues of the Group's operation. The Board formulates ESG strategies with the aim to align with the corporate sustainability approach, echo with international vision of carbon neutrality and enhance corporate reputation. It regularly reviews its performance against ESG-related targets, which cover aspects of energy conservation and emission reduction. The Board is also responsible for ensuring the effectiveness of the Group's risk management and internal control systems and approving disclosures in the ESG reports.

The Group has assigned pertinent ESG working group (the "**ESG Working Group**"), composed of core members from various departments, to facilitate the Board's oversight of ESG matters. The ESG Working Group is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, keeping track of and reviewing the progress made against the Group's ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessment and preparing ESG reports. The ESG Working Group arranges meetings regularly to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall performance of ESG policies. The ESG Working Group reports to the Board periodically, assists in assessing and identifying the Group's ESG risks and opportunities, ensuring the implementation and effectiveness of the risk management and internal control systems.

Reporting Framework

The Report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in the Appendix C2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and based on the reporting principles of materiality, quantitative, and consistency. Details of the corporate governance practice of the Company is set out in the Corporate Governance Report in this annual report.

During the preparation of this Report, the Group has applied the following reporting principles as stated in the aforementioned ESG Reporting Guide:

Materiality: Materiality assessment has been conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this Report. The materiality of issues was reviewed and confirmed by the Board and ESG Working Group. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standard and methodologies used in the calculation of the relevant figures in this Report, as well as the applicable assumptions have been disclosed.

Balance: This Report provides an unbiased and comprehensive view of the Group's ESG performance during the Reporting Period. The Group is committed to presenting both achievements and challenges transparently, without selective omissions or presentation formats that may inappropriately influence stakeholder decisions. All disclosed information has been prepared objectively to enable informed assessment of the Group's ESG performance.

Consistency: The preparation approach of this Report is substantially consistent with that for the previous year for meaningful comparison on the Group's ESG performance. The Group is committed that consistent methodologies will be adopted in the future reports. If there are any changes in the scope of disclosure and calculation methods that may affect comparisons with previous reports, the Group will provide explanations for the corresponding data.

Confirmation and Approval

The disclosure in this Report strictly complies with the ESG disclosure requirements of "comply or explain" and reports on all mandatory disclosures set out in the ESG Reporting Guide. This Report has been reviewed, confirmed, and approved by the Board on 30 June 2025.

Report Availability

The electronic version of this Report can be accessed and downloaded at the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Group's website (www.kinshingholdings.com.hk).

CONTACT US

We welcome stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of this Report or our performances in ESG and sustainable development by the following means: info@leungpui.com.hk.

STAKEHOLDER ENGAGEMENT

The Group maintains close relationship and collaboration with its stakeholders. The communications enable the Group to accurately assess the potential impacts of its business activities in the aspects of ESG, hence further promotes sustainable development. The table below highlights the Group's key stakeholders as well as the Group's methods in engaging them:

Stakeholder Groups	Specific Stakeholders	Methods of Communication	Expectations
Investors	• Shareholders	• Corporate website • Financial reports • Seminars • Annual general meetings and extraordinary general meetings	• Sustainable profitability • Return on investment • Disclosing latest information of the corporate in due course • Compliant operation • Operating risks management
Employees	• Senior management • Employees • Potential recruits	• Training, seminars • Face-to-face meetings • Appraisals	• Remuneration, compensation and medical benefits • Protection of employees' rights and interests • Health and safety • Career development and training • Compliant operation
Customers	• Real estate developers • Main contractors	• Face-to-face meetings • Interviews	• High-quality products/ services
Suppliers and Contractors	• Materials suppliers • Service suppliers • Contractors	• Suppliers' assessment • Site inspection • Meeting with contractors	• Fair and open procurement • Sustainable relationship
Government	• Government • Regulatory authorities	• Written or electronic correspondences	• Compliant operation • Risk management • Timely taxation
Non-governmental organisations ("**NGOs**") and the public	• NGOs • The public	• Corporate website • Reports and announcements • ESG reports • Written or electronic correspondences	• Environmental protection • Transparent information disclosure • Corporate governance compliance • Business ethics • Community service

MATERIALITY ASSESSMENT

In order to assess our operations and identify relevant ESG issues, and prioritise related matters to our businesses and stakeholders, our management and staff have been engaged in the preparation of this Report. With reference to the Group's business development strategy and industry practices, the Group identified and determined a list of material ESG issues which covers both the environmental and social aspects. From time to time, relevant stakeholders were invited to respond to a questionnaire based on the list by rating the potential material issues according to the level of importance of the ESG issues to the Group.

The table below summarises the material ESG issues being identified through the continuous stakeholder engagement:

The Group's Material ESG Topics

High	Medium	Low
• Occupational Health and Safety • Building Safety and Quality Control • Anti-corruption	• Air Emissions • Greenhouse Gas ("**GHG**") Emissions • Waste Management • Energy Consumption • Climate Change Mitigation • Employment Practices • Training and Development • Prevention of Child and Forced Labour • Supply Chain Management • Community Investment	• Water Consumption • Customer Data Privacy Protection

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

A1. Emissions

The Group has guided its staff to embrace eco-friendly principles into their work by implementing the "Environmental Policy". The aspiration of adopting this policy is to manage the environmental impact associated with the Group's operations and raise staff's environmental awareness in aspects such as energy consumption, paper use, and GHG emissions.

During the Reporting Period, the Group was not aware of any material non-compliance with environmental laws and regulations, including but not limited to the Air Pollution Control (Construction Dust) Regulation, Waste Disposal Ordinance and Noise Control Ordinance, that had a significant impact on the Group.

Air Emissions

The Group's air emissions were mainly generated from the fuel consumption by vehicles. To reduce its impact to the environment, the Group targets to maintain its total air emissions intensity for the year ended 31 March 2026 ("**2026**") to be not more than the 2025 baseline. Details of measures we have adopted are as follows:

- Control the selection of vehicles;
- Phase out diesel vehicles and replace them with less polluted vehicles, whenever possible;
- Strengthen the regular examination of exhaust gases from business vehicles;
- Monitor vehicles with heavy emissions; and
- Promote the importance of vehicle maintenance and environmentally friendly driving habits.

During the Reporting Period, the total amount of air emissions has increased due to increase in number of project. The Group's air emissions performance was as follows:

KPI A1.1[1]	Unit	2025	2024
Nitrogen Oxides (NO_x)	kg	**674.42**	589.90
Sulphur Oxides (SO_x)	kg	**0.71**	0.66
Particulate Matter (PM)	kg	**48.50**	42.42

Note:

1. The calculation method of air emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Besides, air pollution control measures are strictly implemented at the Group's construction sites. In accordance with the Air Pollution Control Ordinance laid down by the Environmental Protection Department ("**EPD**") of the Hong Kong SAR Government, machineries only consume fuel with sulphur content not exceeding 0.005% during industrial processes. Dust suppression is also carried out by installation of screens and other barriers, as well as spraying of water immediately before, during and after operations that generate dust.

A. ENVIRONMENTAL *(Continued)*

A1. Emissions *(Continued)*

GHG Emissions

During the Reporting Period, the Group yielded finite amount of GHG emissions, which mainly arose from direction GHG emissions from diesel and petrol consumption of vehicles (Scope 1), indirect GHG emission from consumption of purchased electricity at the office and warehouse (Scope 2) and other indirect GHG emission from electricity used for water and sewage treatment, and disposal of waste paper in landfills (Scope 3). To reduce its impact to the environment, the Group targets to maintain its total GHG emissions intensity for 2026 to be not more than the 2025 baseline. With respect to the emission sources mentioned above, the Group actively adopts the following emission reduction measures to achieve the target:

- Adopt emissions reduction measures on vehicles detailed in the section headed "Air Emissions" above;
- Adopt energy-saving measures, which are described in the section headed "Energy Consumption" in Aspect A2;
- Encourage staff to use e-communication channels, such as video conference for business meetings whenever possible; and
- Encourage staff to reduce unnecessary overseas business trip.

The total GHG emissions intensity has increased due to increase in number of projects during the Reporting Period. The total GHG emissions intensity per project has decreased due to increase in number of project during the Reporting Period. By comparison, the total GHG emissions per the Group's revenue has increased during the Reporting Period. The Group's GHG emissions and its intensity performance were as follows:

KPI A1.2[2]	Unit	2025	2024
Direct GHG Emissions (Scope 1) – Petrol and Diesel	tCO_2e	**115.87**	108.68
Energy Indirect GHG Emissions (Scope 2) – Purchased Electricity	tCO_2e	**17.88**	15.66
Other Indirect GHG Emissions (Scope 3) – Business Air Travels[3]	tCO_2e	**–**	–
– Electricity Used for Water and Sewage Treatment[4]	tCO_2e	**0.10**	0.14
– Disposal of Waste Paper in Landfills[5]	tCO_2e	**7.37**	8.09
Total GHG Emissions	tCO_2e	**141.21**	132.57
Intensity[6]	tCO_2e/project	**3.28**	4.57
Intensity	tCO_2e/HK$ million revenue	**0.16**	0.11

Notes:

2. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "ESG Databook 2024" published by the CLP Holdings Limited, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5).

3. There were no business trips recorded in 2024 and 2025.

4. Emissions factors are from 2023/24 Annual Report of Water Supplies Department and 2023/24 Sustainability Report of Drainage Services Department.

5. The calculation method of air emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

6. During the Reporting Period, there were 43 projects which revenue has been recognised (2024: 29 projects). The data is also used for calculating other intensity data.

Sewage Discharge

The Group does not consume significant volume of water in its business activities, and therefore its business activities does not generate material portion of sewage discharge. The majority of the water supply and discharge facilities are provided and managed by the property management company. Wastewater of the Group is discharged into the municipal sewage pipeline network for processing. For details of water consumption of the Group, please refer to the section headed "Water Consumption".

Waste Management

In terms of waste management at the construction sites, the Group adopts a hierarchy based on reuse, recycle, reduction, recovery and at the last resort, treatment prior to disposal. The Group had utilised precast reusable formworks made of aluminium alloy into its construction works in an effort to minimise the use of traditional timber formwork, considering after the useful life of the aluminium alloy formworks is exhausted, the formworks shall be scrapped and recycled. Other non-recyclable materials generated from operations are sorted and delivered to the public fill reception areas or landfills. All wastes at the construction sites were handled in compliance with the Waste Disposal Ordinance.

Hazardous Waste Management

Owing to the Group's business nature, the Group generates limited hazardous wastes in its daily operation, which is mainly from toner used in the offices. In case there are any hazardous wastes produced, the Group is required to engage a qualified collector to handle such wastes, and comply with relevant environmental rules and regulations.

Non-hazardous Waste Management

The Group pertains to the principle of 4Rs, namely "Reduce, Reuse, Recycle and Replace" and targets to raise awareness of waste reduction among employees by conducting annual activities such as seminars from 2023 onwards. The Group has also shared leaflets about waste reduction from 2023 onwards. To better utilise the environmental resources, our employees share the responsibilities for waste management in our business operations by adopting waste management measures, including but not limited to the following:

- Utilise electronic communication for internal meetings;
- Encourage double-sided printing and copying;
- Promote upcycling, recycling and the use of recycled paper or other environmentally friendly materials;
- Scrap paper collection boxes are placed besides printers to facilitate paper reuse; and
- Reduce the number of printed versions of interim and annual reports.

The non-hazardous waste generated by the Group were mainly from domestic waste in office, construction and demolition waste from construction sites.

During the Reporting Period, the total hazardous waste produced has decreased due to the effort of hazardous waste-reduction in offices, while the total non-hazardous waste produced has increased due to increase in number of project. By comparison, the total non-hazardous waste intensity per the Group's revenue has increased during the Reporting Period.

A. ENVIRONMENTAL *(Continued)*

A1. Emissions *(Continued)*

Waste Management *(Continued)*

Non-hazardous Waste Management *(Continued)*

The Group's hazardous waste, non-hazardous waste and its intensity performance were as follows:

KPI A1.3, A1.4	Unit	2025	2024
Total Hazardous Waste Produced	kg	**11.91**	12.56
Intensity	kg/project	**0.28**	0.43
Intensity	kg/HK$ million revenue	**0.01**	0.01
Total Non-hazardous Waste Produced	tonnes	**5,677.76**	5,362.69
Intensity	tonnes/project	**132.04**	184.92
Intensity	tonnes/HK$ million revenue	**6.46**	4.31

A2. Use of Resources

The Group is committed to protecting the scarce resources on the planet. As described in Aspect A1, the Group has adopted the "Environmental Policy" to manage the use of resources with a view to achieving resource conservation as well as to minimising the negative impact on the environment in its business operations.

Energy Consumption

During the Reporting Period, the Group's main sources of direct and indirect energy consumption were in the forms of diesel and electricity. The Group targets to maintain the Group's total energy consumption intensity for 2026 to be not more than the 2025 baseline. To raise awareness among employees, the Group has planned to participate in energy conservation activities annually from 2023 onwards. The Group has adopted the following measures to conserve the energy:

- Streamline the operational procedures;
- Utilise higher energy-efficiency equipment in our operations;
- Replace energy-inefficient light bulbs with energy efficient fluorescent lamp and LED lighting during procurement;
- Switch off lightings and electrical appliances when not in use; and
- Set air-conditioning temperatures at an environmentally friendly level of around 24 to 26 degrees Celsius.

During the Reporting Period, the total energy consumption has increased due to increase in number of project. The total energy consumption intensity per the Group's revenue has also increased during the Reporting Period. The Group's energy consumption and its intensity performance were as follows:

KPI A2.1[7]	Unit	2025	2024
Direct Energy Consumption	kWh	**469,693.46**	437,610.02
– Petrol	kWh	**4,584.02**	30,062.62
– Diesel	kWh	**465,109.44**	407,547.40
Indirect Energy Consumption	kWh	**47,046.00**	40,163.00
– Electricity	kWh	**47,046.00**	40,163.00
Total Energy Consumption	kWh	**516,739.46**	477,773.02
Intensity	kWh/project	**12,017.20**	16,474.93
Intensity	kWh/HK$ million revenue	**588.031**	383.89

Note:

7. The unit conversion method of energy consumption data is based on the "Energy Statistics Manual" issued by the International Energy Agency.

Water Consumption

Despite that the Group does not consume significant volume of water in our business activities, we understand the importance of conserving water. The Group targets to maintain the Group's total water consumption intensity in 2026 to be not more than the 2025 baseline. In order to achieve this, the Group has taken measures to raise awareness such as posting slogans and notices to remind staff members to close water taps when unnecessary. Due to the Group's geographical region, there is no material issues in sourcing water that is fit for purpose.

The total water consumption in the Reporting Period has decreased due to decrease in use of water in the warehouse. By comparison, the total water consumption intensity per the Group's revenue has increased during the Reporting Period. The Group's water consumption and its intensity performance were as follows:

KPI A2.2	Unit	2025	2024
Total Water Consumption	cubic metres	**201.00**	211.00
Intensity	cubic metres/project	**4.67**	7.28
Intensity	cubic metres/HK$ million revenue	**0.23**	0.17

Use of Packaging Materials

By virtue of the Group's business nature, the Group does not consume significant amount of packaging materials during its operations. Hence, the use of packaging materials is not considered as a material ESG issue to the Group.

A. ENVIRONMENTAL *(Continued)*

A3. The Environmental and Natural Resources

The Group has been pursuing best practices relating to the environment, despite the Group's activities do not have significant impacts on the environment and natural resources. In addition to protecting the natural environment in appropriate compliance with environmental laws and international standards, the Group has adopted the aforementioned "Environmental Policy" and taken measures to reduce its environmental impact.

To ensure compliance with environmental-related laws and regulations, regular site walks are performed by the Group's safety officers. In case of any environmental non-compliances in general, corrective actions will be implemented to rectify the situation accordingly.

Raising Environmental Awareness

In addition to strictly requiring employees to implement the environmental protection measures formulated by the Group, the Group needs to proactively promote environmental awareness among its employees to effectively enhance its environmental protection standards. The Group will also consider participating in more feasible and appropriate activities to help its employees increase their awareness of the environment and natural resources.

Noise Pollution Control

All of the Group's construction activities are only conducted during permitted hours and days pertaining to the Group's policy. In addition to that, the Group has minimised the use of powered mechanical equipment during operation, and most of that equipment is installed with silence devices.

A4. Climate Change

Climate change poses escalating risks and challenges to the global economy, and such risks may negatively impact the Group's business. In response to the community's gradually rising concern on climate changes and related issues, the Group has implemented the "Climate Change Policy", which outlines the Group's management approach on climate-related issues and commitment to climate change mitigation, adaptation and resilience across its operations and along the value chain.

Making reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") framework, a climate risk assessment exercise is conducted during the Reporting Period to identify and assess the potential risks in its operations, thereby facilitating the formulation of its climate risk mitigation measures. Through the above method, the Group identified the material impacts on the Group's business arising from the following risks:

Physical Risks

Climate change has resulted in more frequent and severe extreme weather events such as typhoon and heavy rain in Hong Kong. Such events may increase the risk of power failures, supply chain disruptions, and pose physical damage to the office premises and construction sites. This could disrupt the Group's service activities, resulting in reduced revenue as well as increased costs to repair or restore damaged facilities. The Group is also aware that these incidents may negatively affect the Group's operation when employees have difficulties going to work, and may even endanger their safety. As a countermeasure, the Group closely monitors the latest weather news and suggestions issued by the local government and has established special work arrangement in its "Employee Handbook" to ensure that all personnel in both offices and construction sites are prepared to deal with such extreme weather conditions. Moreover, the Group has purchased insurance for its staff and relevant properties to protect the relevant interests and reduce potential financial losses. We believe that by making adequate preparations for extreme weather events, the potential financial impact of such events can be minimised.

Transition Risks

The development of international policy and regulation on climate change, and the evolving commitment of the Hong Kong Government to carbon reduction may pose potential risks to the Group. Recently, the Stock Exchange requires listed companies to strengthen climate-related disclosures in their ESG reports, which may increase related compliance and operating costs. Failure to meet climate change compliance requirements may expose the Group to the risk of claims and litigation, which may result in a possible loss of corporate reputation. In the future, the Group will integrate climate change into the internal control or enterprise risk management processes. The Group will regularly monitor existing and emerging climate-related trends to avoid reputation risk due to slow response. It will also pay attention to policies and regulations and obtain compliance advisory services when necessary. In order to enhance its ability to address climate-related issues, the Group will continuously evaluate the effectiveness of its actions on climate change and carbon reduction.

B. SOCIAL

B1. Employment

The Group's skilled and dedicated industry professionals and staff remains to be the cornerstone of its success. The Group's "Employee Handbook" covers aspects such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The "Employee Handbook" is also regularly reviewed and updated to ensure compliance with the Employment Ordinance. During the Reporting Period, the Group was not aware of any material non-compliance with related laws and regulations, including but not limited to the Sex Discrimination Ordinance, the Race Discrimination Ordinance, the Employment Ordinance, and the Disability Discrimination Ordinance, that had a significant impact on the Group.

As at 31 March 2025, the Group had 1,231 (2024: 2,179) employees. Below is the employee breakdown by gender, age group, employment type, employee category and geographical region.

KPI B1.1	Unit	2025	2024
By Gender			
– Male	Person	**1,166**	2,056
– Female	Person	**65**	123
By Age Group			
– Under 30 years old	Person	**190**	344
– 30-50 years old	Person	**677**	1,146
– Over 50 years old	Person	**364**	689
By Employment Type			
– Full-time	Person	**1,231**	2,179
– Part-time	Person	**–**	–
By Employee Category			
– C-level Executives	Person	**7**	7
– Senior Management	Person	**2**	2
– Middle Management	Person	**4**	4
– General Employees	Person	**1,218**	2,166
By Geographical Region			
– Hong Kong	Person	**1,231**	2,179

B. SOCIAL *(Continued)*

B1. Employment *(Continued)*

Employment Practices

The Group considers its employees to be its greatest asset and strives to attract and retain the best people for our sustainable growth. The Group prides itself as an equal opportunity employer. We apply robust and transparent recruitment processes based on merit selection against the job criteria, and recruit individuals based on their suitability for the position and potential to fulfil the Group's current and future needs. An employee's age, gender, family status, sexual orientation, physical disability, ethnicity and religion would not in any degree affect the recruitment and appraisal processes.

Compensation and human resources budgets are regularly reviewed by the Group's management to ensure that staff remuneration packages can attract and retain talent and remain competitive within the industry. Apart from basic salary, the Group also offers employees with their benefits and rights, which include but not limited to Mandatory Provident Fund, statutory holidays, marriage leave, condolence leave, jury service leave, etc.

Employees are subject to performance appraisals on a regular basis to adjust their remuneration and provide promotion opportunities based on determinants like their performance, education background, ability, and conduct and attendance record. Dismissal process will only be proceeded with a reasonable basis and sufficient communication on the problems is ensured prior to the official dismissal.

The Group values feedback from employees and seeks to provide a positive environment for them. The Group will enhance communication channels within the Group and actively collect opinions from employees to ensure their concerns are being addressed.

During the Reporting Period, the Group recorded a turnover rate of 69.68%. The turnover rate by gender, age group and geographical region are as follows:

KPI B1.2[8]	Unit	2025	2024
By Gender			
– Male	%	**70.08**	0.48
– Female	%	**62.77**	3.66
By Age Group			
– Under 30 years old	%	**71.16**	1.26
– 30-50 years old	%	**86.89**	0.75
– Over 50 years old	%	**39.13**	0.20
By Geographical Region			
– Hong Kong	%	**69.68**	0.65

Notes:

8. Calculation of employee turnover rate: (number of employees leaving employment during the Reporting Period ÷ the average of the number of employees at the beginning and the end of the Reporting Period) × 100%.

B2. Health and Safety

The Group strives to provide its staff a safe and healthy working environment. The Group's Safety Department employs safety supervisors and registered safety officers to conduct safety works and monitor compliance with safety laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations, including but not limited to Occupational Safety and Health Ordinance, that had a significant impact on the Group.

The Group ensures that adequate resources and efforts are used to uphold and improve its safety management system to sufficiently mitigate safety risks to an acceptable level. In the past three years including the Reporting Period, the Group did not record any cases of work-related fatalities. 19 cases (2024: 49 cases) of work-related injuries were recorded whereas 1,631 working days lost (2024: 5,206 lost days) due to work-related injuries were reported during the Reporting Period.

A safety plan is required to be prepared for each construction project and details of the plan will be conveyed to employees and subcontractors. Safety trainings are mandatory for employees working at construction sites to attend.

The Group engages registered safety auditors to conduct safety audits to collect, assess and verify information on the efficiency, effectiveness and reliability of the safety management system at least once every six months from the works commencement date. During the Reporting Period, the Group has appointed a registered safety auditor to conduct a safety audit on one of the Group's operating subsidiaries and the projects undertaken by it. This audit has confirmed that the safety management systems adopted by the Group are adequate and effective.

A safety consultant has also been engaged to conduct random safety inspections on construction projects and to provide safety consultancy service, which includes offering trainings to the Group's directors and senior management and carrying out risk assessment for specific high-risk activities or operations.

Responding to Respiratory Diseases

The Group's operation had been affected by respiratory diseases. To safeguard our staff's health, the following measures had been implemented:

- Provide face masks and disinfectant products at head office and site offices for staff use;
- Require staff to adhere to the Group's office hygiene requirements in response to respiratory diseases; and
- Place educational material regarding respiratory diseases at head office to raise staff's awareness.

The above measures did not only protect the health of our staff but also our customers and the communities closed to the worksites where the Group operates.

B3. Development and Training

The Group strives to provide career development support to our staff. The Group offers training sponsorship to those employees who are dedicated to serving the Group and excel at their career.

The Group's "Employee Handbook" states that all new hires would be briefed by their immediate supervisors to better equip them to fulfil their job duties. To ensure the safety of the employees working at our construction sites, adequate internal safety training and talks would be given by the Group's safety supervisor and safety officers. The Group also sponsored employees to join external professional training courses which are relevant to their job duties.

B. SOCIAL *(Continued)*

B3. Development and Training *(Continued)*

During the Reporting Period, the Board and senior management had undergone anti-corruption training, while the general employees had undergone safety training. During the Reporting Period, about 96.75%[9] of the Group's employees participated in training and the average training hours[10] were 1.93 hours. The following is a summary of the training performance of the Group during the Reporting Period:

KPI B3.1	Percentage of employees trained (%)[11]	2025	2024
By Gender			
– Male	%	**86.71**	99.81
– Female	%	**276.92**	91.06
By Employee Category			
– C-level Executives	%	**100.00**	100.00
– Senior Management	%	**100.00**	100.00
– Middle Management	%	**–**	–
– General Employees	%	**97.04**	99.49
KPI B3.1[13]	**Breakdown of employees trained (%)[12]**	**2025**	2024
By Gender			
– Male	%	**84.89**	94.82
– Female	%	**15.11**	5.18
By Employee Category			
– C-level Executives	%	**0.59**	0.32
– Senior Management	%	**0.17**	0.09
– Middle Management	%	**–**	–
– General Employees	%	**99.24**	99.58
KPI B3.2[13]	**Average training hours (%)[13]**	**2025**	2024
By Gender			
– Male	Hour	**1.73**	1.99
– Female	Hour	**5.49**	1.80
By Employee Category			
– C-level Executives	Hour	**1.00**	1.00
– Senior Management	Hour	**1.00**	1.00
– Middle Management	Hour	**–**	–
– General Employees	Hour	**1.94**	1.99

Notes:

9. Calculation of percentage of employees trained: (number of employees trained during the Reporting Period ÷ total number of employees at the end of the Reporting Period) × 100%.

10. Calculation of average training hours: total training hours during the Reporting Period ÷ total number of employees at the end of the Reporting Period.

11. Calculation of percentage of employees trained by category: (number of employees trained in the specific category during the Reporting Period ÷ number of employees in the specific category at the end of the Reporting Period) × 100%.

12. Calculation of breakdown of employees trained by category: (number of employees trained in the specific category during the Reporting Period ÷ total number of employees trained in the specific category at the end of the Reporting Period) × 100%.

13. Calculation of average training hours by category: total training hours of employees in the specific category during the Reporting Period ÷ number of employees in the specific category at the end of the Reporting Period.

B4. Labour Standards

The Group has zero tolerance to using forced or child labour, or the hiring of illegal immigrants in either our office or construction sites. During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations relating to the prevention of forced labour and child labour, including but not limited to the Employment Ordinance, that had a significant impact on the Group.

Prevention of Child and Forced Labour

The Group has detailed all recruitment procedures and requirements in the "Employee Handbook". Any individual below the legal working age or without any identification documents is unqualified for employment. The Human Resources Department and site foreman are responsible for checking and verifying the background, identity and qualification of each new hire. In situation where any individual below the legal working age or without any identification documents is hired, corrective actions will be immediately taken to rectify the situation, by terminating the employee and reporting to the relevant governmental authorities.

All employees sign labour contracts voluntarily and are free to resign with proper notice. The Group explains the labour contract to each new employee, and the employee signs and agrees to the terms of the labour contract. To prevent forced overtime work, any necessary arrangements of overtime must be agreed by the employees voluntarily. If any form of forced labour is found, the Group will immediately investigate and stop the forced labour situation, and will communicate and discuss the situation investigated to the senior management in a timely manner. During the Reporting Period, the Group was not aware of any employment of child or forced labour.

B5. Supply Chain Management

The Group puts great emphasis on engaging suppliers and subcontractors who can offer the Group with quality products and services, and would avoid engaging suppliers or subcontractors with questionable environmental practices. During the Reporting Period, the Group had 14 suppliers (2024: 19 suppliers), 13 (2024: 15) of whom were located in Hong Kong and 1 (2024: 4) of whom were located in Mainland China. The Group has implemented the following practices on supplier engagement for all suppliers.

Procurement Mechanism

If the Group needs to engage new suppliers or subcontractors, sufficient background and quality checking will be conducted to evaluate the suppliers or subcontractors sourced. With reference to the Group's "Sustainable Supply Chain Policy", suppliers are selected based on factors including but not limited to service quality, price and environmental, social and ethical values. The effectiveness of the "Sustainable Supply Chain Policy" is subject to regular review.

B. SOCIAL *(Continued)*

B5. Supply Chain Management *(Continued)*

Promoting Environmentally Preferable Products

The Group gives priority to suppliers that use environmentally preferable products in the selection process. Before ordering timber or plywood, one of the Group's construction materials, the Group will request the suppliers to provide a place of origin certificate with each timber or plywood delivery to ensure that only wood products from sustainable sources would be used in construction projects. The certificate will need to be endorsed by internationally recognised institutions such as the Forest Stewardship Council and the American Forest and Paper Association. With the effective implementation of this procurement process, sustainability shall be incorporated to the operation of the Group by encouraging the use of environmental-friendly materials.

Supply Chain Environmental and Social Risk Management

To ensure the quality of construction works conducted for customers, the Group's construction teams will carry out inspections at project sites regularly. We also assess whether the suppliers and subcontractors display a commitment to upholding high standards of environmentally and socially responsible behaviour. Those suppliers or subcontractors who fail to perform up to the Group's standards will be subject to rectification or improvement and may be penalised when and where appropriate. By regularly carrying out this inspection practice, the Group will monitor the environmental and social risks along the supply chain and ensure the effectiveness of the above supply chain management mechanism.

B6. Product Responsibility

The Group has always believed that only high-quality products can help create an enterprise with a place in the market, therefore the Group ensures the product and service quality actively through strict and cautious internal control. Detailed regulations on customer service standards have been incorporated into the Group's "Quality Manual", "Procedure Manual" and "Quality Plan".

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, including but not limited to the Personal Data (Privacy) Ordinance, that had a significant impact on the Group.

Product and Service

The Group places customer satisfaction as our top priority and strives to keep up with the evolving needs of our customers. Therefore, the Group strives to maintain a high-quality standard of its products and services. To ensure that quality works are delivered, building materials will be thoroughly inspected by construction teams before being applied to construction works. If materials from new suppliers are proposed, the materials will need to undergo the necessary testing and approval from the relevant customer. In recognition of our outstanding performance in construction and maintenance of public housing, the Group was awarded the "Quality Public Housing Construction and Maintenance Awards 2021" jointly by the Hong Kong Housing Authority and industry organisations in November 2021.

In addition, the Group was awarded a medal and HK$20,000 prize for the "Best performance of Subcontractor Team in 2023 – Silver Award" by BUCG – CCCL Joint Venture in December 2023.

B. SOCIAL *(Continued)*

B6. Product Responsibility *(Continued)*

Product and Service *(Continued)*

There were no products sold or shipped subject to recalls for safety and health reasons during the Reporting Period. Nonetheless, the Group has spared no efforts in ensuring and improving the safety management of its construction projects. Upon completion of the construction works, the Group would carry out the necessary safety inspection and quality assurance procedures, and repair any defects or substandard parts found. For further details, please refer to the section headed "B2. Health and Safety".

To understand our customers' needs and thus provide services meeting their expectation, the Group maintains communication with them through regular meetings and day-to-day phone and email correspondence. Procedures are in place to handle customers' feedback and complaints in a timely manner through these channels. All valid complaints are resolved by relevant departments and recorded for review of the existing systems and practices. During the Reporting Period, the Group received no material complaints related to its products or services.

Intellectual Property Rights

Despite intellectual property rights is not considered a material ESG aspect to the Group due to the Group's business nature, the Group has set out relevant guidelines in the "Employee Handbook" to govern the information technology management within the Group. Employees are not allowed to download software or use any information that would infringe intellectual property rights of the Group or any other parties. The Group will continue to observe relevant regulations and changes in information technology to protect its intellectual property rights.

Consumer Data Protection and Privacy

The Group attaches high importance to safeguarding clients' interests and privacy and strives to maintain and protect personal data. To protect customers privacy and confidentiality, the Group has adopted sufficient measures to safeguard customer data stored such as restricted access right to folders with clients' data. The Group also prohibits any unauthorised hardware and software installation in order to minimise potential risk of data leakage.

Advertising and Labelling

Due to its business nature, the Group conducts limited advertising campaigns and therefore is not exposed to significant advertising-related risks. Nevertheless, in terms of the advertisement of products and services, the Group strictly regulates and monitors its promotion on products and services to ensure they comply with advertising and labelling related laws and regulations, which must accurately reflect the quality and performance of the Group.

B. SOCIAL *(Continued)*

B7. Anti-corruption

The Group is committed to maintaining the integrity of its corporate culture. Staff members are not allowed to solicit or accept any advantages. The Group sets out relevant policies in the "Employee Handbook" and the "Code of Conduct" for employees to abide by. The "Code of Conduct" provides clear guidelines on the provision and acceptance of interests, such as gifts and souvenirs, and ways to deal with conflicts of interest.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations on bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance, that had a significant impact on the Group. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

A "Whistle-blowing Policy" is in place to facilitate employees' reporting of corruption incidents. It applies to all employees which allows whistle-blowers to report to the directors confidentially and/or anonymously any case of unethical behaviour. The Group promptly conducts inspections and takes necessary measures regarding the issues. The Group will monitor and review the effectiveness of the whistle-blowing mechanism regularly.

During the Reporting Period, the Board and senior management had undergone anti-corruption training in relation to the recent updates of the Corporate Governance Code. The total number of employees trained for anti-corruption was 9 and each of them had undergone 1 hour of training. The Group will continue to arrange anti-corruption related training for directors and staff in the future to reinforce the concept of integrity.

B8. Community Investment

The Group believes that giving back to society by participating in social activities and contributing to society is a form of demonstrating corporate citizenship. Therefore, the Group has formulated the "Community Investment Policy" to uphold its commitments to actively repay and contribute to the society and promote social harmony. The Group always pays attention to the difficulties of the low-income group in society and labour needs of the construction industry. During the Reporting Period, the Group continued to undertake the mission of returning to the society and extended its support to India through the following activities:

- The Group donated HK$5,000 to Hong Kong Association of Senior Citizens on 7 March 2025 to support the elderly.

FUTURE APPROACH TOWARDS SUSTAINABLE DEVELOPMENT

The Group will continue to uphold its corporate social responsibility and enhance its relevant performance. In the future, the Group aims at enhancing its ESG performance through raising staff members' and subcontractors' awareness over environmental protection, dedicate more and more resources to protecting the health and safety of its staff, and to participate in various charities to contribute to the Hong Kong society.

CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	ABOUT THE REPORT — Governance Structure
Reporting Principles	ABOUT THE REPORT — Reporting Framework
Reporting Boundary	ABOUT THE REPORT — Reporting Period and Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management — Hazardous Waste Management (not applicable — explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management — Non-hazardous Waste Management (not applicable — explained)
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions — Air Emissions, GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Use of Packaging Materials (not applicable — explained)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources — Raising Environmental Awareness, Noise Pollution Control
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change — Physical Risks, Transition Risks
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment — Employment Practices
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — Supply Chain Environmental and Social Risk Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Promoting Environmentally Preferable Products

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Product and Service
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility — Product and Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Product and Service
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility — Consumer Data Protection and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

REPORT OF THE DIRECTORS

The Directors of the Company submit their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holdings. The principal activities of the Group are the provision of formwork works and investment in financial instruments. The principal activities of the subsidiaries of the Company are set out in note 36 to the consolidated financial statements.

BUSINESS REVIEW

A review on the Group's business for the year ended 31 March 2025 is set out under the section headed "Management Discussion and Analysis" of this annual report.

RELATIONSHIP WITH STAKEHOLDERS

The relationship with stakeholders of the Group during the reporting period is set out in the subsection headed "Relationships with Employees, Customers and Suppliers" on page 12 of this annual report. The content is part of the report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Group during the reporting period is set out in the subsection headed "Principal risk and uncertainty" on page 12 of this annual report. The content is part of this report of the Directors.

SEGMENT INFORMATION

An analysis of the Group's performance for the year ended 31 March 2025 by operating segment is set out in note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 66.

The Board did not recommend the payment of a final dividend for the year ended 31 March 2025.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 15 August 2025. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Friday, 15 August 2025. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 12 August 2025 to Friday, 15 August 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Monday, 11 August 2025.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 132 of this annual report. Such summary does not form part of the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 March 2025 are set out in note 15 to the consolidated financial statements.

BANK BORROWINGS

Details of movements in the bank borrowings of the Group during the year ended 31 March 2025 are set out in note 25 to the consolidated financial statements.

SHARE CAPITAL

Details of movement in the Company's share capital during the year ended 31 March 2025 are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of movement in the Group's and the Company's reserves during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity on page 69 and in note 37 to the consolidated financial statements, respectively.

DIRECTORS

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

Executive Directors

Mr. Leung Chi Kit (Chairman)
Ms. Tso Yuk Ching
Mr. Chow Dik Cheung (Chief Executive Officer)
Mr. Chan Sik Mau

Independent non-executive Directors

Mr. Lam Kai Yeung
Mr. Wong Yuk Lun, Alan
Mr. Lam Wai Hung

In accordance with the provisions of the Company's articles of association (the "**Articles**"), Mr. Leung Chi Kit, Ms. Tso Yuk Ching, Mr. Chow Dik Cheung, Mr. Chan Sik Mau, Mr. Wong Yuk Lun, Alan, Mr. Lam Wai Hung and Mr. Lam Kai Yeung will retire and, being eligible, will offer themselves for re-election at the Company's forthcoming annual general meeting.

Biographical details of the Directors and senior management are set out in the section headed "Biographies of Directors and Senior Management". Information regarding Directors' emoluments is set out in note 12 to the consolidated financial statements. An annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules have been received from each of the independent non-executive Directors.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the sole shareholder of the Company passed on 23 May 2017, the Company adopted a share option scheme (the "**Scheme**") to motivate Eligible Participants (as defined in the scheme) to optimise their performance and efficiency for the benefit of the Group and attract and retain or otherwise maintain ongoing business relationship with those people whose contributions are, will or expected to be beneficial to the Group. These people include the employees (fulltime or part-time), Directors, consultants or advisors, distributors, contractors, suppliers, agents, customers, shareholders, business partners or service providers of the Group and to recognize their contribution or potential contribution to the development and growth of the Group.

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 "**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 Shareholders. Options granted to substantial shareholders or independent non-executive Directors or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholders, independent non-executive Directors, or any of their respective associates) in any 12-month period in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days inclusive of the day on which such offer was made, upon payment of HK$1 per option. Options may be exercised at any time during a period as the Directors of the Company may determine which shall not exceed ten years from the date of grant. The exercise price is determined by the Directors of the Company, and will be at least 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 Shares.

The Scheme will remain in force for a period of ten years commencing on the date on the adoption date (i.e. 23 May 2017) and shall expire at the close of business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting. No share options were granted since the adoption of the Scheme and there are no outstanding share options at the end of the reporting period. A summary of the principal terms and conditions of the Scheme is set out in Appendix V to the Prospectus.

DIRECTORS' SERVICE CONTRACT

All the independent non-executive Directors have entered into a service contract with the Company for an unfixed term unless terminated by not less than one months' notice in writing served by either party on the other.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no contracts of significance to which the Company or any of its subsidiaries was a party in which a Director had a material interest subsisted at the end of the year or any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

EMPLOYEES AND REMUNERATION POLICIES

The employees and remuneration policies of the Group during the reporting period is set out in the subsection headed "Employees and Remuneration Policies" on page 13 of this annual report. The content is part of the report of the Directors.

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

As at 31 March 2025, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 to the Listing Rules are as follows:

(i) Long position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held/ Interested in	Approximate percentage of Company's issued share capital
Mr. Leung Chi Kit *(Notes 1 and 3)*	Interest in controlled corporation; Interest held jointly with other people	1,125,000,000	75%
Ms. Tso Yuk Ching *(Note 2)*	Family interest	1,125,000,000	75%

Notes:

1. Five Continental Enterprise Limited ("**Five Continental**") is legally interested in 1,125,000,000 Shares upon Listing. As 85% of shareholding interest of Five Continental is owned by Mr. Leung, Mr. Leung is deemed to be interested in the Shares held by Five Continental under the SFO.

2. Ms. Tso Yuk Ching is the spouse of Mr. Leung. Accordingly, Ms. Tso Yuk Ching is deemed to be interested in the Shares in which Mr. Leung has interest under the SFO.

3. On 17 July 2018, Five continental pledged 1,125,000,000 shares in favour of Kingston Finance Limited ("**Kingston**"), an independent third party, as a security of a loan granted to Five Continental in the amount of HK$500,000,000.

(ii) Long position in Five Continental, an associated corporation of the Company

Name of Director	Capacity/Nature	Percentage of shareholding
Mr. Leung Chi Kit	Beneficial owner *(Note)*	85%
Ms. Tso Yuk Ching	Family interest *(Note)*	85%

Note: Mr. Leung is the spouse of Ms. Tso Yuk Ching. Accordingly, Ms. Tso Yuk Ching is deemed to be interested in the Shares in which Mr. Leung has interest under the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

So far as is known to the Directors and taking no account any Shares which may be issued upon exercise of any options which may be granted under the Scheme, as at 31 March 2025, the following persons (not being a Director or chief executive of the Company) have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, 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 the Company or any other member of the Group:

Name	Capacity/Nature of Interest	Number of Shares/Underlying Shares held	Percentage of Company's issued share capital
Mr. Chow Siu Yu *(Note 1)*	Interest in controlled corporation; Interest held jointly with other people	1,125,000,000	75%
Five Continental Enterprise Limited *(Notes 2 and 3)*	Beneficial owner; Interest held jointly with other people	1,125,000,000	75%
Ample Cheer Limited ("**Ample Cheer**") *(Note 4)*	Interest in controlled corporation	1,125,000,000	75%
Chu Yuet Wah ("**Mrs. Chu**") *(Note 4)*	Interest in controlled corporation	1,125,000,000	75%
Kingston Finance Limited *(Note 4)*	Interest in controlled corporation	1,125,000,000	75%

Notes:

1. On 5 August 2016, Mr. Leung Chi Kit, Ms. Tso Yuk Ching and Mr. Chow Siu Yu entered into a Concert Parties Confirmatory Deed (as defined in the Prospectus dated 31 May 2017) to acknowledge and confirm, among other things, that they are parties acting in concert in respect of (i) Leung Pui Form Mould & Engineering Co., Limited ("**Leung Pui**") and Ho Yip Construction Company Limited ("**Ho Yip**") since the incorporation of Leung Pui and Ho Yip and (ii) each of the members of our Group upon the Listing Date and will continue so as of and after the date of the Concert Parties Confirmatory Deed. As such, pursuant to the parties acting in concert arrangement, each of Mr. Leung, Ms. Tso and Mr. Chow is deemed to be interested in 75% of the issued share capital of our Company.

2. Five Continental is owned as to 85% by Mr. Leung Chi Kit and 15% by Mr. Chow Siu Yu, who is the uncle of the Executive Director Mr. Chow Dik Cheung. As Ms. Tso Yuk Ching is the spouse of Mr. Leung, Ms. Tso Yuk Ching is deemed to be interested in the shares of Five Continental held by Mr. Leung. Accordingly, Ms. Tso Yuk Ching is deemed to be interested in the Shares held by Five Continental under the SFO.

3. On 17 July 2018, Five Continental pledged 1,125,000,000 Shares in favour of Kingston, an independent third party, as a security of a loan granted to Five Continental in the amount of HK$500,000,000.

4. Based on the notices of disclosure of interest filed by Ample Cheer, Mrs. Chu and Kingston on 17 July 2018, Mrs. Chu and Ample Cheer are deemed to be interested in 1,125,000,000 shares of the Company in which Kingston has an interest.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than shareholdings disclosed above, at no time during the year ended 31 March 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2025, the Group's five largest customers in aggregate and the single largest customer accounted for approximately 76.5% (2024: 85.7%) and 20.6% (2024: 40.1%) of the Group's total turnover respectively.

During the year ended 31 March 2025, the Group's five largest suppliers in aggregate and the single largest supplier accounted for approximately 67.5% (2024: 63.4%) and 24.2% (2024: 27.6%) of the Group's total purchases respectively.

To the best of the knowledge of the Directors, saved as disclosed in this annual report, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in these major customers or suppliers.

DEED OF NON-COMPETITION

The controlling shareholders have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under the deed of non-competition dated 23 May 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year ended 31 March 2025.

PERMITTED INDEMNITY

During the year ended 31 March 2025, the Company has arranged Directors' and officers' liability insurance for all Directors and senior management of the Company. The insurance covers the corresponding costs, charges, expenses and liabilities for legal action of corporate activities against them.

EQUITY-LINKED AGREEMENTS

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

PRE-EMPTIVE RIGHTS

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

CONNECTED TRANSACTIONS

The Group entered into certain related party transactions, which constituted connected transactions of the Group, with related parties during the year ended 31 March 2025 as set out in note 31 to the consolidated financial statements.

REPORT OF THE DIRECTORS

COMPETING BUSINESS

During the year ended 31 March 2025, none of the Directors or the Controlling Shareholders and their respective close associates had any interests in any business, apart from the business of the Group, which competes or likely to compete (either directly or indirectly) with the business of the Group.

Non-Competition Undertaking by Controlling Shareholders

The Controlling Shareholders had entered into a deed of non-competition in favour of the Company (for itself and as trustee for each of its subsidiaries from time to time) on 23 May 2017 (the "**Deed of Non-Competition**"), details of which are set out in section headed "Relationship with the Controlling Shareholders – Deed of Non-Competition" in the Prospectus. The Controlling Shareholders have confirmed their compliance with all the undertakings provided under the Deed of Non-Competition. The independent non-executive Directors have reviewed and confirmed that there are no matters required to be deliberated by them in relation to the compliance with and enforcement of the Deed of Non-Competition and considered that the terms of the Deed of Non-Competition have been complied with by the Controlling Shareholders.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environmental policies and performance of the Group during the reporting period is set out in the subsection headed "Environmental Policies and Performance" on page 13 of this annual report. The content is part of the report of the Directors.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The compliance with the relevant laws and regulations of the Group during the reporting period is set out in the subsection headed "Compliance with Laws and Regulations" on page 13 of this annual report. The content is part of the report of the Directors.

SUFFICIENCY OF PUBLIC FLOAT

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

DONATIONS

Charitable donations were made by the Group during the year ended amounted to HK$5,000 (2024: HK$8,000).

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 31 March 2025 and up to the date of this annual report.

AUDITORS

The consolidated financial statements for the year ended 31 March 2025 have been audited by HLB Hodgson Impey Cheng Limited, who will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

By order of the Board of
Kin Shing Holdings Limited

Leung Chi Kit
Chairman and Executive Director

Hong Kong, 30 June 2025

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF
KIN SHING HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Kin Shing Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 66 to 131, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from construction works	
Refer to note 5 to the consolidated financial statements. The Group's revenue from construction works for the year ended 31 March 2025 amounted to approximately HK$878,762,000. We identified the revenue recognition from construction works as a key audit matter as it is significant to the consolidated statement of profit or loss and other comprehensive income and management's judgment is involved in measuring the value of construction works completed during the year. Most construction works take several years to complete and the scope of work may change during the construction period.	Our audit procedures in relation to the revenue recognition from construction works included: • Obtaining an understanding on relevant internal controls in place over the revenue recognition from construction contracts; • Discussing with project managers and checking the supporting documents to evaluate the reasonableness of the unbilled revenue recognised, on a selection of samples; • Comparing the revenue recognised with the certifications issued by independent quantity surveyors and reviewing supporting documents for any reconciling items, on a selection of samples; and • Conducting site visits, to observe the progress of the contracts and discussing with site personnel on the status of each project, on a selection of samples.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Recoverability of trade and other receivables and contract assets	
Refer to notes 18 and 19 to the consolidated financial statements. The carrying amount of the Group's trade and other receivables and contract assets amounted to approximately HK$64,536,000 (excluding prepayment and net of allowance for credit losses of approximately HK$16,278,000) and approximately HK$152,941,000 (net of allowance for credit losses of approximately HK$40,622,000) respectively as at 31 March 2025. We identified the expected credit loss ("**ECL**") for trade and other receivables and contract assets as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole, combined with the significant degree of estimations by management of the Group in estimation of ECL for trade and other receivables and contract assets which may affect their carrying values. As disclosed in note 4 to the consolidated financial statements, management assesses the ECL for trade and other receivables and contract assets based on probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, financial capability of the individual debtors and forward- looking information.	Our procedures in relation to the recoverability of trade and other receivables and contract assets included: • Obtaining an understanding of how management assesses the ECL for trade and other receivables and contract assets; • Obtaining the aging of trade and other receivables and contract assets, reviewing their history of repayment and the management's assessment on the financial capability of the debtors; and • Evaluating management's basis and judgement in determining credit loss allowance on trade and other receivables and contract assets.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "**Other Information**").

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

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

INDEPENDENT AUDITORS' REPORT

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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 responsible for overseeing the Group's financial reporting process.

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

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

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

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

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

We communicate with the 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.

We also provide the 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 the 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in the independent auditors' report is Mr. Kwok Kin Leung.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025** **HK$'000**	2024 HK$'000
Revenue	5	**878,762**	1,244,556
Direct costs		**(878,451)**	(1,212,936)
Gross profit		**311**	31,620
Other income/(losses), net	7	**28,891**	(9,373)
Impairment losses under expected credit loss model, net of reversal	8	**(13,902)**	(40,720)
Administrative expenses		**(20,956)**	(22,353)
Finance costs	9	**(2,948)**	(2,984)
Loss before tax		**(8,604)**	(43,810)
Income tax expense	10	**(856)**	–
Loss and total comprehensive expense for the year	11	**(9,460)**	(43,810)
Loss and total comprehensive expense for the year attributable to owners of the Company		**(9,460)**	(43,810)
Loss per share	13		
— Basic (HK cents)		**(0.63)**	(2.92)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	15	**19,039**	26,835
Right-of-use assets	16	**1,391**	2,607
		20,430	29,442
Current assets			
Trade and other receivables	18	**64,691**	50,679
Contract assets	19	**152,941**	183,849
Financial assets at fair value through profit or loss	17	**71,114**	50,595
Tax recoverable		**6**	6
Cash and cash equivalents	20	**108,415**	169,308
		397,167	454,437
Total assets		**417,597**	483,879
Current liabilities			
Trade and other payables	21	**92,086**	163,786
Contract liabilities	22	**46,351**	44,451
Amount due to a related company	23	**153,223**	150,523
Amount due to a director	24	**1,890**	198
Bank borrowings	25	**9,000**	–
Lease liabilities	26	**506**	1,270
		303,056	360,228
Net current assets		**94,111**	94,209
Total assets less current liabilities		**114,541**	123,651

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Lease liabilities	26	**844**	1,350
Deferred tax liabilities	27	**856**	–
		1,700	1,350
Net assets		**112,841**	122,301
Capital and reserves			
Share capital	28	**15,000**	15,000
Reserves		**97,841**	107,301
Total equity		**112,841**	122,301

The consolidated financial statements on pages 66 to 131 were approved and authorised for issue by the Board on 30 June 2025 and are signed on its behalf by:

Leung Chi Kit
Director

Chow Dik Cheung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital HK$'000 (Note 28)	Share premium HK$'000	Other reserve HK$'000 (Note)	Retained profits HK$'000	Total HK$'000
As at 1 April 2023	15,000	75,694	140	75,277	166,111
Loss and total comprehensive expense for the year	–	–	–	(43,810)	(43,810)
As at 31 March 2024	15,000	75,694	140	31,467	122,301
Loss and total comprehensive expense for the year	–	–	–	(9,460)	(9,460)
As at 31 March 2025	**15,000**	**75,694**	**140**	**22,007**	**112,841**

Note: These reserve accounts comprise the consolidated reserves of approximately HK$97,841,000 (2024: HK$107,301,000) in the consolidated statements of financial position.

Other reserve represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired upon the group reorganisation and the consideration paid for the acquisition.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Operating activities		
Loss before tax	(8,604)	(43,810)
Adjustments for:		
Finance costs	2,948	2,984
Interest income	(3,155)	(3,449)
Dividends income	(3,148)	(2,808)
Depreciation of property, plant and equipment	7,828	10,531
Depreciation of right-of-use assets	1,216	2,725
Fair value changes on financial assets at fair value through profit or loss	(20,519)	16,656
Impairment loss under expected credit loss model, net of reversal	13,902	40,720
Loss on disposal of property, plant and equipment	186	–
Operating cash flows before movements in working capital	(9,346)	23,549
(Increase)/Decrease in trade and other receivables	(21,479)	24,779
Decrease/(Increase) in contract assets	24,473	(120,138)
(Decrease)/Increase in trade and other payables	(71,700)	98,907
Increase in contract liabilities	1,900	881
Net cash (used in)/generated from operating activities	(76,152)	27,978
Investing activities		
Interest received	3,155	3,449
Dividends received from financial assets at fair value through profit or loss	3,148	2,808
Purchases of property, plant and equipment	(536)	(12,189)
Proceeds from disposal of property, plant and equipment	318	–
Net cash generated from/(used in) investing activities	6,085	(5,932)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Financing activities		
Interest paid	**(248)**	(284)
Advance from/(Repayment to) a director	**1,692**	(58)
Repayments of lease liabilities	**(1,270)**	(2,847)
New bank loans raised	**9,000**	–
Net cash generated from/(used in) financing activities	**9,174**	(3,189)
Net (decrease)/increase in cash and cash equivalents	**(60,893)**	18,857
Cash and cash equivalents at the beginning of year	**169,308**	150,451
Cash and cash equivalents at the end of year	**108,415**	169,308
Represented by:		
Bank balances and cash	**40,776**	105,479
Cash held by securities broker	**67,639**	63,829
	108,415	169,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 6 April 2016. Its parent and ultimate holding company is Five Continental Enterprise Limited, a company incorporated in the British Virgin Islands and controlled by Mr. Leung Chi Kit, Mr. Chow Siu Yu and Ms. Tso Yuk Ching. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 June 2017. The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The Group is principally engaged in the provision of formwork works, building construction works and trading and investment business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

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

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

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

The directors of the Company anticipate that the application of all the new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.1 Basis of preparation of consolidated financial statements *(Continued)*

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Material accounting policy information

Basis of consolidation

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

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Basis of consolidation *(Continued)*

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

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

Revenue from contracts with customers

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.

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct 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 and presented on a net basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Revenue from contracts with customers *(Continued)*

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

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

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "Lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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 assets, and such costs are recognised as an expense on a straight-line basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessor *(Continued)*

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* ("**HKFRS 15**") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Employee benefits

Retirement benefit costs

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

For Long Service Payment ("**LSP**") obligation, the Group accounts for the employer Mandatory Provident Fund ("**MPF**") contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure 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.

Short-term employee benefits

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

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

Share-based payments

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation *(Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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

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

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in 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.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and contract costs

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

The recoverable amounts of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Provisions

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

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

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts (if any).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a 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 market place.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

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

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

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

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

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

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits, other receivables, cash held by securities broker and bank balances), and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

The Group always recognises lifetime ECL for trade and other receivables and contract assets.

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

(i) Significant increase in credit risk

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

(i) Significant increase in credit risk *(Continued)*

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

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

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 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. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amount due to a related company, amount due to a director, bank borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Related parties

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

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, 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.

The following are the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Measurement of the value of construction works

Management measures the value of completed construction work based on output method, which is to recognise revenue on the basis of direct measurement of the value of construction work transferred to the customer to date relative to the remaining construction works promised to be completed under the construction contract. Most construction works take several years to complete and the scope of work may change during the construction period. Management estimates the revenue and budgeted costs at the commencement of the construction contracts and regularly assesses the progress of construction works as well as the financial impact of scope changes, claims and disputes. The management's estimate of revenue and the completion status of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised. The Group has the quantity surveyor to periodically measure the value of the construction work completed for each construction projects and issue the internal construction progress reports. The construction works performed by the Group would also be certified by the customers periodically according to the construction contracts. The Group regularly reviews and revises the estimation of contract revenue prepared for each construction contract as the contract progresses based on the internal construction progress reports and the payment certificates issued by the customers.

(b) Provision of ECL for trade and other receivables and contract assets

The directors of the Company estimate the amount of loss allowance for trade and other receivable and contract assets based on the credit risk of trade and other receivable and contract assets. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The assessment of the credit risk of trade and other receivable and contract assets involves high degree of estimation and uncertainty as the directors of the Company estimates the loss rates for debtors by using past history, existing market conditions as well as forward-looking information. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly. For details of impairment assessment are set out in Note 34.

5. REVENUE

The following is an analysis of the Group's revenue from its major services:

	2025 HK$'000	2024 HK$'000
Provision of formwork works and related ancillary works	**878,762**	1,244,556

(i) Disaggregation of revenue from contracts with customers

For the year ended 31 March 2025

Segments	HK$'000
Type of service	
Formwork works	**878,762**
Geographical market	
Hong Kong	**878,762**
Timing of revenue recognition	
Over time	**878,762**

For the year ended 31 March 2024

Segments	HK$'000
Type of service	
Formwork works	1,244,556
Geographical market	
Hong Kong	1,244,556
Timing of revenue recognition	
Over time	1,244,556

5. REVENUE *(Continued)*

(ii) Performance obligations for contracts with customers

Construction service

The Group provides construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the assets is created or enhanced. Revenue is recognised for these construction services based on the value of completed construction work using output method.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

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

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

The transaction price allocated to the remaining performance obligations arising from construction contracts (unsatisfied or partially unsatisfied) as at the end of the reporting period and the expected timing of recognising revenue are as follows:

	2025 **HK$'000**	2024 HK$'000
Within one year	**718,585**	685,131
More than one year but not more than two years	**310,109**	254,179
More than two years	**87,199**	68,797
	1,115,893	1,008,107

All other contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENT INFORMATION

Information reported to the Company's executive Directors, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focus on the types of services provided. The Group's reportable and operating segments under "HKFRS 8 – Operating Segments" are as follows:

1. Formwork works – Provision of formwork works and related ancillary works

2. Building construction works – Provision of building construction works

3. Trading and investment business – Investing in financial instruments

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2025

	Formwork works HK$'000	Building construction works HK$'000	Trading and investment business HK$'000	Total HK$'000
Revenue				
External sales and segment revenue	878,762	–	–	878,762
Segment (loss)/profit	(25,353)	(11)	26,289	925
Interest income				339
Unallocated expenses				(6,920)
Finance costs				(2,948)
Loss before tax				(8,604)

6. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 March 2024

	Formwork works HK$'000	Building construction works HK$'000	Trading and investment business HK$'000	Total HK$'000
Revenue				
External sales and segment revenue	1,244,556	–	–	1,244,556
Segment loss	(22,901)	(10)	(10,950)	(33,861)
Interest income				341
Unallocated expenses				(7,306)
Finance costs				(2,984)
Loss before tax				(43,810)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss)/profit represents the (loss from)/profit earned by each segment without allocation of certain interest income, central administration costs and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

There were no sales transactions between the operating segments.

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment.

	2025 HK$'000	2024 HK$'000
Segment assets		
Formwork works	237,907	263,815
Building construction works	–	–
Trading and investment business	138,753	114,424
Total segment assets	376,660	378,239
Unallocated	40,937	105,640
Consolidated assets	417,597	483,879
Segment liabilities		
Formwork works	148,238	209,585
Building construction works	8	8
Trading and investment business	20	20
Total segment liabilities	148,266	209,613
Unallocated	156,490	151,965
Consolidated liabilities	304,756	361,578

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain cash and cash equivalents, tax recoverable and unallocated corporate assets.
- all liabilities are allocated to operating segments other than amount due to a related company, amount due to a director and unallocated corporate liabilities.

6. SEGMENT INFORMATION *(Continued)*

For the year ended 31 March 2025

	Formwork works HK$'000	Building construction works HK$'000	Trading and investment business HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (Note)	**536**	**–**	**–**	**536**
Depreciation	**9,044**	**–**	**–**	**9,044**
Impairment losses on trade receivables recognised in profit or loss	**7,610**	**–**	**–**	**7,610**
Impairment losses on deposits and other receivables reversed in profit or loss	**(143)**	**–**	**–**	**(143)**
Impairment losses on contract assets recognised in profit or loss	**6,435**	**–**	**–**	**6,435**
Loss on disposal of property, plant and equipment	**186**	**–**	**–**	**186**

For the year ended 31 March 2024

	Formwork works HK$'000	Building construction works HK$'000	Trading and investment business HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (Note)	20,234	–	–	20,234
Depreciation	13,256	–	–	13,256
Impairment losses on trade receivables recognised in profit or loss	6,123	–	–	6,123
Impairment losses on deposits and other receivables recognised in profit or loss	1,536	–	–	1,536
Impairment losses on contract assets recognised in profit or loss	33,061	–	–	33,061

Note: Non-current assets excluded deferred tax assets.

Geographical information

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

6. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers for the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 **HK$'000**	2024 HK$'000
Customer A[1]	**NA[2]**	499,016
Customer B[1]	**106,681**	284,091
Customer C[1]	**181,003**	NA[2]
Customer D[1]	**155,812**	NA[2]
Customer E[1]	**130,373**	NA[2]
Customer F[1]	**98,389**	NA[2]

1 Revenue from Formwork works.

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

7. OTHER INCOME/(LOSSES), NET

	2025 **HK$'000**	2024 HK$'000
Interest income from cash and cash equivalents	**3,155**	3,449
Dividends received from financial assets at fair value through profit or loss	**3,148**	2,808
Fair value changes on financial assets at fair value through profit or loss	**20,519**	(16,656)
Rental income	**2,011**	47
Net foreign exchange loss	**(1)**	(3)
Others	**59**	982
	28,891	(9,373)

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025	2024
	HK$'000	HK$'000
Impairment losses recognised/(reversed) on:		
Trade receivables	**7,610**	6,123
Deposits and other receivables	**(143)**	1,536
Contract assets	**6,435**	33,061
	13,902	40,720

Details of impairment assessment were set out in note 34.

9. FINANCE COSTS

	2025	2024
	HK$'000	HK$'000
Interest expense on:		
Lease liabilities	**129**	284
Bank borrowings	**119**	–
Amount due to a related company	**2,700**	2,700
	2,948	2,984

10. INCOME TAX EXPENSE

	2025 **HK$'000**	2024 HK$'000
Current tax		
– Hong Kong Profits Tax	**–**	–
Deferred tax	**856**	–
	856	–

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group companies has no assessable profits arising in or derived from Hong Kong or have sufficient tax losses brought forward to set off against the current year's estimated assessable profits for the years ended 31 March 2025 and 2024.

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

	2025 **HK$'000**	2024 HK$'000
Loss before tax	**(8,604)**	(43,810)
Tax at Hong Kong Profits Tax rate of 16.5%	**(1,420)**	(7,229)
Tax effect of expenses not deductible for tax purpose	**267**	10,003
Tax effect of deductible temporary difference not recognised	**3,887**	–
Tax effect of income not taxable for tax purpose	**(5,093)**	(1,032)
Tax effect of tax losses not recognised	**3,509**	128
Utilisation of tax losses previously not recognised	**(294)**	(1,870)
Tax charged for the year	**856**	–

11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2025	2024
	HK$'000	HK$'000
Employee benefits expenses (including directors' emoluments)		
– Salaries and other benefits in kind	**457,437**	557,913
– Contributions to retirement benefits schemes	**15,666**	20,860
Total staff costs	**473,103**	578,773
Depreciation of property, plant and equipment	**7,828**	10,531
Depreciation of right-of-use assets	**1,216**	2,725
Total depreciation	**9,044**	13,256
Auditors' remuneration	**740**	740

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and Chief Executive's emoluments

The emoluments paid or payable to the directors and chief executive officer of the Company by the Group during the year were as follows:

For the year ended 31 March 2025

		Other emoluments		
Name of directors	Fees	Salaries and allowances	Contributions to retirement benefit scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Executive Directors				
Mr. Leung Chi Kit	–	2,808	8	2,816
Ms. Tso Yuk Ching	–	2,048	14	2,062
Mr. Chow Dik Cheung	–	1,014	18	1,032
Mr. Chan Sik Mau	–	902	–	902
Independent Non-executive Directors				
Mr. Lam Kai Yeung	180	–	–	180
Mr. Wong Yuk Lun, Alan	180	–	–	180
Mr. Lam Wai Hung	180	–	–	180
	540	6,772	40	7,352

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

Directors' and Chief Executive's emoluments *(Continued)*

For the year ended 31 March 2024

		Other emoluments		
Name of directors	Fees	Salaries and allowances	Contributions to retirement benefit scheme	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Executive Directors				
Mr. Leung Chi Kit	–	2,898	18	2,916
Ms. Tso Yuk Ching	–	2,138	18	2,156
Mr. Chow Dik Cheung	–	1,108	18	1,126
Mr. Chan Sik Mau	–	982	18	1,000
Mr. Chiu Sin Nang, Kenny (Note (i))	–	40	2	42
Independent Non-executive Directors				
Mr. Lam Kai Yeung	180	–	–	180
Mr. Wong Yuk Lun, Alan	180	–	–	180
Mr. Lam Wai Hung	180	–	–	180
	540	7,166	74	7,780

Note:

(i) Resigned on 10 May 2023.

Mr. Chow Dik Cheung is also the chief executive officer of the Company and his emoluments disclosed above include those services rendered by him as chief executive officer.

The executive Directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Group.

The independent non-executive directors' remuneration shown above were mainly for their services as directors of the Company.

None of the Company's directors waived or agreed to waive any emoluments during the year (2024: Nil).

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

Employees' emoluments

The five highest paid employees of the Group during the year included four (2024: four) directors, details of whose remuneration are set out above. Details of the remuneration for the year of the remaining one (2024: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2025 HK$'000	2024 HK$'000
Salaries and other benefits	818	895
Contributions to retirement benefit scheme	18	18
Total emoluments	836	913

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 (Number of employee)	2024 (Number of employee)
Nil to HK$1,000,000	1	1

During the year, no emoluments were paid by the Group to any of the Company's directors or the five highest paid individuals of the Group (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

13. LOSS PER SHARE

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

	2025 HK$'000	2024 HK$'000
Loss for the year attributable to owners of the Company	(9,460)	(43,810)

	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	1,500,000	1,500,000

No diluted loss per share for the years ended 31 March 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years.

14. DIVIDENDS

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

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Motor vehicle HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Tools HK$'000	Total HK$'000
Cost						
As at 1 April 2023	727	3,904	666	356	75,460	81,113
Addition	–	338	108	–	17,650	18,096
As at 31 March 2024	727	4,242	774	356	93,110	99,209
Addition	–	515	21	–	–	536
Disposals	–	(673)	–	–	(901)	(1,574)
As at 31 March 2025	**727**	**4,084**	**795**	**356**	**92,209**	**98,171**
Accumulated depreciation						
As at 1 April 2023	727	3,155	440	356	57,165	61,843
Charge for the period	–	197	97	–	10,237	10,531
As at 31 March 2024	727	3,352	537	356	67,402	72,374
Charge for the period	–	230	78	–	7,520	7,828
Eliminated on disposals	–	(169)	–	–	(901)	(1,070)
As at 31 March 2025	**727**	**3,413**	**615**	**356**	**74,021**	**79,132**
Carrying amount						
As at 31 March 2025	**–**	**671**	**180**	**–**	**18,188**	**19,039**
As at 31 March 2024	–	890	237	–	25,708	26,835

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

Leasehold improvement	Over the shorter of the term of the lease or 5 years
Motor vehicle	20%
Office equipment	20%
Furniture and fixtures	20%
Tools	20%–33⅓%

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group leases out a number of tools under operating leases. The leases typically run for an initial period of 1 day to 1 month. None of the leases includes variable lease payments. The disaggregation of these tools under operating leases and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

	Tools subject to operating leases HK$'000
Cost	
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**3,653**
Accumulated depreciation	
As at 1 April 2023	2,023
Provided for the year	632
As at 31 March 2024	2,655
Provided for the year	589
As at 31 March 2025	**3,244**
Carrying amount	
As at 31 March 2025	**409**
As at 31 March 2024	998

16. RIGHT-OF-USE ASSETS

	Leased properties HK$'000	Office equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
As at 31 March 2025				
Carrying amount	**303**	**–**	**1,088**	**1,391**
As at 31 March 2024				
Carrying amount	1,200	–	1,407	2,607
For the year ended 31 March 2025				
Depreciation charge	**897**	**–**	**319**	**1,216**
For the year ended 31 March 2024				
Depreciation charge	2,531	8	186	2,725

	2025 HK$'000	2024 HK$'000
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	**25,910**	28,104
Expense relating to leases of low value assets, excluding short-term leases of low value assets	**–**	–
Total cash outflow for leases	**27,309**	31,235
Additions to right-of-use assets	**–**	2,138

For both years, the Group leases various offices, warehouses, office equipment and motor vehicle for its operations. Lease contracts are entered into for fixed term of 1 to 5 years. Lease terms are negotiated on individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contracts is enforceable.

In addition, the balance of lease liabilities of approximately HK$1,350,000 (2024: HK$2,620,000) are recognised with related right-of-use assets of approximately HK$1,391,000 (2024: HK$2,607,000) as at 31 March 2025. 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.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK$'000	2024 HK$'000
Financial assets		
Equity securities listed in Hong Kong (Note)	**71,114**	50,595

Note:

The fair value of listed equity securities are determined based on the quoted market prices at the end of the reporting period.

Financial assets at fair value through profit or loss are denominated in HK$.

18. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**53,881**	41,111
Less: Allowance for credit losses	**(14,425)**	(6,815)
	39,456	34,296
Deposits and other receivables	**26,933**	18,224
Less: Allowance for credit losses	**(1,853)**	(1,996)
	25,080	16,228
Prepayments	**155**	155
	64,691	50,679

As at 1 April 2023, trade receivables from contracts with customers amounted to approximately HK$63,677,000.

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aging analysis of the Group's trade receivables net of allowance for credit losses at the end of the reporting period, presented based on the progress payment certificate date:

18. TRADE AND OTHER RECEIVABLES *(Continued)*

	2025	2024
	HK$'000	HK$'000
0-30 days	**44**	2,467
31-60 days	**31,567**	30,377
61-90 days	**7,597**	704
Over 90 days	**248**	748
	39,456	34,296

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$39,411,000 (2024: HK$31,829,000) which are past due at the reporting date.

Details of impairment assessment of trade and other receivables are set out in note 34.

19. CONTRACT ASSETS

	2025	2024
	HK$'000	HK$'000
Unbilled revenue (Note (a), (c))	**103,871**	153,842
Retention money receivables (Note (b))	**89,692**	64,194
	193,563	218,036
Less: Allowance for credit losses	**(40,622)**	(34,187)
	152,941	183,849

As at 1 April 2023, contract assets amounted to approximately HK$97,898,000.

Notes:

(a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

19. CONTRACT ASSETS *(Continued)*

Notes: *(Continued)*

(b) Retention money receivables included in contract assets represents the Group's right to receive consideration for work performed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

(c) The significant decrease in contract assets of the Group primary due to decrease in the number of projects and projects delayed due to on-site situation and arrangement which resulted in an decrease in unbilled revenue 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. Those expected to be realised more than twelve months are as follows:

	2025 HK$'000	2024 HK$'000
Retention money receivables after one year	**50,029**	31,668

Details of the impairment assessment are set out in note 34.

20. CASH AND CASH EQUIVALENTS

	2025 HK$'000	2024 HK$'000
Bank balances and cash	**40,776**	105,479
Cash held by securities broker	**67,639**	63,829
	108,415	169,308

Bank balances comprise short-term bank deposits with an original maturity of three months or less at the end of the reporting period. The bank balances carry interest at market rates which were 0.25% (2024: 0.25% to 0.875%).

21. TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**16,345**	39,120
Accruals and other payables		
– Accrued salaries	**38,736**	70,483
– Accrued sub-contracting fee	**14,815**	28,448
– Others	**22,190**	25,735
	92,086	163,786

21. TRADE AND OTHER PAYABLES *(Continued)*

The following is an aging analysis of the Group's trade payables at the end of the reporting period, presented based on the invoice date:

	2025 **HK$'000**	2024 HK$'000
0-30 days	**5,384**	13,239
31-60 days	**3,400**	5,419
61-90 days	**1,991**	9,529
Over 90 days	**5,570**	10,933
	16,345	39,120

22. CONTRACT LIABILITIES

	2025 **HK$'000**	2024 HK$'000
Advances from customers	**46,351**	44,451

As at 1 April 2023, contract liabilities amounted to approximately HK$43,570,000.

When the Group receives advances from customers before the construction activity commences, this will give rise to contract liabilities, until the revenue recognised on the relevant contract exceeds the amount of the advances from customers.

The increase in contract liabilities during the year ended 31 March 2025 was mainly due to the advance from customers for the payment of expenses related to certain projects.

23. AMOUNT DUE TO A RELATED COMPANY

The amount represents a balance due to Century Bond Limited ("**Century Bond**"), a company controlled by Mr. Leung Chi Kit, a director of the Company. The amount due to a related company is non-trade nature, unsecured, interest-bearing at 2% per annum and repayable on demand.

24. AMOUNT DUE TO A DIRECTOR

The amount due to a director is non-trade nature, unsecured, interest-free and repayment on demand.

25. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Bank borrowings	**9,000**	–

The interest rate of the bank borrowings is 2.5% per annum below the prime lending rate of Hong Kong Dollars quoted by The Hong Kong Mortgage Corporation Limited from time to time.

The carrying amounts of the Group's bank borrowings are denominated in HK$.

26. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**506**	1,270
More than one year, but not more than two years	**477**	506
More than two years, but not more than five years	**367**	844
	1,350	2,620
Less: Amount due for settlement with 12 months shown under current liabilities	**(506)**	(1,270)
Amount due for settlement after 12 months shown under non-current liabilities	**844**	1,350

In March 2023, the Group entered into a new lease agreement for the use of office with Queenluck Limited ("**Queenluck**"), a company in which Mr. Leung Chi Kit has beneficial interest, for 2 years. As at 31 March 2024, lease liabilities payable to Queenluck amounted to approximately HK$147,000.

27. DEFERRED TAX

The following is the major deferred tax assets/(liabilities) recognised, offset and the movements thereon during the year:

	ECL provision HK$'000	Tax losses HK$'000	Accelerated tax depreciation HK$'000	Total HK$'000
As at 1 April 2023	364	439	(803)	–
(Charge)/Credit to profit or loss	1,181	(439)	(742)	–
As at 31 March 2024	1,545	–	(1,545)	–
(Charge)/Credit to profit or loss	(1,545)	–	689	(856)
As at 31 March 2025	**–**	**–**	**(856)**	**(856)**

As at 31 March 2025, the Group has unused tax losses of approximately HK$65,920,000 (2024: HK$46,436,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses (2024: HK$Nil). No deferred tax asset has been recognised in respect of the remaining approximately HK$65,873,000 (2024: HK$46,389,000) due to the unpredictability of future profit streams in the respective entities. The tax losses may be carried forward indefinitely.

In addition, as at 31 March 2025, the Group did not recognise deferred tax asset in respect of deductible temporary differences associated with ECL provision amounting to approximately HK$56,900,000 (2024: HK$33,340,000) as it is not probable that taxable profit of the respective entities will be available against which the deductible temporary differences can be utilised.

28. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**3,120,000**	**31,200**
Issued and fully paid:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**1,500,000**	**15,000**

29. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 23 May 2017 and will expire on 22 May 2027. The purpose of the Share Option Scheme is to provide directors, employees of any member of the Group and other eligible participants who have made contributed or will contribute to the Group with an opportunity to acquire proprietary interests in the Company and to motivate eligible participants to optimise their performance and efficiency for the benefit of the Group and maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group.

Under the Share Option Scheme, the Board of Directors of the Company may grant options to eligible participants to subscribe for shares in the Company.

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

Options granted must be taken up within 21 days from the date of grant, upon payment of HK$1 per option. Options may be exercised at any time during a period as the Board of Directors may determine which shall not exceed 10 years from the date of grant. The exercise price is determined by the Board of Directors, 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 Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No share option has been granted since the adoption of the Share Option Scheme.

30. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributed 5% of relevant payroll costs to the Scheme, which contribution is matched by employees and subject to a monthly cap of HK$1,500 for each employee.

The total expenses recognised in profit or loss amount to approximately HK$15,666,000 (2024: HK$20,860,000) for the year and represent contributions payable to this scheme by the Group at rate specified in the rules of the scheme.

31. CONNECTED AND RELATED PARTY TRANSACTIONS

(a) Transactions with connected or related parties

During the year, the Group entered into the following significant transactions with connected or related parties:

Name of connected/ related party	Nature of transaction	2025 HK$'000	2024 HK$'000
King Fu	Purchases of tools and materials (Note (i))	**–**	2,985
Five Dragons Properties	Expenses relating to short-term leases (Note (ii))	**636**	265
	Interest expense on lease liabilities	**–**	8
Queenluck	Interest expense on lease liabilities	**6**	18
Century Bond	Interest expense (Note (iii))	**2,700**	2,700

Notes:

(i) The purchases of tools and materials were made according to market prices.

(ii) In March 2024, the Group entered into a lease agreement for the use of office with Five Dragons Properties for 1 year.

(iii) The interest expense is charged at 2% per annum.

(b) Outstanding balances with connected or related parties

Details of outstanding balances with connected or related parties of the Group at the end of the reporting period are set out in notes 23, 24 and 26.

(c) Compensation to key management personnel

Compensation to key management personnel of the Group which represents directors of the Company, during the year are as follows:

	2025 HK$'000	2024 HK$'000
Short-term benefits	**7,312**	7,706
Post-employment benefits	**40**	74
	7,352	7,780

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities HK$'000	Bank borrowings HK$'000	Amount due to a related company HK$'000	Amount due to a director HK$'000	Total HK$'000
As at 1 April 2023	3,321	–	147,823	256	151,400
Financing cash flows	(3,131)	–	–	(58)	(3,189)
New leases entered	2,146	–	–	–	2,146
Interest expenses	284	–	2,700	–	2,984
As at 31 March 2024	2,620	–	150,523	198	153,341
Financing cash flows	(1,399)	8,881	–	1,692	9,174
Interest expenses	129	119	2,700	–	2,948
As at 31 March 2025	**1,350**	**9,000**	**153,223**	**1,890**	**165,463**

33. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt (which includes amount due to a related company, amount due to a director, bank borrowings and lease liabilities) and equity attributable to owners of the Company (comprising issued share capital and reserves).

The Group monitors its capital structure on the basis of gearing ratio. The Group considers the cost of capital and the risks associated with each class of the capital, and will balance the gearing ratio through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

33. CAPITAL RISK MANAGEMENT *(Continued)*

The gearing ratio at the end of the reporting period was as follows:

	2025 HK$'000	2024 HK$'000
Debt	**165,463**	153,341
Equity	**112,841**	122,301
Gearing ratio	**147%**	125%

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables	**64,536**	50,524
– Cash and cash equivalents	**108,415**	169,308
Financial assets at fair value through profit or loss	**71,114**	50,595
	244,065	270,427
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and other payables	**92,086**	163,786
– Amount due to a related company	**153,223**	150,523
– Amount due to a director	**1,890**	198
– Bank borrowings	**9,000**	–
– Lease liabilities	**1,350**	2,620
	257,549	317,127

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, financial assets at fair value through profit or loss, cash and cash equivalents, trade and other payables, amount due to a related company, amount due to a director, bank borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below.

Foreign currency risk

The Group has certain financial assets denominated in foreign currencies, which exposure to the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	2025	2024
	HK$'000	HK$'000
Monetary assets denominated in:		
– Renminbi ("**RMB**")	**52**	52

In virtue of the exposure on foreign currency risk being minimal, the respective quantitative disclosures have not been prepared.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate advance from a related company, bank borrowings and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The directors of the Company consider the Group's exposure to cash flow interest rate risk is not significant and therefore no sensitivity analysis has been prepared.

Equity price risk

The Group is exposed to equity price risk arising from trading of listed securities included in financial assets at fair value through profit or loss. The sensitivity analysis has been determined based on the exposure to equity price risk.

At the end of the reporting period, if the quoted stock prices of listed securities held by the Group had been 10% higher or lower while all other variables were held constant, the Group's net loss would decrease or increase by approximately HK$7,111,000 (2024: net loss decrease or increase by approximately HK$5,060,000) as a result of changes in fair value of investments.

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

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

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

Trade receivables and contract assets arising from contracts with customers

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the ECL, trade receivables and contract assets have been assessed collectively using a provision matrix with appropriate groupings based on same risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. The ECL also incorporate forward-looking information such as actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

The Group has concentration of risk on trade receivables as 54% (2024: 54%) and 80% (2024: 72%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Deposits and other receivables

For deposits and other receivables, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised based on significant increases in the likelihood or risk of a default occurring since initial recognition. The directors make periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Impairment loss recognised on deposits and other receivables amounted to HK$143,000 was reversed during the year (2024: HK$1,536,000 was recognised).

Cash held by securities broker

The Group regularly monitors the financial position and the business performance of the securities broker. The directors of the Company believe that there is no significant increase in credit risk of this amount since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 March 2025 and 2024, the Group assessed the ECL for cash held by securities broker was insignificant and thus no loss allowance was recognised.

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Bank balances

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

As at 31 March 2025 and 2024, the loss allowance for trade receivables and contract assets were determined as follows:

	Current	1 to 30 days past due	31 to 60 days past due	61-90 days past due	Over 90 days past due	Total
As at 31 March 2025						
Expected loss rate	**2.60%**	**6.71%**	**43.86%**	**81.04%**	**100%**	
Gross carrying amount – trade receivables (HK$'000)	**45**	**33,836**	**13,534**	**1,308**	**5,158**	**53,881**
Loss allowance (HK'000)	**1**	**2,270**	**5,936**	**1,060**	**5,158**	**14,425**
As at 31 March 2024						
Expected loss rate	1.33%	8.05%	44.68%	81.31%	100%	
Gross carrying amount – trade receivables (HK$'000)	2,500	33,037	1,272	4,002	300	41,111
Loss allowance (HK'000)	33	2,660	568	3,254	300	6,815

The estimated loss rate are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effect.

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

The Group uses four categories for deposits, other receivables, cash held by securities broker and bank balances which reflect their credit risk and how the loss provision is determined for each of those categories:

Internal credit rating	Description	Other financial assets/ Other items
Low risk	The counterparty has a low risk of default and does not have any past due amounts or has past due amounts which are past due less than 30 days	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

	External credit rating	Internal credit rating	12m ECL or lifetime ECL	2025 Gross carrying amount HK$'000	2024 Gross carrying amount HK$'000
Deposits (Note (i))	N/A	Low risk	12m ECL	**8,574**	1,069
	N/A	Doubtful	Lifetime ECL (not credit-impaired)	**18**	–
Other receivables (Note (i))	N/A	Low risk	12m ECL	**2,166**	63
	N/A	Doubtful	Lifetime ECL (not credit-impaired)	**16,022**	17,002
	N/A	Loss	Lifetime ECL (credit-impaired)	**153**	90
Cash held by securities broker	N/A	Low risk	12m ECL	**67,639**	63,829
Bank balances	A2 to Aa2	N/A	12m ECL	**40,622**	105,320

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Notes:

(i) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

2025

	Past due HK$'000	**Not past due/ No fixed repayment terms HK$'000**	**Total HK$'000**
Deposit	**–**	**8,592**	**8,592**
Other receivables	**153**	**18,188**	**18,341**

2024

	Past due HK$'000	Not past due/ No fixed repayment terms HK$'000	Total HK$'000
Deposit	–	1,069	1,069
Other receivables	90	17,065	17,155

The average expected credit loss rate is 1.73% (2024: 0.55%) and 9.29% (2024: 11.60%) for deposit and other receivables respectively.

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

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

	Trade receivables Life-time ECL (not credit-impaired) HK$000	Trade receivables Life-time ECL (credit-impaired) HK$000	Contract assets Life-time ECL (not credit-impaired) HK$000	Contract assets Life-time ECL (credit-impaired) HK$000	Total HK$000
As at 1 April 2023	692	–	1,126	–	1,818
Transfer to credit-impaired	(1)	1	(491)	491	–
Impairment losses recognised	5,824	299	1,849	31,212	39,184
As at 31 March 2024 And 1 April 2024	6,515	300	2,484	31,703	41,002
Transfer to credit-impaired	–	–	(110)	110	–
Impairment losses recognised	2,752	4,858	1,705	4,730	14,045
As at 31 March 2025	**9,267**	**5,158**	**4,079**	**36,543**	**55,047**

The following tables show reconciliation of loss allowances that has been recognised for other receivables and deposits.

	12-month ECL HK$000	Life-time ECL (not-credit impaired) HK$000	Life-time ECL (credit-impaired) HK$000	Total HK$000
As at 1 April 2023	460	–	–	460
Transfer to lifetime ECL	(278)	278	–	–
Transfer to credit-impaired	(2)	–	2	–
Impairment losses (reversed)/recognised	(173)	1,621	88	1,536
As at 31 March 2024 And 1 April 2024	7	1,899	90	1,996
Transfer to credit-impaired	(1)	–	1	–
Impairment losses (reversed)/recognised	185	(390)	62	(143)
As at 31 March 2025	**191**	**1,509**	**153**	**1,853**

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

Liquidity table

Non-derivative financial liabilities	Weighted average interest rate	On demand or less than 1 year HK$'000	Between 1 year and 2 years HK$'000	Between 2 years and 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
2025						
Trade and other payables	**–**	**92,086**	**–**	**–**	**92,086**	**92,086**
Amount due to a related company	**2%**	**153,223**	**–**	**–**	**153,223**	**153,223**
Amount due to a director	**–**	**1,890**	**–**	**–**	**1,890**	**1,890**
Bank borrowings	**3%**	**9,000**	**–**	**–**	**9,000**	**9,000**
Lease liabilities	**4.84%**	**584**	**516**	**380**	**1,480**	**1,350**
		256,783	**516**	**380**	**257,679**	**257,549**
2024						
Trade and other payables	–	163,786	–	–	163,786	163,786
Amount due to a related company	2%	150,523	–	–	150,523	150,523
Amount due to a director	–	198	–	–	198	198
Lease liabilities	6.27%	1,398	584	896	2,878	2,620
		315,905	584	896	317,385	317,127

34. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Bank borrowings with a repayment on demand clause are included in the "on demand or within one year" time band in the above maturity analysis. As at 31 March 2025, the aggregate carrying amounts of these bank borrowings amounting to approximately HK$9,000,000. Taking into account the Group's financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

Maturity Analysis – Bank borrowings with a repayment on demand clause based on scheduled repayments

	Less than 1 year HK$000	1-2 years HK$000	2-5 years HK$000	Over 5 years HK$000	Total undiscounted cash flow HK$000	Carrying amount HK$000
31 March 2025	**633**	**1,142**	**3,427**	**5,236**	**10,438**	**9,000**
31 March 2024	–	–	–	–	–	–

(c) Fair values measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The Directors are responsible to determine the appropriate valuation technique and input for fair value measurement.

In estimating the value, the Group uses market-observable data to the extent it is available.

34. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair values measurements of financial instruments *(Continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and input used).

	Fair Value as at			
	31 March 2025 HK$'000	31 March 2024 HK$'000	**Fair value Hierarchy**	**Valuation technique and key input**
Financial assets at FVTPL				
Equity securities listed in Hong Kong	**71,114**	50,595	Level 1	Quoted market prices in an active market

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

(ii) Fair value of the Group's financial assets that are not measured at fair value on a recurring basis

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

35. LITIGATION AND CLAIMS

In August 2022, one of the Group's subsidiary issued a claim letter to a supplier regarding the compensation claims due to the delay of delivery of materials. The compensation claims included the extra cost for transportation, warehouse, labour and materials costs amount to approximate to HKD21,208,000. The supplier did not agree the Group's claims after negotiation but claimed that the Group have breach of the exclusive terms entered between both parties and the Group failed to settle the long-outstanding bills approximately amount to HKD9,798,000, the supplier therefore filed a Writ of Summons and Statement of Claim to High Court of the HKSAR, Court of First Instance (Case number HCA 1556/2022) in November 2022. As of the reporting date, the parties are reviewing the provisional expert report on quantum as directed by the Court. The Group has sought for a legal opinion on the above case, as it is still in relatively early stage and subject to further development in relation to expert evidence, therefore, the Group yet to confirm the probability of the compensation claims or if liable to the settled the outstanding bill.

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Place of incorporation/ operations	Class of shares held	Paid up issued capital	Proportion ownership interest held by the Company 2025	2024	Principal activities
Hin Lone Holdings Limited	The British Virgin Islands	Ordinary	US$1	**100% (direct)**	100% (direct)	Investment holding
Mega Builder Holdings Limited	The British Virgin Islands	Ordinary	US$100	**100% (direct)**	100% (direct)	Investment holding
Giant Dragon Holdings Limited	The British Virgin Islands	Ordinary	US$100	**100% (direct)**	100% (direct)	Securities investment
Leung Pui Form Mould & Engineering Co. Limited	Hong Kong	Ordinary	HK$20,000	**100% (indirect)**	100% (indirect)	Timber formwork and metal formwork
Wah Po Scaffolding Equipment & Engineering Co. Limited	Hong Kong	Ordinary	HK$1	**100% (indirect)**	100% (indirect)	Timber formwork and metal formwork
Ho Yip Construction Company Limited	Hong Kong	Ordinary	HK$20,000	**100% (indirect)**	100% (indirect)	Building construction works
Mastery Engineering Limited	Hong Kong	Ordinary	HK$100,000	**100% (indirect)**	100% (indirect)	Timber formwork
Kin Wo Form Mould Engineering Limited	Hong Kong	Ordinary	HK$1	**100% (indirect)**	100% (indirect)	Timber formwork

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investments in subsidiaries	**2**	2
Current assets		
Amounts due from subsidiaries	**74,274**	73,287
Prepayments	**155**	155
Bank balances	**655**	1,589
	75,084	75,031
Current liabilities		
Accruals	**1,365**	1,232
Net current assets	**73,719**	73,799
Net assets	**73,721**	73,801
Capital and reserves		
Share capital	**15,000**	15,000
Reserves	**58,721**	58,801
Total equity	**73,721**	73,801

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

Leung Chi Kit
Director

Chow Dik Cheung
Director

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

Movement in the Company's reserves:

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2023	75,694	(16,816)	58,878
Loss and total comprehensive expense for the year	–	(77)	(77)
As at 31 March 2024	75,694	(16,893)	58,801
Loss and total comprehensive expense for the year	–	(80)	(80)
As at 31 March 2025	**75,694**	**(16,973)**	**58,721**

5 YEARS FINANCIAL SUMMARY

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Revenue	**878,762**	1,244,556	474,768	600,863	523,949
(Loss)/profit before tax	**(8,604)**	(43,810)	11,887	(12,497)	4,120
Income tax (expense)/credit	**(856)**	–	–	–	(1,489)
(Loss)/profit and total comprehensive (expense)/income for the year	**(9,460)**	(43,810)	11,887	(12,497)	2,631
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	**(9,460)**	(43,810)	11,887	(12,497)	2,631

	At 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**417,597**	483,879	425,960	379,276	391,130
Total liabilities	**304,756**	361,578	259,849	225,052	224,409
Net assets	**112,841**	122,301	166,111	154,224	166,721
Total equity	**112,841**	122,301	166,111	154,224	166,721

This report is published in both English and Chinese languages. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.