Shun Wo Group Holdings Limited
汛和集團控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1591

2025
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Yan Hung *(Chairman)*
Mr. Wong Tony Yee Pong *(Chief executive officer)*
Mr. Lai Kwok Fai *(Chief operating officer)*
Ms. To Kit Man (Appointed on 3 December 2024)
Ms. Wong Nga Ling Kitty (Appointed on 30 June 2025)[*(Note)*]

Independent Non-Executive Directors

Mr. Law Ka Ho
Mr. Leung Wai Lim
Mr. Tam Wai Tak Victor

AUDIT COMMITTEE

Mr. Tam Wai Tak Victor *(Chairman)*
Mr. Law Ka Ho
Mr. Leung Wai Lim

REMUNERATION COMMITTEE

Mr. Law Ka Ho *(Chairman)*
Mr. Leung Wai Lim
Mr. Wong Tony Yee Pong

NOMINATION COMMITTEE

Mr. Wong Yan Hung *(Chairman)*
Mr. Law Ka Ho
Mr. Tam Wai Tak Victor
Ms. Wong Nga Ling Kitty (Appointed on 30 June 2025)[*(Note)*]
Mr. Leung Wai Lim (Appointed on 30 June 2025)[*(Note)*]

COMPANY SECRETARY

Ms. To Kit Man

AUTHORISED REPRESENTATIVES

Mr. Wong Tony Yee Pong
Ms. To Kit Man

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Note: The appointments were made after the date of this report

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat A, 7th Floor
Sai Wan Ho Plaza
68 Shaukeiwan Road
Hong Kong

LEGAL ADVISER

David Fong & Co.
Solicitors, Hong Kong
Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wan Chai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

PRINCIPAL BANK

Bank of China (Hong Kong) Limited

COMPANY'S WEBSITE

www.swgrph.com

STOCK CODE

1591

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Shun Wo Group Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I would like to present to our shareholders the annual report of the Group for the year ended 31 March 2025 (the "**Review Year**").

The Group is inevitably faced with a challenging business environment for the Review Year, typically influenced by slow resurgence in economic activities and financial pressure by developers. The Group's revenue decreased to approximately HK$166.3 million, a decrease of 50.1% year-on-year. The sharp decline in revenue is mainly attributable to the overall completion of several sizeable foundation projects awarded in previous years. The additional provision of impairment loss on financial assets and contract assets of approximately HK$9.2 million and an increase in administrative and other operating expenses of approximately HK$9.6 million further adversely affected the financial performance of the Group. As a result, the Group recorded a net loss of approximately HK$5.7 million for the Review Year as compared to a net profit of approximately HK$39.5 million in last financial year.

Looking ahead, the Group faces headwind from market players' heightened competition in sluggish construction industry which will lead to a huge pressure on tender price and profit margin for future projects. The scrapping of all property cooling measures in February 2024 has limited stimulating effect on the housing market, exacerbated by the latest government budget deficit which dampening developers' confidence, leading to delays or downsizing of construction projects.

Even though the business environment is unfavorable to the Group, we are optimistic about the prospects of the Group due to its well-established presence in the industry, dedicated management, proven ability and a healthy financial position. The Group will continue to focus on its core business and explore all opportunities so as to maximise our shareholders' value.

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, business partners, and shareholders for their persistent support, while also expressing my appreciation to the management team and employees for their valuable contribution to the development of the Group.

The Board does not recommend the declaration of final dividend for the Review Year.

Wong Yan Hung
Chairman

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group has more than 20 years of history in Hong Kong's foundation industry, specialising in excavation and lateral support works, socketed H-piling and mini-piling works and pile caps construction works. Hop Kee Construction Company Limited ("**Hop Kee**"), the principal operating subsidiary, is registered under the Buildings Ordinance as a Registered Specialist Contractor under the sub-register of "Foundation Works" and "Site Formation Works" category since December 2009.

As at 31 March 2025, the Group had a total of 10 ongoing projects (including projects that have commenced but not completed as well as projects that have been awarded but not yet commenced) and the original contract sum of these projects are approximately HK$305.8 million.

During the Review Year, the Group faced unprecedented market challenges. The Group's revenue recorded approximately HK$166.3 million, representing a decrease of approximately HK$167.2 million as compared with the corresponding year ended 31 March 2024. The significant decline in revenue was mainly because several sizable awarded projects in prior years were substantially completed during the Review Year. Due to the continued downturn in the overall construction industry, the contract values of new foundation projects awarded had decreased when compared with those awarded in the past few years. The sharp decrease in revenue and higher amount of direct cost incurred for the newly awarded projects led to the decrease in overall gross profit margin from 18.2% to 15.2% for the Review Year. The increase in impairment losses on financial assets and contract assets, net from approximately HK$0.1 million in last corresponding year to approximately HK$9.2 million for the Review Year and the increase of administrative and other operating expenses by approximately HK$9.6 million further weakened the financial performance for the Review Year. As a result, the Group recorded a net loss of approximately HK$5.7 million whereas a net profit of approximately HK$39.5 million was recorded in last corresponding year.

The Group encountered an extremely difficult financial year with shrinking construction market. The property developers was inclined to wait and see. It is expected that the construction industry remains sluggish in the coming two years. Facing a decline in size and number of foundation projects, the most feasible solution to maintain our Group's income stream is to expand our customer base by way of flexible pricing strategy, which has been effective in the past few years. Even though the construction industry is full of fierce competition, we are confident that the Group is well-positioned to achieve profitability. Meanwhile, the Group will adhere to the adoption of strict cost control measures so as to maximise the shareholders' return.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately HK$166.3 million for the Review Year, representing a decrease of approximately HK$167.2 million or 50.1% compared to the corresponding year ended 31 March 2024. The sharp decline in revenue was mainly because several sizeable foundation projects awarded in previous years were mostly completed and newly awarded projects were at their initial stages during the Review Year.

Gross profit and gross profit margin

The gross profit of the Group was approximately HK$25.3 million for the Review Year, representing a decrease of approximately HK$35.5 million or 58.3% when compared to the corresponding year ended 31 March 2024. The gross profit margin was approximately 15.2% for the Review Year, representing a drop of 3 percentage points compared to the corresponding year ended 31 March 2024 of approximately 18.2%.

The decrease in gross profit and reduced gross profit margin was attributed to the drop in revenue and higher amount of direct material cost and direct overhead incurred at the initial stage of the newly awarded foundation projects during the Review Year.

Management Discussion and Analysis

Other income and other gains

For the Review Year, the other income and other gains of the Group was approximately HK$8.8 million, representing an increase of approximately HK$4.4 million or 99.7% compared to the corresponding year ended 31 March 2024. The other income and other gains during the Review Year mainly represents the project management fee of approximately HK$4.5 million (2024: approximately HK$0.7 million) and interest income of approximately HK$3.6 million (2024: approximately HK$2.4 million) recognised.

Administrative and other operating expenses

For the Review Year, the administrative and other operating expenses was approximately HK$31.9 million, representing an increase of approximately HK$9.6 million or 42.8% compared to the corresponding year ended 31 March 2024. The increase was due to the increase in directors and staff benefits.

The Group will continue to implement stringent controls over the general expenditure.

Impairment losses on financial assets and contract assets, net

For the Review Year, the impairment losses on financial assets and contract assets, net was approximately HK$9.2 million (2024: approximately HK$0.1 million). This was a result of an increase in expected credit loss on trade receivables and contract assets.

Net (loss)/profit

As a result of the aforesaid, a net loss of the Group was approximately HK$5.7 million for the Review Year (2024: a net profit approximately HK$39.5 million).

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

On 13 September 2024, the Company held an annual general meeting and an ordinary resolution was passed to approve the consolidation of every ten issued and unissued ordinary shares of par value of HK$0.01 each in the share capital of the Company into one consolidated share of par value of HK$0.10 each in the share capital of the Company. The share consolidation became effective on 17 September 2024 and the total number of issued shares of the Company became 400,000,000 shares. For details of the share consolidation, please refer to the announcements of the Company dated 23 July 2024 and 13 September 2024, and the circular of the Company dated 5 August 2024.

As at 31 March 2025, the Group had total bank balances of approximately HK$85.2 million (2024: approximately HK$93.4 million).

As at 31 March 2025, the Group had current and non-current lease liabilities of approximately HK$0.5 million and HK$0.2 million (2024: Nil).

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

GEARING RATIO

As at 31 March 2025, the gearing ratio (calculated as total borrowings (which included lease liabilities) divided by the total equity) was 0.43% (2024: Nil).

PLEDGE OF ASSETS

As at 31 March 2025, the Group had approximately HK$5.0 million of bank deposit being pledged as surety bond for faithful performance in accordance to the contract between the Group entity and the customer (2024: approximately HK$6.5 million). For the remaining bank deposits of approximately HK$2.2 million, are pledged as bank facilities for the operations of the Group (2024: Nil).

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

As at 31 March 2025, the Group had approximately HK$19.4 million bank deposits denominated in the United States dollar. Since Hong Kong dollar is pegged to United States dollar, the Group's exposure to the currency risk of United States dollar is not material.

Save as disclosed above, the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

CAPITAL EXPENDITURE

During the Review Year, the Group invested approximately HK$10.5 million in the purchase of property, plant and equipment. All these capital expenditures were financed by internal resources.

CAPITAL COMMITMENTS

As at 31 March 2025, the capital commitments of the Group was approximately HK$1.2 million.

Saved as disclosed above, as at 31 March 2025, the Group did not have any other material capital commitments.

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for performance of contracts in the form of surety bonds secured by pledged deposits. In addition, the Group entity provided a corporate indemnity to insurance companies which issued such surety bonds.

As at 31 March 2025, the outstanding amount of such surety bonds of which the Group entity provided a corporate indemnity was approximately HK$18.4 million (2024: approximately HK$19.0 million).

Saved as disclosed above, as at 31 March 2025, the Group did not have any other material contingent liabilities.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Review Year, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT

During the Review Year, the Group had no significant investment.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group did not have any other plans for material investments or capital assets during the Review Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed a total of 59 full-time employees (including executive Directors), as compared to a total of 54 full-time employees as at 31 March 2024. Remuneration is determined with reference to the market terms and the performance, qualifications and experience of the individual employee. In addition to basic salary, performance-linked bonus is offered to those staff with special contributions to the Group, in order to attract and retain capable employees. The total remuneration cost incurred by the Group for the Review Year was approximately HK$44.4 million compared to approximately HK$33.2 million in the corresponding year ended 31 March 2024.

Biographical Details of the Directors and Senior Management

Biographical details of the Directors and senior management are set out as follows:

DIRECTORS

Executive Directors

Mr. WONG Yan Hung (黃仁雄) ("**Mr. YH Wong**"), aged 66, is one of the controlling shareholders, the chairman of the Board and an executive Director of the Group. He joined the Group in June 1995 and is the founder of the Group. He is also a director of each and every wholly-owned subsidiary of the Group.

Mr. YH Wong is responsible for the overall business development as well as financial and strategic planning of the Group. He has more than 30 years of experience in the foundation industry. He is the father of Mr. Tony Wong and Ms. Wong Nga Ling Kitty. For Mr. YH Wong's interest in the shares of the Company (the "**Shares**") within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"), please refer to the section headed "Directors' Report" in this report.

Mr. WONG Tony Yee Pong (黃義邦) ("**Mr. Tony Wong**"), aged 42, is one of the controlling shareholders, the chief executive officer and an executive Director of the Group. He joined the Group in March 2008. He is also a director of each and every wholly-owned subsidiary of the Group.

Mr. Tony Wong is mainly responsible for the overall management of the business operation as well as project management and supervision. He has more than 10 years of experience in the foundation industry and obtained his degree of Bachelor of Science from Simon Fraser University in Canada in February 2008. He is the son of Mr. YH Wong, and the elder brother of Ms. Wong Nga Ling Kitty. For Mr. Tony Wong's interest in the Shares within the meaning of Part XV of the SFO, please refer to the section headed "Directors' Report" in this report.

Mr. LAI Kwok Fai (黎國輝) ("**Mr. Lai**"), aged 66, is one of the controlling shareholders, the chief operating officer and an executive Director of the Group. He joined the Group in May 1996. He is also a director of each and every wholly-owned subsidiary of the Group.

Mr. Lai is mainly responsible for the overall business operation and strategic planning of the Group. He has more than 20 years of experience in the foundation industry. For Mr. Lai's interest in the Shares within the meaning of Part XV of the SFO, please refer to the section headed "Directors' Report" in this report.

Ms. TO Kit Man (杜潔雯) ("**Ms. To**"), aged 55, is an executive Director of the Company and was appointed to the Board with effect from 3 December 2024. She joined the Group in October 2022 and was appointed as the company secretary and an authorised representative of the Company from 30 November 2022.

Ms. To is responsible for overseeing all aspects of corporate governance, ensuring compliance with legal and regulatory requirements, and managing accounting, treasury and tax functions of the Group. She holds a master's degree of finance from Curtin University in Australia, Ms. To is a member of The Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. Ms. To has held various audit, accounting and finance positions with over 20 years of experience. Ms. To is an independent non-executive director of JX Energy Ltd. (stock code: 3395) since December 2024.

Ms. WONG Nga Ling Kitty (黃雅玲) ("**Ms. Wong**"), aged 37, was appointed as an executive Director on 30 June 2025 (after the date of this report). She has extensive experience over project management and operations in foundation industry. From 2017 to early 2025, Ms. Wong served Hop Kee Construction Company Limited, an indirect wholly-owned subsidiary of the Company, as an operations and executive manager. Over the years, she was responsible for the overall functions of project management and operations of the Group. She handled different types of tendering processes and projects. She also focused on maintaining relationship with major stakeholders. Ms. Wong participated and greatly contributed to the implementation and success of projects.

Ms. Wong holds a bachelor's degree in science awarded by The University of British Columbia, Vancouver, Canada. She is responsible for effectiveness of project management for the Group. Ms. Wong is the daughter of Mr. YH Wong, and the younger sister of Mr. Tony Wong.

Biographical Details of the Directors and Senior Management

Independent non-executive Directors

Mr. LAW Ka Ho (羅嘉豪) ("**Mr. Law**"), aged 42, was appointed as the independent non-executive Director in September 2016. He obtained a degree of Bachelor of Business Administration from the Chinese University of Hong Kong in December 2004. He was admitted as a member of the Association of Chartered Certified Accountants in November 2008 and a member of the Hong Kong Institute of Certified Public Accountants in January 2013.

From July 2004 to August 2005, Mr. Law was employed as an audit trainee by Chan Chee Cheng & Co. Certified Public Accountants. From August 2005 to February 2006, he served as an accountant in HLB Hodgson Impey Cheng. He subsequently joined Shu Lun Pan Hong Kong CPA Limited from February 2006 to April 2009 at which his last position was audit senior. In May 2009, he joined BDO Limited as a senior associate and was subsequently promoted to a manager in October 2010 until he left the firm in May 2014. Since December 2014, he has joined the group of Hao Tian International Construction Investment Group Limited (formerly known as Clear Lift Holdings Limited) (stock code: 1341), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), with his last position of financial controller. Since September 2022, he started to work in Yun Lee (Tim Kee) Marine Construction Limited as financial controller.

Mr. LEUNG Wai Lim (梁唯廉) ("**Mr. Leung**"), aged 52, was appointed as the independent non-executive Director in September 2016. He is (i) a member of small and medium firms committee appointed by the Law Society of Hong Kong since September 2024; (ii) a chairman of the Appeal Tribunal Panel (Building Ordinance) appointed by Secretary for Development of HKSAR since December 2024; (iii) a chairman of the Transport Tribunals' Panel appointed by Secretary for Transport and Housing since 2023 (and a member thereof from 2017 to 2023); (iv) a member of the Transportation and Logistics Committee (Co-option) of The Law Society of Hong Kong since 2018; (v) a member of Patient Complaint Committee of the Prince Philip Dental Hospital since 2021; and (vi) a member of Admiralty Court Users' Committee appointed by Chief Justice of HKSAR since 2013. Mr. Leung was a judiciary appointed to the Panel of Adjudicators (Control of Obscene and Indecent Articles) (established under the Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong)) (2014-2020) and a member of the Board of Review (Inland Revenue Ordinance) in Hong Kong (2015-2020).

Mr. Leung has over 20 years of law related working experience. He was employed by DLA Piper from February 2001 to April 2009 at which his last position was partner. He was then employed by Eversheds from May 2009 to April 2015 at which his last position was partner. He is a partner of Howse Williams (previous known as Howse Williams Bowers) since May 2015. Mr. Leung obtained a bachelor's degree in law from University of Wales in United Kingdom in July 1995. He was admitted to practise law as a solicitor in Hong Kong in August 1999 and in England and Wales in April 2001. He was an independent non-executive director of China New Economy Fund Limited (stock code: 0080) from October 2018 until June 2023 and Yield Go Holdings Ltd. (currently known as Metaspacex Limited) (stock code: 1796) from December 2018 until January 2024. Mr. Leung has been an independent non-executive director of Best Linking Group Holdings Limited (stock code: 9882) since April 2025.

Mr. TAM Wai Tak Victor (譚偉德) ("**Mr. Tam**"), aged 47, was appointed as the independent non-executive Director in September 2016. He graduated with a degree of Bachelor of Arts in accounting & finance (first class honours) from the University of Glamorgan (now known as the University of South Wales) in June 2001. He was admitted as a fellow member of the Association of Chartered Certified Accountants in February 2010 and a member of the Hong Kong Institute of Certified Public Accountants in July 2005.

Mr. Tam has approximately 20 years of experience in the field of auditing, accounting and financial management. He is currently an independent non-executive director of Twintek Investment Holdings Limited (stock code: 6182) since December 2017. He was an independent non-executive director of Cool Link (Holdings) Limited (stock code: 8491) from August 2017 to May 2019 and GT Steel Construction Group Limited (now known as Plateau Treasures Limited) (stock code: 8402) from June 2017 to May 2023.

Saved as disclosed above, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2) (a) to (e) and (g) of the Listing Rules during the Review Year. The Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the shareholders of the Company.

Biographical Details of the Directors and Senior Management

Senior Management

Mr. SHUM Kwo Foo (岑果夫) ("**Mr. Shum**"), aged 76, is the technical director and joined the Group in August 2008. He is mainly responsible for supervising and providing technical support to the performance of foundation works. He is also a director of Hop Kee Construction Company Limited.

Mr. Shum has over 40 years of experience in the construction industry and obtained a degree of Bachelor of Science in engineering from The University of Hong Kong in October 1971. He was admitted as a member of the Institution of Structural Engineer in June 1977, a member of the Hong Kong Institution of Engineers in March 1979 and a member of the Institution of Civil Engineer in June 1981. He is included in the Authorised Person's Register (List of Engineers), Structural Engineers' Register and Geotechnical Engineers' Register kept under section 3 of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong). He is also a registered professional engineer registered with the Engineers Registration Board under the Engineers Registration Ordinance (Chapter 409 of the Laws of Hong Kong).

Corporate Governance Report

CORPORATE GOVERNANCE CULTURE AND STRATEGY

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability because the Group believes that is the best way to maximise our shareholder's value. The Board periodically reviews the daily corporate governance practices and procedures of the Group and procures the Group to strictly comply with relevant laws and regulations, and the rules and guidelines of regulatory bodies.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and applied the principles as set out in "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the corporate governance code (the "**CG code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). To the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG code during the Review Year.

BUSINESS STRATEGIES AND CORPORATE CULTURE

The Board has established the Company's mission and values to integrate environmental protection , social responsibility and sustainable growth in business strategies to provide environmental friendly, high efficiency and safe professional services to clients.

A healthy corporate culture across the Group is vital for the Company to achieve its mission and value. It is the Board's role to foster the Group's culture with integrity and accountability to guide the behaviours of its employees, and ensure that the Company's mission, values and business strategies are aligned to it.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the required Model Code's standard during the Review Year.

THE BOARD

Composition

As at the date of this report, the Board is chaired by Mr. Wong Yan Hung and comprised of seven members including four executive Directors and three independent non-executive Directors.

Biographical details of the Directors are set out in the section headed "Biographical Details of the Directors and Senior Management" in this report. Save for Mr. Wong Yan Hung being the father of Mr. Wong Tony Yee Pong and Ms. Wong Nga Ling Kitty, there are no financial, business, family or other material/relevant relationships among members of the Board.

The list of Directors with their role and function is available on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.swgrph.com).

Executive Directors

Mr. Wong Yan Hung *(Chairman)*
Mr. Wong Tony Yee Pong *(Chief executive officer)*
Mr. Lai Kwok Fai *(Chief operating officer)*
Ms. To Kit Man
Ms. Wong Nga Ling Kitty (Appointed on 30 June 2025, after the date of this report)

Independent Non-executive Directors

Mr. Law Ka Ho
Mr. Leung Wai Lim
Mr. Tam Wai Tak Victor

In compliance with Rule 3.09D of the Listing Rules which took effect on 31 December 2023, (i) Ms. To Kit Man ("**Ms. To**"), who was appointed as a Director on 3 December 2024, obtained the legal advice referred to in Rule 3.09D on 28 November 2024; and, (ii) Ms. Wong Nga Ling Kitty ("**Ms. Wong**"), who was appointed as a Director on 30 June 2025 (after the date of this report), obtained the legal advice referred to in Rule 3.09D on 27 June 2025. Each of Ms. To and Ms. Wong confirmed that she understood her obligations as a Director.

The Board has adopted four policies including board diversity policy (the "**Board Diversity Policy**"), nomination policy (the "**Nomination Policy**"), dividend policy (the "**Dividend Policy**") and anti-corruption policy (the "**Anti-Corruption Policy**").

(i) The Board Diversity Policy which sets out the approach to achieve diversity on the Board is summarised as follows:

- the Company recognises and embraces the benefits of having a diverse Board to enhance the quality and effectiveness of the Board;
- in designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;
- the selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board; and
- the nomination committee of the Board will report on the Board's composition under diversified perspectives, monitor the implementation of the Board Diversity Policy, review the Nomination Policy and the Board Diversity Policy to ensure effectiveness and recommend for any revisions to the Board for consideration and approval.

The Board appointed Ms. To Kit Man as an executive Director on 3 December 2024. Regarding the Board's current composition, the Board comprises six male directors and one female director, in accordance with the requirement on gender diversity of Board as stipulated in the CG Code.

The Company will also ensure that there is gender diversity when recruiting staff at mid to senior levels so that it will have a pipeline of female senior management and potential successors to the Board going forward. Gender factor will be taken into consideration in staff recruitment to strike, to the maximum extent possible, a gender balance, but there are certain limitations for female participation in construction sites, which typically involves physically demanding works. As at 31 March 2025, our workforce (including senior management) consisted of 49 male and 10 female employees, representing approximately 83.1% and 16.9% of the total workforce, respectively.

(ii) The Nomination Policy which sets out the criteria and procedures for the selection, appointment/re-appointment of Directors is summarised as follows:

- the selection of candidates or re-appointment of any existing member(s) of the Board will be based on the following criteria:

  (a) reputation for integrity;

  (b) accomplishment, experience and reputation in the industry;

  (c) commitment to devote sufficient time and relevant interest;

  (d) diversity perspectives as mentioned in the Board Diversity Policy;

  (e) ability to assist and support the management of the Group;

  (f) independence for the independent non-executive Directors as defined in the Listing Rules; and

  (g) any other relevant factors as may be determined by the Board from time to time.

- The nomination and selection procedures are:

  (a) the Board shall review, from time to time the structure, size, and diversity of the Board;

  (b) proposed candidate(s) will be asked to submit the necessary personal information in order for the Board to assess the suitability of the candidate(s) based on the above listed criteria;

  (c) when any existing member(s) of the Board is subject to re-selection according the articles of association of the Company, the Board shall apply the above listed criteria to the proposed candidate(s) on his/her/their re-appointment; and

  (d) the Board shall ensure the procedures of the nomination, selection and appointment/re-appointment to comply with the articles of association of the Company, the law of the Cayman Islands and the Listing Rules.

(iii) The Dividend Policy which sets out the criteria and principals which the Board considers if the dividends should be paid to shareholders of the Company in according to the Dividend Policy is summarised as follows:

- The Board shall consider the following factors regarding the recommending/determining the frequency, amount and form of any dividend in any financial year/period:

  (a) the Group's operating results, actual and expected financial performance;

  (b) the retained earnings and distributable reserves of the Company;

  (c) the Group's cash flow and liquidity position, capital requirements and future expenditure plans;

  (d) the Group's business strategies, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;

  (e) general economic conditions, business cycle of Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and

  (f) any other factor that the Board deems appropriate and relevant.

The dividend payout ratio will vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period and are subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole.

(iv) The Group prohibits all forms of bribery and corruption. During the Review Year, the Board establishes a formal and transparent policy for all their employees. The employees are prohibited from soliciting, accepting or offering any bribe in conducting the Group's business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Group, they must comply with the Prevention of Bribery Ordinance (Cap. 201 of Laws of Hong Kong).

Employees are required to adhere to this policy, all local laws and regulation when conducting the Group's business, and also those in other jurisdictions when conducting business there or where applicable.

A channel for reporting suspicious bribery and corruption is provided to employees as well as third parties acting on behalf of the Group (e.g. agents, suppliers, consultants, contractors, etc.). Directors and senior management of the Group are responsible for ensuring the effective implementation and in particular, the monitoring and investigation of any material fraudulent or bribery activities committee within the Group.

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the position of the chairman and chief executive officer of the Company are held by different individuals. Mr. Wong Yan Hung is the chairman and Mr. Wong Tony Yee Pong is the chief executive officer. The primary role of the chairman is to provide leadership for the Board and to ensure it works effectively in discharging its responsibilities. The chairman is also responsibility for ensuring good corporate governance practices and procedures are established. The chief executive officer is responsible for the day-to-day management of the Group's business.

Independent Non-executive Directors

The independent non-executive Directors give the Board the benefit of their skills, expertise, various background and experiences. Through active participation in Board meetings and servicing on various Board committees, the independent non-executive Directors bring in independent judgement to bear issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They also make valuable contributions to the effective direction and strategic decision-making of the Group.

During the Review Year and up to the date of this report, the Company has three independent non-executive Directors representing more than one third of the Board, which is in compliance with rules 3.10(1) and 3.10A of the Listing Rules. Two of the independent non-executive Directors, namely Mr. Law Ka Ho and Mr. Tam Wai Tak Victor, both possessing professional accounting qualifications, or accounting or related financial management expertise, which is in compliance with rule 3.10(2) of the Listing Rules.

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

Appointment, Re-election and Removal of Directors

Each of the executive and independent non-executive Directors has entered into a service agreement or a letter of appointment with the Company for a specific term and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the second amended and restated articles of association approved by the annual general meeting held on 7 September 2023 (the "**Second Restated Articles**").

In accordance with article 108 of the Second Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 112 of the Second Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at such annual general meeting.

As such, in accordance with articles 108 and 112 of the Second Restated Articles, Mr. Wong Yan Hung, Ms. To Kit Man, Ms. Wong Nga Ling Kitty (who was appointed on 30 June 2025, after the date of this report) and Mr. Leung Wai Lim will retire from office as Directors at the forthcoming annual general meeting of the Company, being eligible, and offer themselves for re-election.

Pursuant to the code provision B.2.3, any further appointment of an independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by the shareholders of the Company. As of the date of this report, each of Mr. Law Ka Ho, Mr. Leung Wai Lim and Mr. Tam Wai Tak Victor has served as an independent non-executive Director of the Company for more than eight years, and it would approach the abovementioned threshold of nine years shortly after the next annual general meeting tentatively to be held on Thursday, 28 August 2025. The Board will assess and review their independence under Rule 3.13 of the Listing Rules in order to ensure that they will continue to make their independent judgements in all related matters for the benefit of the Company and the shareholders of the Company as a whole.

Further, pursuant to requirements under the code provision B.2.4 in respect of a board where all the independent non-executive Directors have served for more than nine years, the Board will endeavor to look for suitable candidate and appoint a new independent non-executive Director in the upcoming financial year in order to comply with the requirement.

Role and Responsibilities

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Company's business has been delegated to management under the leadership of the chief executive officer of the Company.

The principal roles of the Board are:

- setting long term objectives and strategies;
- approving major policies and guidelines;
- preparing and approving financial statements, annual report and interim report;
- approving major capital expenditures, acquisition and disposals;
- approving connected transactions;
- establishing Board committees;
- approving material borrowings and expenditures;
- reviewing and monitoring of risk management and internal control;
- discussing the need of establishing the internal audit department; and
- declaring and recommending the payments of dividends.

The Board is also responsible for the corporate governance functions of the Company, which includes:

- reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and
- reviewing the Company's compliance with the CG code and disclosure in the corporate governance report.

Directors are required to declare their interest (if any) in the matters to be considered at the Board meetings in accordance with the Second Restated Articles. Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be dealt with a physical meeting rather than by written resolution. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues. Pursuant to the Second Restated Articles, a Director who is considered to be materially interested in the matter shall abstain from voting on the resolution approving such matter.

Directors' Insurance

The Company has arranged appropriate insurance coverage for all Directors in relation to the discharge of their responsibilities.

Directors' Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and/or reading relevant material on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills. The Company also provides comprehensive, formal and tailored induction for newly appointed Directors. The above training costs are borne by the Company.

The Directors are required to provide the Company with details of the training's records. Based on those training's record, the Directors received the following training during the Review Year:

	Type of training	
Directors:	**Reading and/or on-line studying**	**Seminars/Webinars and/or workshops**
Mr. Wong Yan Hung	✓	✓
Mr. Wong Tony Yee Pong	✓	✓
Mr. Lai Kwok Fai	✓	✓
Ms. To Kit Man (Appointed on 3 December 2024)	✓	✓
Mr. Law Ka Ho	✓	✓
Mr. Leung Wai Lim	✓	✓
Mr. Tam Wai Tak Victor	✓	✓

Board Process

The Company has in place clear board process. Regular Board meetings are scheduled at least four times per year. Directors receive at least 14 days' prior written notice of regular Board meetings and agenda. The Board papers, including supporting analysis and relevant background information, are normally sent to all Directors at least 3 days before the Board meeting. For other Board meetings, Directors are given notice as soon as possible in the circumstances. Directors may include any matters they wish to discuss in the agenda. Directors may attend the meeting in person, by phone or by other communication means, provided that all persons participating in the meeting are capable of hearing and being heard by each other.

Other than regular Board meetings, the Chairman also meets with independent non-executive Directors without the presence of executive Directors.

Minutes of the Board and committee meetings are prepared and kept by the company secretary of the Company, and are open for inspection by Directors upon request. Draft and final version of minutes of each Board meeting are sent to all Directors for their comments and records respectively within a reasonable time. All Directors have access to the advice and services of the company secretary, and are allowed to seek external professional advice if needed.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group during the Review Year.

Shareholders' Meeting

At the last annual general meeting of the Company held on Friday, 13 September 2024, the Chairman of the Board and all Board members as well as the external auditor were present to communicate with shareholders. Procedures for poll voting on the proposed resolutions were explained at the meeting by the company secretary. The Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, acted as scrutineers to ensure the votes were properly counted and the poll results were published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.swgrph.com).

Except for the annual general meeting, the Company did not convene any other shareholders' meeting during the Review Year.

During the Review Year, the Board held six meetings. The attendance record of the Board meetings and the annual general meeting are set out below:

	Board meetings attended/ Eligible to attend	Annual general meeting attended/ Eligible to attend
Executive Directors:		
Mr. Wong Yan Hung	6/6	1/1
Mr. Wong Tony Yee Pong	6/6	1/1
Mr. Lai Kwok Fai	6/6	1/1
Ms. To Kit Man (Appointed on 3 December 2024)	2/2	–
Independent Non-executive Directors:		
Mr. Law Ka Ho	6/6	1/1
Mr. Leung Wai Lim	6/6	1/1
Mr. Tam Wai Tak Victor	6/6	1/1

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Company's affairs, namely audit committee (the "**Audit Committee**"), nomination committee (the "**Nomination Committee**") and remuneration committee (the "**Remuneration Committee**"). Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Company established an Audit Committee on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the Group's financial report system, risk management and internal control procedures, provide advice and comments to the Board, and monitor the independence and objective of the external auditor and perform the corporate governance function.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Tam Wai Tak Victor, Mr. Law Ka Ho and Mr. Leung Wai Lim. Mr. Tam Wai Tak Victor is the chairman of the Audit Committee. The Audit Committee has reviewed the consolidated financial statements for the Review Year. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

During the Review Year, the Audit Committee held two meetings. The attendance record of the Audit Committee is set out below:

Name of committee members	Meetings attended/ Eligible to attend
Mr. Tam Wai Tak Victor *(Chairman)*	2/2
Mr. Law Ka Ho	2/2
Mr. Leung Wai Lim	2/2

The following is a summary of the major work performed by the Audit Committee:

- reviewed the interim results of the Group;
- reviewed the annual results of the Group;
- reviewed the Group's financial information and financial reporting system;
- reviewed the Company's auditors' independence and objectivity;
- made recommendations to the Board on the re-appointment of the Company's external auditors;
- approved the remuneration and terms of engagement of the Company's external auditors;
- reviewed the Company's external auditors' management letter, significant findings and recommendations;
- reviewed the continuing connected transactions and commented on the fairness and reasonableness of the transactions;
- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- reviewed and discussed the reports from the Company's external professional firm with the management;
- reviewed the Group's internal control system and discussed the relevant issues including environmental, social and governance (the "**ESG**"), financial, operational and compliance controls and risks management functions;

- reviewed the Group's ESG performance and reporting;
- reviewed the terms of reference of the Audit Committee and made recommendation to the Board for approval;
- reviewed the Company's compliance with the CG code and disclosure in the corporate governance report; and
- met with the Company's external auditors, in the absence of the management.

There had been no disagreement between the Board and the Audit Committee during the Review Year and up to this date of this report.

Nomination Committee

The Company established the Nomination Committee on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Nomination Committee are to review the structure, size, composition and diversity of the Board, access the independence of the independent non-executive Directors and make recommendations to the Board regarding appointment of Board members and senior management of the Group.

As at the date of this report, the Nomination Committee consists of an executive Director, namely Mr. Wong Yan Hung and two independent non-executive Directors, namely Mr. Law Ka Ho and Mr. Tam Wai Tak Victor. Mr. Wong Yan Hung is the chairman of the Nomination Committee. With effect from 30 June 2025, each of Ms. Wong Nga Ling Kitty and Mr. Leung Wai Lim has been appointed as a member of the Nomination Committee.

During the Review Year, the Nomination Committee held two meetings. The attendance record of the Nomination Committee is set out below:

Name of committee members	Meeting attended/ Eligible to attend
Mr. Wong Yan Hung *(Chairman)*	2/2
Mr. Law Ka Ho	2/2
Mr. Tam Wai Tak Victor	2/2

The following is a summary of the major work performed by the Nomination Committee:

- reviewed the term of reference of the Nomination Committee and made recommendation to the Board for approval;
- reviewed the structure, size and composition and diversity of the Board;
- considered the latest update on board diversity and director independence;
- assessed and confirmed the independence of the independent non-executive Directors;
- reviewed the Nomination Policy and the Board Diversity Policy and made recommendation to the Board for approval; and
- recommended the re-election of the retiring Directors.

The Nomination Committee had reviewed the Board Diversity Policy and reported on the Board's composition under diversified perspectives and had monitored the implementation of the Board Diversity Policy. In addition, the Nomination Committee has made endeavors to identify suitable candidates so as to have achieved that (i) the Board has at least one Director with different gender towards the end of 2024; and, (ii) the Nomination Committee has at least one Director with different gender in accordance with the CG Code, upon the appointment of Ms. Wong Nga Ling Kitty as an executive Director and a member of the Nomination Committee with effect from 30 June 2025.

Remuneration Committee

The Company established the Remuneration Committee on 3 September 2016 with written terms of reference in compliance with the CG code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management, and make recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board.

The Remuneration Committee consists of an executive Director, namely Mr. Wong Tony Yee Pong and two independent non-executive Directors, namely Mr. Law Ka Ho and Mr. Leung Wai Lim. Mr. Law Ka Ho is the chairman of the Remuneration Committee.

The Board is ultimately responsible for the Company's Remuneration Policy. The Remuneration Committee has been delegated powers to recommend the remuneration policy and structure of all Directors and senior management whilst ensuring no Director is involved deciding his own remuneration.

In order to make recommendations to the Board on the remuneration packages of all Directors and senior management, the Remuneration Committee is required to follow the Remuneration Policy of the Company, that among others, the remuneration should reflect performance and achievements with a view to attracting, motivating and retaining high performing individuals. All Directors shall be entitled to receive directors' fee as shall from time to time be determined by the Company in general meeting or, if authorised by shareholders, by the Board. The remuneration of Directors and senior management for the year were determined after reviewing the pay levels of their peers in corporations of similar size and industry and having taken into account the prevailing market practice, workload, scale and complexity of the Company's business and the responsibility involved.

During the Review Year, the remuneration of senior management is listed as below by band:

Band of remuneration (HK$)	No. of person
HK$1,000,001 – HK$1,500,000	1

Further details of the remuneration of the Directors and the 5 highest paid employees are set out in Note 9 to the consolidated financial statements.

During the Review Year, the Remuneration Committee held two meetings. The attendance record of the Remuneration Committee is set out below:

Name of committee members	Meetings attended/ Eligible to attend
Mr. Law Ka Ho *(Chairman)*	2/2
Mr. Leung Wai Lim	2/2
Mr. Wong Tony Yee Pong	2/2

The following is a summary of the major work performed by the Remuneration Committee:

- reviewed the term of reference of the Remuneration Committee and made recommendation to the Board for approval;
- considered the remuneration paid to Directors and senior management with reference to their responsibilities, workload, the time devoted and the performance of the Group, as well as remuneration paid by other comparable listed companies;

- reviewed the remuneration policy and structures for Directors and senior management of the Group;
- reviewed and made recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board; and
- made recommendations to the Board on the remuneration of independent non-executive Directors.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. The Directors also acknowledge their responsibility to ensure the consolidated financial statements are published in a timely manner. Directors are regularly provided with monthly updates on the Company's businesses, potential investments, financial objectives, plans and actions.

The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditors' reporting responsibilities are set out in the section headed "Independent Auditors' Report" in this report.

AUDITORS' REMUNERATION

For the Review Year, the fee paid/payable to HLB Hodgson Impey Cheng Limited by the Group is set out as follows:

	HK$
Audit services	760,000
Non-audit services	120,000

The amount of fee incurred for the non-audit services is mainly the financial information review fee. The Audit Committee was satisfied that non-audit services for the Review Year did not affect the independence of the auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management, internal control systems, legal and regulatory and compliance, and for reviewing their effectiveness.

In meeting its responsibility, the Board, with due regard to the Group's risk appetite, evaluates and determines the nature and extent of risks (including ESG risks) that the Group is willing to accept in pursuit of its business objectives. The Group has adopted a "3 lines of defence" model to identify, analyse, evaluate, mitigate and handle risks. At the first line of defence, the departmental heads of the Group have to complete a risk management and internal control self-assessment questionnaires, identify and evaluate those significant risks and confirm to the management that appropriate internal control policies and procedures have been established and properly complied with. At the second line of defence, the management provides independent oversight of the risk management activities of the first line of defence. It ensures that risks are within the Group's risks capacity and that the control of the first line of defence is effective. At the third line of defence, the Audit Committee and the Board with the advice and opinions from an external professional party conduct a review of the Company's risk management and internal control systems on an annual basis and ensure that the first and second lines of defence are performed effectively. The management then reviewed the findings and summarised all material issues to the Board and Audit Committee annually.

The Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and the compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material misstatement, errors, losses, fraud or non-compliance.

The Group has defined and approved anti-corruption policy during the Review Year. Our established whistle blowing procedure is to provide a reporting channel to employees of the Group, in confidence, to raise concerns about possible irregularities or frauds in financial reporting, internal controls or other matters to the Audit Committee.

The Group recognises that good risk management is essential for the long-term development of the Group's business. Management is responsible for establishing, implementing, reviewing and evaluating the soundness and effectiveness of the internal control system underpinning the risk management framework. The management has formulated the risk management and control framework. All employees are committed to implementing the risk management framework into daily operation.

Although the Company does not have an internal audit function, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group. The Group has engaged an external professional party to review the effectiveness and efficiency of the Group's risk management and internal control systems in relation to the financial, operational and compliance controls, and the results were summarised and discussed with the Audit Committee and the Board. The Audit Committee and the Board are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

INSIDE INFORMATION POLICY

The Company has established policy for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Procedures such as limit access to inside information to those who need to know and requiring external parties to execute confidentiality agreement have been implemented by the Company to guard against mishandling of inside information. The Company also reminds those relevant personnel and other professional parties to preserve confidentiality of the inside information until it is publicly disclosed.

COMPANY SECRETARY

The Board has appointed Ms. To Kit Man ("**Ms. To**") as the company secretary (the "**Company Secretary**") of the Company, who is a full-time employee of the Company and responsible for facilitating the Board process, as well as communications among the Directors, shareholders and the management. Ms. To has confirmed that for the Review Year, she has taken no less than 15 hours of professional training to upgrade her skills and knowledge. The biography of Ms. To is set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

The appointment and removal of the Company Secretary is subject to Board approval. Whilst the Company Secretary reports to the Chairman, and all members of the Board have access to Company Secretary's advice and service. The Company Secretary has day-to-day knowledge of the Group's affairs.

SHAREHOLDERS' RIGHTS

The Company has only one class of Shares. All Shares have the same voting rights and are entitled to all dividends declared. The right of the shareholders are set in, among others, the Second Restated Articles and the Companies Law of Cayman Islands.

Procedures for Convening General Meetings by Shareholders

Pursuant to article 64 of the Second Restated Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more shareholder holding, at the date of deposit of 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 by mail at Flat A, 7th Floor, Sai Wan Ho Plaza, 68 Shaukeiwan Road, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisition(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.

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are requested to follow article 64 of the Second Restated Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening General Meetings by Shareholders".

Pursuant to article 113 of the Second Restated Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

Procedures by which Enquiries may be put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are welcomed to send their enquiries to the Board by post to the principal place of business in Hong Kong set out in the section headed "Corporation Information" in this report or by email at info@swgrph.com.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community, the Company has established a shareholders communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to annual and interim reports, circulars, announcements and notices of annual general meetings are updated on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.swgrph.com).

In addition, the Company regards the annual general meeting as an important event as it provides an opportunity for direct communication between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting, where all Board members and external auditors are available to answer questions on the Group's business.

The annual general meeting will be held on Thursday, 28 August 2025, the notice of which shall be sent to the shareholders of the Company at least 21 days prior to the meeting.

Environmental, Social and Governance Report

FOREWORD

Under the influence of the global trend of sustainable development, the demands, considerations, and incorporation of Environmental, Social, and Governance ("**ESG**") factors have sparked extensive attention and contemplation among international organisations, national policymakers, investors, and other stakeholders. Hong Kong, as a significant financial centre in the Asia-Pacific region and globally, is also actively embracing the ESG trend. As a listed company on the Hong Kong Stock Exchange (the "**Stock Exchange**" or "**HKEX**"), the Group places a strong emphasis on the environmental and social impacts of its operations, striving to establish a compliant corporate governance framework. Furthermore, the Group strictly adheres to the requirements of Appendix C2 of the Listing Rules of the Stock Exchange for disclosing relevant information.

Reporting Scope and Review Year

The Group is a Hong Kong foundation contractor, specialising in ELS works, socketed H-piling and mini-piling works and pile caps construction works. The Group's primary spheres of influence on the environment and society comprise construction sites, offices, and philanthropic contributions undertaken to fulfil corporate social responsibility. At a more granular level, the Group's specific choices and scrutiny regarding the disclosure scope, topics, and transactions are formulated in compliance with the directives outlined in the Environment, Social and Governance Reporting Code ("**ESG Reporting Code**"; formerly known as the ESG Reporting Guide) found in Appendix C2 of HKEX's listing regulations. Based on the aforementioned ethics, the Board is pleased to present the Environmental, Social, and Governance Report (the "**ESG Report**") covering the year ended 31 March 2025 (the "**Review Year**" or "**FY2025**") and the year ended 31 March 2024 (the "**Previous Year**" or "**FY2024**") for comparison where applicable.

A Message from the Board

The Group has always been committed to upholding a high standard of environmental, social, and governance practices in our business operations. As the Board of Directors (the "**Board**"), we firmly believe that ESG principles are not just a responsibility but a key driver of innovation, long-term growth, and value creation. Our overall policy aims to integrate environmental stewardship, social responsibility, and effective governance into our business. We are dedicated to mitigating our carbon footprint, promoting employee diversity and inclusivity, and ensuring transparent and accountable corporate management.

To ensure the comprehensive implementation of our ESG commitments, we have established a dedicated workforce. Comprised of company executives and independent experts, the workforce is responsible for overseeing the execution of our ESG strategy and regularly reporting to the Board. We recognise the importance of ESG matters in shaping our corporate image, driving sustainable growth, and making contributions to society and the environment. We look forward to collaborating with all stakeholders to achieve a more sustainable and responsible future.

In the Review Year, the Group thoroughly assessed its past business operations to meet the growing importance of ESG requirements. Being in the construction industry, our focus is on managing energy consumption, waste emissions, and ensuring worker safety across our various construction sites. These objectives are key to our sustainable development goals and will be detailed in the report with supporting data. Beyond operational activities, as a Hong Kong-based company, we are committed to giving back to the community through donations and support for local disadvantaged groups.

After a comprehensive review, the Board confirms that this ESG Report complies with the ESG Guide, encompassing all significant aspects. Subsequent sections will offer detailed insights into key environmental and social factors. Shareholders are encouraged to reach out to the Group through the provided communication channels for feedback or inquiries.

Environmental, Social and Governance Report

Basis of Preparation

The ESG Report is prepared following the ESG Reporting Guide, with the intention of revealing and elucidating the significant actions and initiatives undertaken by the Group concerning ESG aspects throughout the Review Year.

When preparing the ESG Report, the Group adhered to the reporting principles under the ESG Reporting Guide, which are stated below:

Materiality	Through communicating with its stakeholders, the Group carried out a materiality assessment to identify the necessary ESG-related issues to be included in the ESG Report.
Quantitative	The key performance data were collected from the Group's internal documentation, while the calculation methodologies followed the ESG Reporting Guide. When assumptions and other tools are used for the reporting, they have been disclosed in the relevant sections of the ESG Report.
Balance	By collecting data from different departments and involving multiple personnel in preparing the ESG Report, the Group ensures the objectivity and fairness of the Report. The Group is confident that the ESG Report provides an unbiased picture of its performance.
Consistency	Methodologies adopted for the preparation of this ESG Report are consistent with the Previous Year for a fair comparison unless otherwise indicated and explained in the corresponding section.

Stakeholders' Communication and Materiality Assessment

In the Review Year, the Group's communication with various shareholders has allowed it to gain a direct understanding of their genuine concerns. This feedback has been instrumental in guiding the Group's adjustments to internal policies and operations. The Group remains committed to maintaining an open mindset and welcoming input and feedback from all stakeholders. The Group is grateful for the oversight that motivates it to strive for continuous improvement. The chart below demonstrates the major concerns of different stakeholders and the main communication channels to convey them to the Group.

Major stakeholders	Major demands and expectations	Main communication channels
Shareholders and investors	• Return on investment • Corporate governance system • Prevention of operational risks	• Company announcements • Annual report and interim report • Annual general meetings • Company's website
Government and regulatory bodies	• Regulatory compliance • Resource conservation • Pollution control • Community involvement • Project safety	• Supervision and evaluation • ESG Report • Inspection
Customers	• Standard of services • Quality control • Information security • Pollution control	• Business communication • Customer feedback

Major stakeholders	Major demands and expectations	Main communication channels
Employees	• Corporate governance on employee rights and interests • Improvement in employee remuneration and welfare • Career development	• Staff meetings and activities • Staff training • Recruitment procedures
Media	• Information transparency • Corporate sustainability • Pollution control • Project safety	• Company's website • News
Communities	• Higher community involvement • Supporting public welfare activities • Pollution control	• Charity activities

GENERAL ENVIRONMENTAL POLICIES

The Group is committed to protecting the environment, promoting sustainable development in the operation of the construction industry in Hong Kong. It firmly believes that sustainable development is the foundation of our long-term success. Therefore, the Group will actively take the following policies:

Compliance with Laws and Regulations: The Group strictly complies with environmental laws and regulations in Hong Kong and internationally, ensuring that our business activities meet relevant standards, including but not limited to: Environmental Impact Assessment Ordinance, Air Pollution Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance, Noise Control Ordinance, etc.

Energy Conservation and Emission Reduction: The Group strives to reduce the Group's energy consumption, minimise waste generation, and optimise resource utilisation to reduce adverse impacts on the environment.

Promotion of Green Building: The Group encourages and supports green building design and practices, including the use of environmentally friendly materials and improving building energy efficiency, to reduce the impact of buildings on the natural environment.

Environmental Awareness Training: The Group provides environmental protection training for employees to enhance their environmental awareness and encourage them to take environmentally friendly actions in both work and personal life.

Environmental Risk Management: The Group regularly assesses the environmental risks of the Group, develops corresponding response measures to minimise the occurrence of environmental incidents, and promptly addresses and manages potential environmental risks.

Continuous Improvement: The Group periodically reviews and evaluates the Group's environmental policies and objectives, continuously improves its environmental management system, and ensures that its environmental policies adhere to best practices.

Environmental, Social and Governance Report

MEASURES RELATED TO CLIMATE CHANGE

Global warming, driven by the emission of greenhouse gases ("**GHGs**"), poses a major challenge to the global ecosystem today. Hong Kong, as a coastal city, is increasingly experiencing extreme rainfall events and a gradual rise in sea levels. These environmental changes give rise to physical risks for businesses operating within Hong Kong. Concurrently, to confront this crisis effectively and align with the global climate actions, Hong Kong has established ambitious emission reduction goals in line with the stipulations of the Paris Agreement.

As a company listed on the HKEX, the Group is committed to supporting Hong Kong's sustainability vision and is taking active steps to embed relevant aspects of the International Financial Reporting Standard ("**IFRS**") S2 on Climate-related Disclosures — issued by the International Sustainability Standards Board ("**ISSB**")–into its reporting and day-to-day practices. To demonstrate our commitment and prepare for a low-carbon future, the Group has implemented the following policies:

Governance:

- Establish a dedicated workforce for climate-related risks and opportunities, ensuring the Board holds ultimate supervisory responsibility for climate issues.
- Assign specific responsibilities to senior management for overseeing climate-related risk management to ensure alignment between decision-making and execution of climate-related strategies.

Strategy:

- Develop a comprehensive climate change strategy, including reducing carbon footprint, adopting renewable energy sources, and enhancing building energy efficiency.
- Ensure our construction processes comply with green building standards to minimise environmental impact.

Risk Management:

- Conduct a thorough assessment of climate-related risks, including risk evaluations for extreme weather events and the long-term impacts of climate change on projects.
- Develop contingency plans to ensure we can respond to potential climate-related disasters and emergencies.

Metrics and targets:

- Establish clear climate-related indicators such as reducing carbon emissions and improving energy efficiency.
- Set measurable goals to monitor and evaluate our progress in mitigating climate change and regularly report our performance data.

USE OF RESOURCES & EMISSIONS

The Group's emissions of GHG, nitrogen oxides, sulfur oxides, and Particulate Matter were determined using the coefficients and methodologies outlined in the Reporting Guidance on Environmental Key Performance Indicators issued by HKEX. The following tables present a detailed breakdown of energy usage and emissions.

Energy Consumption	Unit	Consumption FY2025	Consumption FY2024	Intensity[1] (unit/million sales) FY2025	Intensity[1] (unit/million sales) FY2024
Electricity	kWh	93,464	237,067	562	711
Fuel — Diesel	Litre	363,819	380,088	2,188	1,140
Fuel — Unleaded petrol	Litre	3,308	6,506	20	20
Paper	kg	583	924	3.5	3
Water[2]	m^3	1,634	18,848	10	57

Emission	Unit	Emission FY2025	Emission FY2024	Intensity[1] (unit/million sales) FY2025	Intensity[1] (unit/million sales) FY2024
Total GHG emission in CO_2 equivalent	Tonnes	1,014	1,136	6.1	3.4
— Direct GHG emission in CO_2 equivalent	Tonnes	967.5	1,019	5.8	3.1
— Indirect GHG emission in CO_2 equivalent	Tonnes	46.9	117	0.3	0.3
Nitrogen oxides (NO_x)	kg	386	404	2.3	1.2
Sulphur oxides (SO_x)	kg	5	6	0.04	0.02
Particulate Matter (PM)	kg	30	31	0.2	0.1

Notes:

1 Intensity is calculated by the total amount of consumption over total revenue for FY2025 and FY2024, which are approximately HK$166.3million and HK$333.4 million, respectively.

2 Water consumption refers to water used in construction sites, warehouses and offices.

Throughout the Review Year, the Group's primary sources of energy consumption included vehicles, machinery, equipment, trucks, and lorries utilised in projects and operations. The Group strived to maintain emission intensities at levels akin to the Previous Year. The quantum of resources utilised and pollutants emitted by the Group depended largely on the types of foundation projects undertaken during the Review Year and the site conditions of each project. Consequently, fluctuations in total energy consumption and pollutant emissions are common in our industry from year to year. Consequently, setting concrete, quantifiable emission reduction targets proves challenging for the Group. Nonetheless, the Group has persistently refined its operational methodologies to reduce relative emissions.

Compared to the Previous Year, the energy consumption during the Review Year, encompassing electricity, diesel, gasoline, paper, and water resources, has all shown a decrease, underscoring the Group's dedication to energy efficiency. Simultaneously, there has been a reduction in the total volume of GHG emissions and various pollutants emitted compared to FY2024. Looking towards the future, the Group is committed to intensifying its efforts in energy conservation, further mitigating pollutant emissions, with the aim of enhancing its environmental performance.

WASTE MANAGEMENT

The Group's operations do not produce a substantial amount of hazardous waste that poses significant environmental risks. Compared to the Previous Year, the emission of non-hazardous waste has been effectively controlled during the Review Year. This waste mainly consists of inert construction materials like rock, rubble, earth, sand, concrete, asphalt, brick, tile, and masonry. The majority of these materials were properly disposed of in public fill reception facilities overseen by the Hong Kong government. Below is a breakdown of the Group's construction waste by type and disposal facility:

Type of construction waste	Waste disposal facilities	Construction waste produced by the Group (tonnes)		Intensity (unit/million sales)	
		FY2025	FY2024	FY2025	FY2024
Consisting entirely of inert construction waste	Public fill reception facilities	49,765	156,671	299	469
Containing more than 50% by weight of inert construction waste	Sorting facilities	490	98	2.94	0.29
Containing not more than 50% by weight of inert construction waste	Landfills	1,558	1,735	9.37	5.19
Total		51,813	158,504	311	475

EMPLOYMENT & LABOUR STANDARDS

Respecting the rights of employees is the cornerstone of a company's internal social responsibility. The Group is committed to safeguarding the human rights, well-being, and interests of its employees, as they are the driving force behind its business operations. To ensure compliance with applicable laws and regulations, the Group's human resources department conducts regular reviews of policies and procedures governing our business operations.

The Group unequivocally opposes all forms of discrimination. It upholds the principle of racial equality, ensuring that every job applicant is afforded equal opportunities. The Group maintains a strict zero-tolerance stance towards the utilisation of child labour and forced labour, deeming such practices as severe violations of both ethics and laws.

Throughout the recruitment procedures, the Group meticulously adheres to legal statutes and regulations to guarantee the impartiality and legality of its recruitment activities. It is firmly believed that true potential can only be realised in a just and inclusive work environment, where each individual can fully showcase their value, thus fostering collective prosperity for both the individuals and the organisation.

All employees within the Group are situated in Hong Kong and are safeguarded by the stipulations of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), as prescribed by Hong Kong's employment regulations.

Moreover, the Group adheres to all obligatory insurance and retirement fund contributions for eligible employees. Furthermore, various types of leave such as annual, maternity, paternity, and examination leaves are granted by the Group to promote the well-being and foster work-life balance among its employees.

Employment Structure

Following the prevailing standard in Hong Kong's construction sector, the Group's on-site construction staff are typically engaged on a project-by-project basis. This method allows for adaptability in modifying the workforce size to suit the specific requirements and scope of each project. Consequently, the number of employees may vary significantly from year to year. This flexible composition of the workforce enables the Group to efficiently allocate resources and effectively manage labour requirements in alignment with project needs.

As of March 31, 2025, the Group had a total workforce of 59 individuals in Hong Kong. Acknowledging the recruitment challenges encountered by the construction industry, the Group actively embraces employees from diverse backgrounds, cultivating an inclusive work environment. The table below delineates the full-time employees based on the employment category, job role, gender, and age group:

	Number of employees	
	FY2025	FY2024
By employment type		
Daily	**36**	34
Monthly	**23**	20
By job function		
Management	**8**	8
Administration	**11**	9
Supervisors	**4**	4
Technicians	**2**	2
Workers	**34**	31
By gender		
Male	**49**	46
Female	**10**	8
By age group		
≤30	**2**	1
31-40	**7**	6
41-50	**13**	11
51-60	**19**	19
≥61	**18**	17
By location		
Hong Kong	**59**	54
Total	**59**	54

As the Group's onsite workers are hired on a project basis, the employee turnover rate varies significantly from year to year. The table below demonstrates the details of the Group's employee turnover rate by various categories:

	Employee turnover rate (%)	
	FY2025	FY2024
By gender		
Male	**57**	38
Female	**21**	59
By age group		
≤30	**50**	88
31-40	**71**	73
41-50	**58**	61
51-60	**54**	47
≥61	**28**	43
By location		
Hong Kong	**53**	57
Total	**53**	57

WORK ENVIRONMENT SAFETY

As a construction company primarily engaged in piling projects, the Group prioritises creating a safe working environment for its employees and workers in both offices and construction sites. The main objective of the Group is to cultivate a safe workplace, reducing and even eliminating workplace injuries during the construction process. In order to comply with the standards set forth in the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Group actively implements measures to enhance occupational safety awareness and provide comprehensive guidance for safe operations. These initiatives can be summarized as follows:

1. Providing comprehensive on-site and mechanical safety training, industrial knowledge training, and instruction on the proper use of tools and equipment to raise awareness and ensure workers are equipped with the necessary knowledge and skills for safe work practices;

2. Establishing detailed safety guidelines and accident reporting procedures that provide clear protocols for prompt reporting and resolution of safety risks, allowing for quick identification and elimination of potential hazards or dangers in the workplace;

3. Utilising posters and guidelines in the work environment to constantly remind and reinforce safety protocols and operational instructions, creating a visual reminder for employees and workers to prioritise safety in their daily tasks;

4. Assigning on-site safety officers who conduct daily inspections of all projects to proactively identify and address any safety hazards or non-compliance with government regulations and ordinances, ensuring a safe working environment for all;

5. Conducting regular safety audits and inspections with external third-party organisations to ensure compliance with industry standards and regulations.

The following table lists the numbers of employees being involved in work-related accidents for the past three years:

	Employee work-related accidents								
	FY2025			FY2024			FY2023		
	Work-related injuries	**Work-related fatal incidents**	**Lost working days**	Work-related injuries	Work-related fatal incidents	Lost working days	Work-related injuries	Work-related fatal incidents	Lost working days
Involving workers from sub-contractor	**0**	**0**	**0**	1	0	136	0	0	0
Involving workers from the Group	**2**	**0**	**248**	2	0	358	0	0	0

During the Review Year, the Group regrets to announce that 2 work-related accidents have taken place, both were related to workers within the Group, resulting in a total loss of 248 working days. The Group acknowledges the significance of these incidents and has made it a top priority to ensure equitable compensation for the workers affected. Thorough investigations have also been carried out to gain insights into these occurrences, and proactive measures will be implemented to prevent any recurrence in the future.

STAFF DEVELOPMENT & TRAINING

Recognising the importance of employee career development and growth, in FY2025, the Group prioritised providing comprehensive training programs for its employees to equip them with the skills and knowledge necessary for success. These programs included on-site and mechanical safety training, theoretical knowledge training, as well as guidance on the proper use of tools and equipment. To enhance training and development, the Group also implemented ongoing guidance and reminders in the work environment. Additionally, the management team of the Group attended internal and external corporate governance and anti-corruption training sessions as required to meet the needs of corporate governance.

The table below summarises the Group's training hours by different categories of employees:

	FY2025			FY2024		
	Number of employees trained	**Average training hours completed per employee**	**The percentage of employees trained* (%)**	Number of employees trained	Average training hours completed per employee	The percentage of employees trained* (%)
By gender						
Male	**52**	**11.7**	**85**	61	13.5	88
Female	**4**	**8.2**	**44**	6	6.7	92
By job function						
Management	**4**	**15.8**	**40**	4	7.5	44
Workers	**44**	**12.9**	**100**	55	14.9	100
Administration/supervisors/technicians	**8**	**1.5**	**50**	8	1.5	53
Total	**56**	**11.5**	**80**	67	12.9	85

* The percentage of employees trained is determined by dividing the number of employees trained within each category by the total number of employees in that respective category.

Apart from training programs, the Group has established a performance evaluation system to guarantee unbiased assessments of employees. This system safeguards employees and fosters equity in career advancement prospects. Through the establishment of a just and competitive atmosphere, the Group nurtures a constructive organisational culture that inspires employees to pursue excellence and achieve their full potential.

Our flow of growth potential evaluation:

SUPPLY CHAIN MANAGEMENT

The Group conducts supply chain management to ensure that suppliers not only provide high-quality products but also prioritise their performance in ESG aspects. In terms of environmental sustainability, the Group selects suppliers and partners who adhere to environmental standards and are dedicated to practices such as controlling carbon emissions, energy conservation, waste reduction, and resource recycling. Regarding social responsibility, the Group ensures that labour rights and human rights are respected and protected within the supply chain. The Group also establishes transparent and responsible corporate governance structures, including ethical codes and policies, supervisory mechanisms, as well as supply chain risk assessment and monitoring.

To achieve efficient supply chain management, the Group emphasises the transparency of the supply chain, including information disclosure and supply chain visibility. The Group adopts supply chain data management systems and monitoring tools, requiring suppliers and partners to provide relevant information. Additionally, the Group enhances the sustainability and performance of suppliers by setting specific goals and indicators, conducting regular monitoring and evaluations, and implementing continuous improvement measures.

During the Review Year of 2025, all 160 of the Group's key suppliers in Hong Kong were found to have no violations or significant environmental threats.

PROJECT MANAGEMENT

The Group's revenue is primarily derived from bespoke foundation projects delivered to a carefully built portfolio of institutional clients, including experienced developers and property stakeholders with whom the Group has established long-term working relationships. In light of the market downturn in the foundation sector, the Group has strategically adjusted its client development approach. While continuing to strengthen partnerships with its long-standing clients, the Group has also broadened its outreach to a wider range of market players. This approach not only diversifies the Group's revenue base but also enhances the resilience and adaptability of its project portfolio under evolving market conditions.

Quality Assurance

The Group's primary focus is on delivering services of the utmost quality. Its protocols and guidelines are meticulously crafted to adhere to all relevant laws and regulations, ensuring the safety and well-being of our staff, customers, and the community. The Group is deeply dedicated to occupational health and safety, employing thorough measures to avert mishaps and ensure the welfare of everyone engaged in our endeavors. The Group regularly performs inspections, assesses risks, and conducts training sessions to create a secure work atmosphere. Additionally, its quality assurance procedures involve ongoing enhancement and rigorous quality checks to surpass the expectations of its clients.

Customer Relationship Management

The Group places significant emphasis on providing outstanding customer service and is dedicated to cultivating robust relationships with clients and other project stakeholders. We engage in frequent feedback discussions and follow-up processes to maintain effective communication channels. To streamline the handling of customer inquiries, we have established a specialised communication platform. As evidence of these initiatives, the Group has excelled in customer relationship management, evident in the minimal number of complaints received during both the Review Year and the Previous Year.

Intellectual Property Rights

Adhering to the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong), the Group upholds the sanctity of intellectual property rights by implementing robust measures to protect its own intellectual assets and those of its partners. Our management and pertinent departments meticulously scrutinize contracts with both customers and suppliers to guarantee the appropriate recognition and protection of intellectual property rights.

Data Privacy

Aligned with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Group prioritizes the confidentiality and restricted internal use of customer data. During the Review Year, all operational practices of the Group consistently adhered to the regulations set forth in the Personal Data (Privacy) Ordinance.

ANTI-CORRUPTION

The Group places paramount importance on honesty, integrity, and equitable conduct, considering them fundamental values. Throughout the Review Year, we rigorously followed the stipulations outlined in the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). Acknowledging the critical nature of upholding a strong corporate governance framework, we have embraced the Code of Corporate Governance Practices delineated in Appendix C1 of the Listing Rules as the basis for formulating internal policies concerning integrity, discipline, and transparent administration.

The Group's anti-corruption policy underscores a zero-tolerance approach towards corruption and associated misconduct. The Group has instituted stringent measures to prevent the solicitation and acceptance of bribes, the provision of improper advantages, and facilitation payments. It is imperative for all employees to comply with pertinent laws and regulations, reject any incentives that compromise impartiality, abstain from excessive entertainment, and promptly disclose any potential conflicts of interest.

In order to ensure clarity and uniformity in its anti-corruption endeavours, the Group has developed and disseminated comprehensive internal anti-corruption guidelines and procedures to all employees. These guidelines encompass a dedicated whistle-blowing mechanism that furnishes a confidential platform for reporting suspected instances of corruption. The Group actively promotes a culture of reporting, firmly believing that transparency and accountability are indispensable for upholding a clean and ethical work environment. By fostering a culture of integrity and furnishing clear directives, the Group aims to diminish any potential ambiguity and reinforce its dedication to combating corruption in all its manifestations.

During the Review Year, the executive directors of the Group participated in a total of 11 hours of anti-corruption training courses. The Group did not engage in any corruption litigation and did not receive any suspected corruption reports.

COMMUNITY INVESTMENT

As a foundation contractor based in Hong Kong, the Group sees supporting the local community not just as a responsibility, but as an integral part of who we are. It is dedicated to making a positive impact on our society by staying abreast of local news and engaging with relevant NGOs. The Group actively contributes its efforts to support vulnerable groups and public welfare initiatives.

In the Review Year, the Group made a total of three charitable donations. These include a donation of HK$20,000 to Lifewire Foundation Limited and SAR Philharmonic Orchestra for a charity concert fundraising for children with rare diseases on 2 June 2024, a sponsorship of HK$38,000 to Lifewire Foundation for a charity run on 1 December 2024, and a donation of HK$2,000 through the Wong Tai Sin Lions Club for an outing activity for visually impaired individuals on 8 December 2024. Through these donations, the Group hopes to bring comfort, joy, and practical assistance to those in need, creating changes that help build a more compassionate community.

ESG REPORTING GUIDE INDEX

ESG Reporting Guide General Disclosures		Section	Remarks
Mandatory Disclosure Requirements ("**MDR**")			
MDR 13	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Foreword	Complied
MDR 14	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: (a) Materiality, (b) Quantitative, (c) Consistency reporting principles.	Foreword	Complied
MDR 15	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Foreword	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
A. Environment			
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. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. GHG include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	General Environmental Policies and Use of Resources & Emissions Measures Related to Climate Change	Complied
KPI A1.1	The types of emissions and respective emissions data.	Use of Resources & Emissions	Complied
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).	Use of Resources & Emissions	Complied
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Not applicable- the Group's operation does not generate a meaningful amount of hazardous waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management	Complied
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	General Environmental Policies and Use of Resources & Emissions	Complied
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.	Waste Management	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	General Environmental Policies and Use of Resources & Emissions	Complied
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 & Emissions	Complied
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources & Emissions	Complied
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	General Environmental Policies and Use of Resources & Emissions	Complied
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.		Not applicable — sourcing water in operation was insignificant
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Not applicable — packaging materials used in operation were insignificant
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	General Environmental Policies and Use of Resources & Emissions Measures Related to Climate Change	Complied
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	General Environmental Policies and Use of Resources & Emissions Measures Related to Climate Change	Complied
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.	General Environmental Policies and Use of Resources & Emissions Measures Related to Climate Change	Complied
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.	General Environmental Policies and Use of Resources & Emissions Measures Related to Climate Change	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
B. Social			
Employment and Labour Practices			
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 & Labour Standards	Complied
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment & Labour Standards	Complied
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment & Labour Standards	Complied
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.	Work Environment Safety	Complied
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Work Environment Safety	Complied
KPI B2.2	Lost days due to work injury.	Work Environment Safety	Complied
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Work Environment Safety	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Staff Development & Training	Complied
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Development & Training	Complied
KPI B3.2	The average training hours completed per employee by gender and employee category.	Staff Development & Training	Complied
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.	Employment & Labour Standards	Complied
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment & Labour Standards	Complied
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment & Labour Standards	Complied
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	Complied
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	Complied
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	Complied
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	Complied
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	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
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.	Project Management (except for the insignificant areas: advertising and labelling relating to products and services)	Complied
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		Not Applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Project Management	Complied
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Project Management	Complied
KPI B6.4	Description of quality assurance process and recall procedures.	Project Management	Complied
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Project Management	Complied
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	Complied
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	Complied
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	Complied
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	Complied

ESG Reporting Guide General Disclosures		Section	Remarks
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	Complied
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	Complied
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	Complied

Directors' Report

The Board is pleased to submit this annual report together with the audited financial statements of the Group for the Review Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, the principal activities of its principal subsidiaries are set out in Note 13 to the consolidated financial statements.

RESULTS/BUSINESS REVIEW

The results of the Group for the Review Year are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 58 in this report. The business review of the Group for the Review Year is set out in the section headed "Management Discussion and Analysis" on pages 4 to 7 in this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks and uncertainties. The following are the key risks and uncertainties faced by the Group:

Industry Risks

The future development of the foundation industry and the availability of foundation projects in Hong Kong depends largely on the continued development of the property market in Hong Kong. The nature, extent and timing of available foundation projects will be determined by an interplay of a variety of factors, including the Government's policies on the property market, land supply and public housing policy, the investment of property developers and the general conditions and prospect of Hong Kong's economy. Any slowdown of the property market may affect the availability of foundation projects in Hong Kong and have a material and adverse impact on our Group's business.

Compliance Risks

Due to the nature of foundation industry, many aspects of the Group's business operation are governed by various laws and regulations and Government policies. The requirements in respect of the granting and/or renewal of various licences and qualifications may change from time to time, and there is no assurance that the Group will be able to respond to such changes in a timely manner. Such changes may also increase the costs and burden in complying with them, which may materially and adversely affect the Group's business, financial condition and results of operation.

Uncertainties in Construction Progress

(1) unexpected geological or sub-soil conditions

Prior to commencement of the foundation works, the customers would normally provide ground investigation reports to the Group. However, information contained in these reports may not be sufficient to reveal the actual geology beneath the construction site due to limitation in the scope of the underground investigation works that can be carried out at the site and/or other technical limitations. There may be discrepancies between the actual geological conditions and the findings set out in these investigation reports, and the investigation may not be able to reveal the existence of rocks or to identify any antiquities, monuments or structures beneath the site.

All these may eventually present potential issues and uncertainties in the carrying out of our foundations works, such as the possible increase in the complexity of the project resulting from additional work procedures, workers, equipment and times required to deal with any unexpected existence of rocks, antiquities or monuments, which may also lead to additional costs to be incurred. Nevertheless, in case of any significant unexpected difficult geological or sub-soil conditions, the Group may incur additional costs in dealing with such unforeseen conditions, which may lead to cost overruns and may thus materially and adversely affect the Group's business operation and financial position.

(2) damage of various underground service utilities

Services utilities may be laid underground or below carriageways and footways in Hong Kong. The Group may be obstructed by those service utilities when carrying out foundation works. There is no assurance that damage to those utilities will not occur during the foundation works. Accordingly, the Group may be liable to the costs for the repair of such damaged service utilities to the extent not covered by insurance.

Failure to Guarantee New Business

Revenue is typically derived from projects which are non-recurrent in nature. As the Group does not enter into long-term agreements with the customers, there is no guarantee that the Group will be able to secure new businesses from customers. The number and scale of projects from which the Group derives revenue from may vary significantly from period to period, and it may be difficult to forecast the volume of future business. In the event that the Group fails to secure new contracts or there is a significant decrease in the number of tender invitations or contracts available for bidding in the future, the business and financial positions and prospect of the Group could be materially and adversely affected.

ENVIRONMENTAL POLICIES AND PERFORMANCE

In undertaking foundation works, the Group may cause (i) emission of air pollutants; (ii) emission of noise from construction activities; and (iii) disposal of construction waste. Therefore, the foundation works are subject to the requirements of the following laws and regulations in relation to the environmental protection.

The laws and regulations which have a significant impact on the Group includes, among others, Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), Dumping at Sea Ordinance (Chapter 466 of the Laws of Hong Kong), Environmental Impact Assessment Ordinance (Chapter 499 of the Laws of Hong Kong) and Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong).

The Group places an emphasis on environmental protection when undertaking its projects. The Group has implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001:2015. Besides that, the Group has also established environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by employees and workers of the sub-contractors.

In order to promote environmental awareness with the business partners, the Group reviews their sub-contractors regularly with environmental contribution being one of the criteria, higher priority is given to sub-contractors possessing ISO 14001 certification.

The Group also establishes, implements and maintains an occupational health and safety ("**OH&S**") management system with aim to provide safe and healthy workplaces by preventing work-related injury and ill health. The OH&S management system was certified to be in compliance with standard required under ISO 45001.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has material impact on the business and operation of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND SUB-CONTRACTORS

Employees

The Group considers its employees the key to sustainable business growth and also recognises its employees as its valuable assets. The Group provides comprehensive remuneration package to attract, motivate and retain appropriate and suitable employees to serve the Group. The Group has in place a fair and effective performance appraisal system and incentive bonus scheme designed to motivate and reward employees at all levels to deliver their best performance and achieve targets. The Group also provides on-the-job training and development opportunities to enhance its employees' career development and learning.

Customers

The Group are aware of the risk of customer concentration, and sought to reduce the reliance on major customer by undertaking more sizeable projects for other customers. Besides that, the Group believes a strong and good relationship with customers would increase its recognition and visibility in the foundation industry. As such, the Group values the views and opinions of all customers through various means and channels, including regular review and analysis on customer feedback. The Group also believes that a strong and good relationship with customers can further develop new business opportunities in the foundation industry.

Suppliers and Sub-contractors

The Group has developed stable and strong working relationships with suppliers and sub-contractors to meet the Group's customers' needs in an effective and efficient manner. The Group works closely with the suppliers and sub-contractors to make sure the tendering, procurement and sub-contracting are conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to them before the commencement of the project.

SHARE CAPITAL

On 23 July 2024, the Directors of the Company proposed to implement a share consolidation on the basis that every ten issued and unissued shares of HK$0.01 each would be consolidated into one consolidated share of HK$0.10 each ("**Share Consolidation**").

Pursuant to an ordinary resolution passed on 13 September 2024, the Share Consolidation was approved by the shareholders of the Company and became effective on 17 September 2024. Immediately after the Share Consolidation, the total number of issued share capital of the Company was adjusted from 4,000,000,000 to 400,000,000. For details of the Share Consolidation, please refer to the announcements of the Company dated 23 July 2024 and 13 September 2024, and the circular of the Company dated 5 August 2024.

Details of movement in the share capital of the Company during the Review Year are set out in Note 21 to the consolidated financial statements.

Further, the Company did not have any treasury shares (as defined in Rule 1.01 of the Listing Rule) as at 31 March 2025.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the Review Year are set out in the section headed "Consolidated Statement of Changes in Equity" on page 60 in this report.

Distributable reserves of the Company as at 31 March 2025, calculated under the Companies Law of Cayman Islands amounted to approximately HK$26.9 million.

Directors' Report

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Review Year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

For the Review Year and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the Review Year are set out in Note 14 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Second Restated Articles or the Laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 11 to 23 in this report.

ANNUAL GENERAL MEETING ("AGM")

The 2025 AGM will be held on Thursday, 28 August 2025. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The Hong Kong branch register of members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. No transfer of shares may be registered on those dates. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 22 August 2025.

Executive Directors:

Mr. Wong Yan Hung
Mr. Wong Tony Yee Pong
Mr. Lai Kwok Fai
Ms. To Kit Man
Ms. Wong Nga Ling Kitty (Appointed on 30 June 2025, after the date of this report)

Independent Non-executive Directors:

Mr. Law Ka Ho
Mr. Leung Wai Lim
Mr. Tam Wai Tak Victor

In accordance with article 108 of the Second Restated Articles, at each AGM, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Directors' Report

In accordance with article 112 of the Second Restated Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at such annual general meeting.

As such, in accordance with articles 108 and 112 of the Second Restated Articles, Mr. Wong Yan Hung, Ms. To Kit Man, Ms. Wong Nga Ling Kitty (who was appointed on 30 June 2025, after the date of this report) and Mr. Leung Wai Lim will retire from office as Directors at the forthcoming AGM being eligible, and offer themselves for re-election.

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

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of 3 years and shall continue thereafter until being terminated by either party giving not less than three months' written notice.

Each of the independent non-executive Directors has entered a letter of appointment with the Company for a term of 2 years and shall continue thereafter until being terminated by either party giving not less than three months' written notice.

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

NON-COMPETITION UNDERTAKING

Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong, Mr. Lai Kwok Fai and May City Holdings Limited ("**May City**") (collectively, the "**Controlling Shareholders**") entered into a deed of non-competition dated 3 September 2016 in favour of the Group (the "**Deed of Non-Competition**"). Pursuant to the Deed of Non-Competition, each of the Controlling Shareholders has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of the subsidiaries), among others, that, during the period which (i) the Shares remain listed on the Stock Exchange; and (ii) the Controlling Shareholders and their close associates (other than members of the Group) individually or jointly, are entitled to exercise, or control the exercise of, not less 30% of the voting power at general meeting of the Company or the Controlling Shareholders or the relevant close associates remains as a director of any member of the Group, he/it shall not, and shall procure that his/its close associates (other than any member of the Group) not to carry on or be engaged, concerned or interested, or otherwise be involved directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group or any business activity to be conducted by any member of the Group from time to time.

Each of the Controlling Shareholders further undertakes that if any business investment or other commercial opportunity which may compete with the business of the Group is identified by or offered to him/it, he/it shall procure that his/its close associates to promptly notify the Group in writing and the Group shall have a right of first refusal to take up such opportunity. The Group shall within 30 days after the receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Controlling Shareholders whether the Group will exercise the right of first refusal.

The Company has received a written confirmation from the Controlling Shareholders in respect of the compliance with and the enforcement of the terms of the Deed of Non-Competition by the Controlling Shareholders during the Review Year.

All independent non-executive Directors have reviewed the compliance of the Deed of Non-Competition entered into by the Controlling Shareholders as to whether the Controlling Shareholders had abided by the Deed of Non-Competition. All independent non-executive Directors also confirmed that the Controlling Shareholders had not been in breach of the Deed of Non-Competition during the Review Year.

Directors' Report

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group, is set out on page 104 in this report.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising from corporate activities.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party for the Review Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 8 to 10 in this report.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set in Note 9 to the consolidated financial statements.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the 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 any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code, notified to the Company and the Stock Exchange, were as follows:

i. Long position in our Shares

Name of Directors	Capacity/Nature	Number of Shares held/interested in (Note)	Percentage of shareholding
Mr. Wong Yan Hung	Interest in a controlled corporation (Note)	204,000,000	51%
Mr. Wong Tony Yee Pong	Interest in a controlled corporation (Note)	204,000,000	51%
Mr. Lai Kwok Fai	Interest in a controlled corporation (Note)	204,000,000	51%

Note:

The Share Consolidation became effective on 17 September 2024. Immediately after the Share Consolidation, the number of issued shares held by May City was adjusted from 2,040,000,000, to 204,000,000.

These 204,000,000 Shares are held by May City, the entire issued share capital of which is owned as to 40% by Mr. Wong Yan Hung, 30% by Mr. Wong Tony Yee Pong and 30% by Mr. Lai Kwok Fai. Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai have had a mutual understanding all along to jointly control the Group and thus they are presumed to be acting in concert (within the meaning of the Takeovers Code). Therefore, each of Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai is deemed, or taken to be, interested in all the Shares held by May City for the purposes of the SFO. Each of Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai is a director of May City.

ii. Long position in the shares of associated corporation

Name of Directors	Name of associated corporation	Capacity/Nature	Number of shares held/interested in	Percentage of interest
Mr. Wong Yan Hung	May City	Beneficial interest	40	40%
Mr. Wong Tony Yee Pong	May City	Beneficial interest	30	30%
Mr. Lai Kwok Fai	May City	Beneficial interest	30	30%

Save as disclosed above, as at 31 March 2025, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

INTERESTS OF SUBSTANTIAL AND OTHER SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature	Number of Shares held/interested in (Note 1)	Percentage of interest
May City	Beneficial interest (Note 2)	204,000,000	51%
Ms. Choi Mei Chu	Interest of spouse (Note 3)	204,000,000	51%
Ms. Lee Pik Yu, Kenji	Interest of spouse (Note 4)	204,000,000	51%
Ms. Mak Kit Ling	Interest of spouse (Note 5)	204,000,000	51%
Kingkey Investment Fund SPC — Kingkey Global Equity I Fund SP	Beneficial interest	20,400,000	5.1%

Notes:

1. The Share Consolidation became effective on 17 September 2024. The number of issued shares held by each of the respective shareholders was adjusted pursuant to the Share Consolidation upon the effective date.

2. These 204,000,000 Shares are held by May City, the entire issued share capital of which is owned as to 40% by Mr. Wong Yan Hung, 30% by Mr. Wong Tony Yee Pong and 30% by Mr. Lai Kwok Fai. Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai have had a mutual understanding all along to jointly control the Group and thus they are presumed to be acting in concert (within the meaning of the Takeovers Code). Therefore, each of Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai is deemed, or taken to be, interested in all the Shares held by May City for the purposes of the SFO. Each of Mr. Wong Yan Hung, Mr. Wong Tony Yee Pong and Mr. Lai Kwok Fai is a director of May City.

3. Ms. Choi Mei Chu is the spouse of Mr. Wong Yan Hung and is deemed or taken to be interested in all the Shares in which Mr. Wong Yan Hung has, or is deemed to have, an interest for the purposes of the SFO.

4. Ms. Lee Pik Yu, Kenji is the spouse of Mr. Wong Tony Yee Pong and is deemed or taken to be interested in all the Shares in which Mr. Wong Tony Yee Pong has, or is deemed to have, an interest for the purposes of the SFO.

5. Ms. Mak Kit Ling is the spouse of Mr. Lai Kwok Fai and is deemed or taken to be interested in all the Shares in which Mr. Lai Kwok Fai has, or is deemed to have, an interest for the purposes of the SFO.

Save as disclosed above, and as at 31 March 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 3 September 2016. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 3 September 2016, and there is no outstanding share option as at 31 March 2025.

Further details regarding the Share Option Schemes are set out in Note 23 to the consolidated financial statements.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Review Year and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of sales and purchases for the Review Year attributable to the Group's major customers and suppliers are as follow:

Sales	
— the largest customer	23%
— five largest customers	79%
Purchases	
— the largest supplier	16%
— five largest suppliers	44%

None of the Directors, their close 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 the major customers or suppliers noted above.

DONATIONS

During the Review Year, the Group made charitable and other donations amounting to HK$60,000.

RELATED PARTIES

Details of the significant related party transactions undertaken in the normal course of business are set out in Note 30 to the consolidated financial statements, and none of which constitutes a discloseable connected transaction as defined under the Listing Rules.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in Note 13 to the consolidated financial statements.

Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules for the Review Year and up to the date of this report.

RETIREMENT SCHEME

The Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes during the Review Year.

AUDITORS

The consolidated financial statement for the Review Year have been audited by HLB Hodgson Impey Cheng Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM.

EVENTS AFTER THE REVIEW YEAR

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

By Order of the Board
Shun Wo Group Holdings Limited
Wong Yan Hung
Chairman

Hong Kong, 26 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 SHAREHOLDERS OF
SHUN WO GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Shun Wo Group Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 58 to 103, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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**") 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for provision of foundation work services	
We identified the revenue recognition for provision of foundation work services as a key audit matter due to its significance to the consolidated financial statements. During the year ended 31 March 2025, the Group generated revenue of approximately HK$166,255,000 from provision of foundation work services as disclosed in Note 5 to the consolidated financial statements. As disclosed in Note 5 to the consolidated financial statements, the Group recognised revenue from provision of foundation work services over time using output method, i.e. based on surveys of foundation work completed by the Group to date as certified by architects, surveyors or other representatives appointed by the customers or estimated with reference to the progress payment application submitted by the Group to the customers in relation to the work completed by the Group.	Our procedures in relation to the revenue recognition for provision of foundation work services included but not limited to: • obtaining an understanding on the management's key process in recognition of the contract revenue for provision of foundation work services; • checking the total contract value to the contracts and variation orders (if any) to the agreements or other correspondence, on a sample basis; and • evaluating the reasonableness of revenue from provision of foundation work services recognised to date by: — checking to the certificates issued by the architects or surveyors appointed by the customers before and subsequent to year end date to evaluate the value of work already performed during the year and the subsequent progress of respective projects, on a sample basis; and — discussing with the management of the Group to understand the status of respective foundation work service contracts, on a sample basis. We found that the revenue recognition for provision of foundation work services to be supportable by available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and contract assets	
We identified impairment assessment of trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements as a whole and management's estimate in evaluating the expected credit losses of the trade receivables and contract assets.	Our procedures in relation to impairment of trade receivables and contract assets mainly included but not limited to: • obtaining an understanding on how the management assess the expected credit losses for trade receivables and contract assets; • testing the integrity of information used by management for the assessment, including ageing analysis of trade receivables, on a sample basis, by comparing individual items in the analysis with the relevant underlying documents; • assessing the reasonableness of the basis and judgement of the management in determining credit loss allowance on trade receivables and contract assets; and • Assessing the reasonableness of the key data inputs used in determination of expected credit loss rate, on a sample basis, and evaluating the assumptions, including both historical settlement history and forward-looking information used. We found that the management judgement and estimates used to determine the impairment of trade receivables and contract assets to be supportable by available evidence.

OTHER INFORMATION

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.

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 judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- 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.

- 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 this independent auditors' report is Mr. Yau Wai Ip.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yau Wai Ip
Practising Certificate Number: P07849

Hong Kong, 26 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	**166,255**	333,430
Direct costs		**(140,916)**	(272,636)
Gross profit		**25,339**	60,794
Other income and other gains	5	**8,768**	4,391
Administrative and other operating expenses		**(31,912)**	(22,352)
Impairment losses on financial assets and contract assets, net		**(9,223)**	(52)
(Loss)/profit from operations		**(7,028)**	42,781
Finance cost	6	**(30)**	–
(Loss)/profit before income tax	7	**(7,058)**	42,781
Income tax credit/(expense)	10	**1,365**	(3,316)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		**(5,693)**	39,465
(Loss)/earnings per share attributable to owners of the Company			
— Basic and diluted (loss)/earnings per share (HK cents)	11	**(1.42)**	9.87 (Restated)

Details of dividends are disclosed in Note 12 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**15,718**	12,580
Right-of-use assets	15	**601**	34
Deferred tax assets	28	**211**	–
		16,530	12,614
Current assets			
Contract assets	17	**38,899**	40,342
Trade and other receivables	18	**55,581**	50,600
Pledged bank deposits	19	**7,160**	6,460
Bank balances and cash	20	**85,242**	93,395
		186,882	190,797
Total assets		**203,412**	203,411
EQUITY			
Equity attributable to owners of the Company			
Capital and reserves			
Share capital	21	**40,000**	40,000
Reserves	22	**100,020**	105,713
Total equity		**140,020**	145,713
LIABILITIES			
Current liabilities			
Trade and other payables	24	**44,034**	30,775
Deferred income	25	**240**	–
Lease liabilities	26	**450**	–
Contract liabilities	27	**17,692**	23,607
Income tax payable		**–**	2,162
		62,416	56,544
Non-current liabilities			
Deferred income	25	**820**	–
Lease liabilities	26	**156**	–
Deferred tax liabilities	28	**–**	1,154
		976	1,154
Total liabilities		**63,392**	57,698
Total equity and liabilities		**203,412**	203,411
Net current assets		**124,466**	134,253
Net assets		**140,020**	145,713

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 June 2025 and signed on its behalf by:

Mr. Wong Yan Hung
Director

Mr. Lai Kwok Fai
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK$'000 (Note 21)	Share premium HK$'000 (Note 22)	Merger reserve HK$'000 (Note 22)	Retained earnings HK$'000	Total HK$'000
Balance at 1 April 2023	40,000	56,625	198	9,425	106,248
Profit and total comprehensive income for the year	–	–	–	39,465	39,465
Balance at 31 March 2024 and 1 April 2024	40,000	56,625*	198*	48,890*	145,713
Loss and total comprehensive expense for the year	–	–	–	(5,693)	(5,693)
Balance at 31 March 2025	**40,000**	**56,625***	**198***	**43,197***	**140,020**

* These reserve accounts comprise the consolidated reserves of approximately HK$100,020,000 (2024: HK$105,713,000) in the consolidated statement of financial position.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	29(a)	**363**	48,896
Income tax paid		**(2,162)**	–
Net cash (used in)/generated from operating activities		**(1,799)**	48,896
Cash flows from investing activities			
Interest received		**3,252**	2,054
Purchases of property, plant and equipment		**(10,500)**	(2,621)
Receipt of asset-related government grant		**1,200**	–
Proceeds from disposal of property, plant and equipment		**10**	26
Net cash used in investing activities		**(6,038)**	(541)
Cash flows from financing activities			
Repayment of lease liabilities		**(286)**	–
Interest paid		**(30)**	–
Net cash used in financing activities		**(316)**	–
Net (decrease)/increase in cash and cash equivalents		**(8,153)**	48,355
Cash and cash equivalents at the beginning of year		**93,395**	45,040
Cash and cash equivalents at the end of year		**85,242**	93,395
Analysis of cash and cash equivalents			
Pledged bank deposits and bank balances and cash		**92,402**	99,855
Less: pledged bank deposits		**(7,160)**	(6,460)
Cash and cash equivalents		**85,242**	93,395

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Shun Wo Group Holdings Limited (the "**Company**") is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") is principally engaged in undertaking foundation works in Hong Kong.

The Company was incorporated in the Cayman Islands on 3 May 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 28 September 2016.

As at 31 March 2025, its parent and ultimate holding company is May City Holdings Limited ("**May City**"), a company incorporated in the British Virgin Islands (the "**BVI**") and owned as to 40% by Mr. Wong Yan Hung ("**Mr. YH Wong**"), 30% by Mr. Wong Tony Yee Pong ("**Mr. Tony Wong**") and 30% by Mr. Lai Kwok Fai ("**Mr. Lai**").

The address of the registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Flat A, 7/F., Sai Wan Ho Plaza, 68 Shaukeiwan Road, Hong Kong.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**") and by the Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies of the Group.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group. The area involving a high degree of judgement or complexity, or areas where assumptions and estimate are significant to the consolidated financial statements, are disclosed in Note 4 to the consolidated financial statements.

2.2 Change in accounting policy and disclosures

(i) 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 issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policy and disclosures (Continued)

(ii) 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 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS Accounting Standards (Amendments)	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKAS 21 (Amendments)	Lack of Exchangeability[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Principal of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to detect the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

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

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement, and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income and other gains.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives at the following rates per annum:

Leasehold improvements	Over the shorter of lease terms and 50%
Furniture, fixtures and office equipment	20%
Plant, machinery and equipment	20%
Motor vehicles	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Impairment of non-financial assets

All non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Investment and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVTOCI**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Investment and other financial assets (continued)

(iii) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Investment and other financial assets (continued)

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses ("**ECL**") associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables and contract assets.

Impairment on other receivables is measured as either 12-month ("**12m**") ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

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 expected loss rates are based on the payment profiles of project individually and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

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.

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. 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.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less impairment losses.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, 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 on insignificant risk of changes in value, and bank overdrafts (if any).

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business if longer) after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

Other borrowing cost are expensed in the period in which they are incurred.

2.18 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Retirement benefits

The Group operates defined contribution plans and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.20 Share-based payments

Share-based compensation benefits are provided to employees via an employee share scheme. Information relating to the scheme is set out in Note 23.

The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.21 Provisions

Provisions are recognised when, the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Contingent liabilities and contingent assets

Contingent assets

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

Contingent liabilities

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

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

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

2.23 Revenue recognition

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 customers.

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 relevant performance obligation if one of the following criteria is met:

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

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

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Revenue recognition (continued)

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.

In respect of contract modifications, including changes in the scope or price (or both) of a contract that is approved by the parties to the contract, that are not accounted for as separate contracts, the promised goods or services that are not yet transferred at the date of the contract modification (i.e. the remaining promised goods or services) which are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification, are accounted for by treating the contract modification as if it were a part of the existing contract. The effect that the contract modification has on the transaction price, and on the Group's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not 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 is recognised when the amounts received from a customer exceed revenue recognised for a contract or when advance payment is received from a customer before a good or service is transferred.

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

Revenue from construction contracts is described in the accounting policy on construction contracts below.

Interest income from a financial asset is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to construction work under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the output method, based on direct measurement of the value of contract work performed, provided that the value of contract work performed can be measured reliably. The value of contract work performed is measured according to the completion of specific detailed components as set out in the contract. Variations in contract work are recognised as contract revenue to the extent that the modification has been approved by the parties to the contracts and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and current liabilities as deferred income and credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

2.26 Leases

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.26 Leases (continued)

The Group leases various premises and car parks and rental contracts are typically made for fixed periods of 12 to 24 months. In addition, the Group also leases certain machineries for its operation. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

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

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

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date. Depreciation on right-of-use assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group leased certain of its machineries and derived rental income. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 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 of 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 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 part, provides key management personnel services to the Group or to the parent of the Group.

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: interest rate risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing financial assets.

Other than bank balances with variable interest rates, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group currently does not hedge its exposure to the interest rate risk as the management of the Group considers that the risk is insignificant.

Credit risk

Credit risk arises mainly from contract assets, trade and other receivables, pledged bank deposits and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of project individually and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

Credit risk (continued)

The loss allowance for trade receivables was determined as follows:

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
As at 31 March 2025						
Expected credit loss rate	**0.20%**	**0.18%**	**–**	**0.13%**	**64.13%**	
Gross carrying amount — trade receivables	**17,158**	**8,871**	**–**	**2,296**	**8,693**	**37,018**
Loss allowance	**34**	**16**	**–**	**3**	**5,575**	**5,628**
As at 31 March 2024						
Expected credit loss rate	0.10%	0.11%	–	–	100%	
Gross carrying amount — trade receivables	26,902	8,709	–	–	182	35,793
Loss allowance	27	9	–	–	182	218

The closing loss allowance for trade receivables and contract assets as at 31 March 2025 and 2024 reconciled to the opening loss allowance are as follows:

	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	70	–	146	1,377	1,593
Loss allowance (reversed)/ recognised in profit or loss during the year	(34)	182	(96)	–	52
As at 31 March 2024 and 1 April 2024	36	182	50	1,377	1,645
Loss allowance recognised in profit or loss during the year	24	5,386	341	3,472	9,223
As at 31 March 2025	**60**	**5,568**	**391**	**4,849**	**10,868**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

Credit risk (continued)

The Group performs impairment assessment under the ECL model on other receivables, pledged bank deposits and bank balances. The ECL on these assets are based on 12m ECL as there have been no significant increase in credit risk since initial recognition.

The credit risk on other receivables is limited because the counterparties have no historical default record and the directors are of the opinion the risk of default by the counterparties of other receivables is not significant. Based on the average loss rate, the 12m ECL on other receivables is considered to be insignificant and therefore no loss allowance was recognised.

The credit risk of pledged bank deposits and bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies. Based on the average loss rate, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

As at 31 March 2025, there were 5 (2024: 4) customers which individually contributed over 10% of the Group's trade receivables and contract assets. The aggregate amounts of trade receivables and contract assets from these customers amounted to approximately 87% (2024: 85%) of the Group's total trade receivables and contract assets as at 31 March 2025.

Other than concentration of credit risk on liquid funds which are deposited with banks with sound credit ratings or good reputation and on trade receivables and contract assets as disclose above, the Group does not have any other significant concentration of credit risk.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet their liquidity requirements in the short and long terms. Management believes there is no significant liquidity risk as the Group has sufficient financial resources to fund their operations.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group may be required to pay:

	Weighted average effective interest rate %	On demand or within one year HK$'000	More than 1 year but less than 2 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
As at 31 March 2025					
Trade and other payables	**–**	**44,034**	**–**	**44,034**	**44,034**
Lease liabilities	**5.9**	**474**	**158**	**632**	**606**
		44,508	**158**	**44,666**	**44,640**
As at 31 March 2024					
Trade and other payables	–	30,775	–	30,775	30,775

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities (which included lease liabilities) divided by the total equity.

The gearing ratios of the Group are as follows:

	2025 HK$'000	2024 HK$'000
Total borrowings	**606**	–
Total equity	**140,020**	145,713
Gearing ratio	**0.43%**	0%

3.3 Fair values estimates

The fair value measurements are categorised under the three-level fair value hierarchy as defined in *HKFRS 13 Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group has no financial instrument measured at fair value subsequent to initial recognition on a recurring basis as at 31 March 2025 and 2024.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position are not materially different from their fair values at 31 March 2025 and 2024.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Impairment of trade receivables and contract assets

The loss allowances for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Progress towards completion of construction works

The Group recognises its contract revenue over time by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the surveys of work performed to date of the individual contract of construction works relative to total contract value. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders prepared for each construction contract as the contract progresses. Management regularly reviews the progress of the contracts and the corresponding costs of the contract revenue.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. REVENUE, OTHER INCOME AND OTHER GAINS AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue recognised during the year are as follows:

	2025 HK$'000	2024 HK$'000
Revenue		
Main contracting	**117,130**	242,884
Sub-contracting	**49,125**	90,546
	166,255	333,430
Other income and other gains		
Project management fee	**4,461**	731
Gain on disposal of property, plant and equipment	**10**	26
Bad debt recovery	**–**	556
Interest income	**3,585**	2,432
Sales of scrap materials	**168**	500
Government grants		
— Amortisation of deferred income (Note (i))	**140**	–
Rental income	**213**	–
Others	**191**	146
	8,768	4,391

Note:

(i) During the year ended 31 March 2025, the Group recognised government grants of HK$140,000 (2024: Nil) relating to the purchase of machinery in respect of the Construction Innovation and Technology Fund supported by the Hong Kong Government. All grants are recognised when there is reasonable assurance that the Group is complied with the conditions attaching and that the grants will be received.

Disaggregation of revenue from contracts with customers

	2025 HK$'000	2024 HK$'000
Timing of revenue recognition		
Over-time	**166,255**	333,430
Types of goods and services		
Foundation work services	**166,255**	333,430

5. REVENUE, OTHER INCOME AND OTHER GAINS AND SEGMENT INFORMATION (CONTINUED)

Performance obligations for contracts with customers

The Group provides foundation work 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 asset is created or enhanced. Revenue for these services is therefore recognised over-time using output method, i.e. based on surveys of the relevant services completed by the Group to date with reference to certificates issued by customers or payment applications. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 2024 and the expected timing of recognising revenue are as follows:

	Foundation work services 2025 HK$'000	Foundation work services 2024 HK$'000
Within one year	**143,622**	89,550

Segment information

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors regards the Group's business as a single operating segment and reviews consolidated financial statements accordingly. Also, the Group only engages its business in Hong Kong and all the non-current assets of the Group are located in Hong Kong. Therefore, no segment and geographical information is presented.

Information about the major customers

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

	2025 HK$'000	2024 HK$'000
Customer A	**26,210**	117,485
Customer B	**–**[1]	48,555
Customer C	**–**[1]	45,712
Customer D	**17,037**	41,720
Customer E	**37,508**	–[1]
Customer F	**27,293**	–[1]
Customer G	**22,516**	–[1]

[1] The corresponding revenue did not contribute over 10% of total revenue of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCE COST

	2025 HK$'000	2024 HK$'000
Interest on lease liabilities	**30**	–

7. (LOSS)/PROFIT BEFORE INCOME TAX

	2025 HK$'000	2024 HK$'000
Included in direct costs:		
Depreciation of property, plant and equipment	**5,466**	5,111
Staff costs	**23,983**	22,092
Included in administrative and other operating expenses:		
Auditors' remuneration		
— Audit services	**760**	760
— Non-audit services	**120**	120
Depreciation of property, plant and equipment	**1,896**	1,663
Depreciation of right-of-use assets	**334**	33
Expense relating to short-term leases not included in the measurement of lease liabilities	**2,997**	2,966
Staff costs, including directors' emoluments	**20,464**	11,131

8. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2025 HK$'000	2024 HK$'000
Salaries and allowances	**43,787**	32,542
Retirement scheme contributions		
— Defined contribution plan	**660**	681
	44,447	33,223

The Group operates a defined contribution scheme in Hong Kong which comply with the requirements under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance. Contributions are made based on a percentage of the employee's basic salaries, subject to cap of monthly relevant income of HK$30,000, and are charged to the consolidated statement of profit or loss as they have payable in accordance with the rules of the MPF scheme. All assets under the scheme are held separately from the Group under independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF scheme.

During the years ended and as at 31 March 2025 and 2024, no contribution was forfeited (by the Group on behalf of its employees who leave the defined contribution schemes prior to vesting fully in such contributions) and was utilised by the Group to reduce the current level of contributions.

For the year ended 31 March 2025

9. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the years ended 31 March 2025 and 2024 is set out below:

	Fees	Salaries, allowances and other benefits in kind	Discretionary bonuses (Note)	Retirement scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2025					
Executive directors					
Mr. YH Wong	**510**	**2,260**	**4,000**	**–**	**6,770**
Mr. Tony Wong (Chief executive officer)	**500**	**1,623**	**2,000**	**18**	**4,141**
Mr. Lai	**500**	**1,623**	**2,000**	**–**	**4,123**
Ms. To Kit Man (Appointed on 3 December 2024)	**79**	**295**	**138**	**6**	**518**
Independent non-executive directors					
Mr. Law Ka Ho	**161**	**–**	**–**	**–**	**161**
Mr. Leung Wai Lim	**161**	**–**	**–**	**–**	**161**
Mr. Tam Wai Tak Victor	**161**	**–**	**–**	**–**	**161**
	2,072	**5,801**	**8,138**	**24**	**16,035**
Year ended 31 March 2024					
Executive directors					
Mr. YH Wong	510	1,440	284	6	2,240
Mr. Tony Wong (Chief executive officer)	500	1,200	189	18	1,907
Mr. Lai	500	1,200	189	15	1,904
Independent non-executive directors					
Mr. Law Ka Ho	150	–	–	–	150
Mr. Leung Wai Lim	150	–	–	–	150
Mr. Tam Wai Tak Victor	150	–	–	–	150
	1,960	3,840	662	39	6,501

During the year ended 31 March 2025, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

Note: Discretionary bonuses were determined with reference to the Group's operating results and individual performance for the years ended 31 March 2025 and 2024.

9. BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, 4 (2024: 3) of them are directors of the Company whose emoluments are disclosed above. The emoluments in respect of the remaining 1 (2024: 2) highest paid individuals are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries, allowances and other benefits in kind	**948**	1,690
Discretionary bonuses	**84**	147
Retirement scheme contributions	**–**	36
	1,032	1,873

The emoluments fell within the following bands:

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

During the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group.

10. INCOME TAX (CREDIT)/EXPENSE

	2025 **HK$'000**	2024 HK$'000
Current income tax		
— Hong Kong profits tax	**–**	2,162
Deferred tax (credit)/expense (Note 28)	**(1,365)**	1,154
	(1,365)	3,316

Hong Kong profits tax is calculated at a rate of 16.5% of the estimated assessable profits for both years. No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for the year (2024: Except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK$2,000,000 of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%).

For the year ended 31 March 2025

10. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

The taxation on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2025 HK$'000	2024 HK$'000
(Loss)/profit before income tax	**(7,058)**	42,781
Calculated at a tax of 16.5%	**(1,164)**	7,058
Tax effects of:		
— Income not subject to tax	**(564)**	(403)
— Expenses not deductible for tax purposes	**605**	635
— Temporary difference not recognised	**(21)**	29
— Utilisation of previously unrecognised tax losses	**(470)**	(3,835)
— Tax loss not recognised	**249**	–
— Tax exemptions granted	**–**	(3)
— Income tax at concession rate	**–**	(165)
Income tax (credit)/expense	**(1,365)**	3,316

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2025 HK$'000	2024 HK$'000
(Loss)/profit		
(Loss)/profit for the purposes of basic and diluted (loss)/earnings per share:		
(Loss)/profit for the year attributable to owners of the Company	**(5,693)**	39,465
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share	**400,000**	400,000
Basic (loss)/earnings per share (HK cents)	**(1.42)**	9.87 (Restated)

Note:

The weighted average number of ordinary shares for the years ended 31 March 2025 has been adjusted to account for the effect of share consolidation of the Company (as detailed in Note 21 below) which became effective on 17 September 2024.

Comparative figures of the weighted average number of shares for calculation of basic earnings per share has been adjusted on the assumption that the share consolidation had been effective in prior years.

The diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

12. DIVIDENDS

No dividend was paid or proposed by the Board for the year ended 31 March 2025 (2024: Nil).

13. SUBSIDIARIES

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

Name of subsidiary	Place of incorporation/ operations	Issued and fully paid-up share capital	Proportion of ownership interest held by the Company	Principal activities
Umma Floral Limited ("**Umma Floral**")	BVI	United States Dollars ("**US$**") 10,500,000	100% (direct)	Investment holding
Hop Kee Construction Company Limited ("**Hop Kee Construction**")	Hong Kong	HK$50,000,000	100% (indirect)	Provision of foundation works in Hong Kong
Hop Kee Machinery Transportation Company Limited ("**Hop Kee Machinery**")	Hong Kong	HK$30,000,000	100% (indirect)	Acquisition and holding of plant and machinery of the Group
Hop Kee Construction Company Limited ("**Hop Kee Construction (BVI)**")	BVI	US$1	100% (indirect)	Handling intellectual property and other administrative matters of the Group

For the year ended 31 March 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Plant, machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost					
As at 1 April 2023	–	541	58,151	7,407	66,099
Additions	–	14	1,687	920	2,621
Disposals	–	–	(160)	(419)	(579)
As at 31 March 2024	–	555	59,678	7,908	68,141
Accumulated depreciation					
As at 1 April 2023	–	(533)	(45,748)	(3,085)	(49,366)
Charge for the year (Note 7)	–	(5)	(5,032)	(1,737)	(6,774)
Eliminated on disposals	–	–	160	419	579
As at 31 March 2024	–	(538)	(50,620)	(4,403)	(55,561)
Net book value					
As at 31 March 2024	–	17	9,058	3,505	12,580
Cost					
As at 1 April 2024	–	555	59,678	7,908	68,141
Additions	455	17	9,733	295	10,500
Disposals/written off	–	–	(460)	(216)	(676)
As at 31 March 2025	**455**	**572**	**68,951**	**7,987**	**77,965**
Accumulated depreciation					
As at 1 April 2024	–	(538)	(50,620)	(4,403)	(55,561)
Charge for the year (Note 7)	(152)	(6)	(5,328)	(1,876)	(7,362)
Eliminated on disposals/written off	–	–	460	216	676
As at 31 March 2025	**(152)**	**(544)**	**(55,488)**	**(6,063)**	**(62,247)**
Net book value					
As at 31 March 2025	**303**	**28**	**13,463**	**1,924**	**15,718**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

15. RIGHT-OF-USE ASSETS

	Leased property HK$'000	Car parks HK$'000	Total HK$'000
As at 31 March 2025			
Carrying amount	**601**	**–**	**601**
As at 31 March 2024			
Carrying amount	–	34	34
For the year ended 31 March 2025			
Depreciation charge (Note 7)	**(300)**	**(34)**	**(334)**
For the year ended 31 March 2024			
Depreciation charge (Note 7)	–	(33)	(33)

The right-of-use assets are depreciated over the lease term.

	2025 HK$'000	2024 HK$'000
Depreciation of right-of-use assets	**334**	33
Expense related to short-term leases	**2,997**	2,966
Total cash outflow for leases	**3,313**	2,966
Addition to right-of-use asset	**901**	–

For the year ended 31 March 2025, the Group leases staff quarters and car parks for its operations. Lease contracts are entered into for fixed term of 2 years (2024: 3 years). Lease term are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellation period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Short-term leases are leases related to office premises, car parks and warehouse.

16. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HK$'000	2024 HK$'000
Financial assets		
At amortised cost		
Trade and other receivables excluding prepayments	**54,214**	49,420
Pledged bank deposits	**7,160**	6,460
Bank balances and cash	**85,242**	93,395
	146,616	149,275
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**44,034**	30,775
Lease liabilities	**606**	–
	44,640	30,775

17. CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Contract assets	**44,139**	41,769
Less: allowance for credit losses	**(5,240)**	(1,427)
	38,899	40,342

As at 1 April 2023, contract assets amounted to approximately HK$63,820,000.

Contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on factors other than passage of time. The amounts represent the Group's rights to considerations from customers for foundation work services, which arise when: (i) the Group completed the relevant construction works under such contracts and pending for the certification by the customers; or (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for defect liability period after completion of the relevant works. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for contract assets. To measure the expected credit losses, contract assets have been grouped based on same credit risk characteristics.

See Note 3.1 for further information about expected credit loss provision.

18. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**37,018**	35,793
Less: allowance for credit losses	**(5,628)**	(218)
	31,390	35,575
Other receivables, deposits and prepayments	**24,191**	15,025
	55,581	50,600

As at 1 April 2023, trade receivables amounted to approximately HK$29,636,000.

Notes:

(a) The credit period granted to customers ranges from 21 to 45 days (2024: 30 to 45 days) generally. Trade receivables are denominated in HK$.

(b) The ageing analysis of the trade receivables, net of allowance for credit losses based on date of payment certificates issued by customers or invoice date, whichever is applicable, are as follows:

	2025 HK$'000	2024 HK$'000
0–30 days	**17,124**	26,728
31–60 days	**8,855**	5,709
61–90 days	**–**	3,138
Over 90 days	**5,411**	–
	31,390	35,575

(c) See Note 3.1 for details about expected credit loss provision.

(d) Included in the other receivables, deposits and prepayments at 31 March 2025 are cash collateral of approximately HK$7,857,000 (2024: approximately HK$8,094,000) placed with insurance companies in Hong Kong for the provision of the surety bonds for certain of the Group's construction projects (Note 32).

(e) As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$14,266,000 (2024: approximately HK$8,700,000) which are past due at the reporting date.

19. PLEDGED BANK DEPOSITS

	2025 HK$'000	2024 HK$'000
Pledged bank deposits (Note)	**7,160**	6,460

Note: The effective interest rate for the pledged bank deposits are 3.54% (2024: 5.25%) per annum as at 31 March 2025. The carrying amount of pledged bank deposits are denominated in HK$. The bank deposit of approximately HK$5,000,000 has been pledged to bank as surety bond for faithful performance in accordance to the contract between the Group entity and the customer (2024: approximately HK$6,460,000). For the remaining bank deposits of approximately HK$2,160,000 are pledged as banking facilities for the operation of the Group (2024: Nil).

20. BANK BALANCES AND CASH

	2025 HK$'000	2024 HK$'000
Cash at banks	**15,794**	1,303
Bank deposits	**69,448**	92,092
Bank balances and cash	**85,242**	93,395

Notes:

(a) The Group had approximately HK$19,448,000 bank deposits denominated in United States dollar as at 31 March 2025 (2024: Nil). Besides, the carrying amount of remaining bank balances and cash are denominated in HK$.

(b) Cash at banks earns interest at floating rates based on daily bank deposit rates.

(c) Bank deposits carry interest rate ranging from 2.95% to 4% (2024: 3.90% to 4.41%) per annum as at 31 March 2025 and with original maturities of ranging from one week to three months (2024: ranging from one week to three months).

21. SHARE CAPITAL

	Number of ordinary shares	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each (before share consolidation) and HK$0.10 each (after share consolidation)		
As at 1 April 2023, 31 March 2024 and 1 April 2024	10,000,000,000	100,000
Share consolidation (Note)	(9,000,000,000)	–
As at 31 March 2025	**1,000,000,000**	**100,000**
Issued and fully paid:		
Ordinary shares of HK$0.01 each (before share consolidation) and HK$0.10 each (after share consolidation)		
As at 1 April 2023, 31 March 2024 and 1 April 2024	4,000,000,000	40,000
Share consolidation (Note)	(3,600,000,000)	–
As at 31 March 2025	**400,000,000**	**40,000**

Note:

On 23 July 2024, the directors of the Company proposed to implement a share consolidation on the basis that every ten issued and unissued shares of HK$0.01 each would be consolidated into one consolidated share of HK$0.10 each.

Pursuant to an ordinary resolution passed on 13 September 2024, the share consolidation was approved by the shareholders of the Company and has become effective on 17 September 2024. Immediately after the share consolidation, the total number of issued share capital of the Company was adjusted from 4,000,000,000 to 400,000,000.

22. RESERVES

Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

Merger reserve

Merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

23. SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 3 September 2016. The share option scheme is to attract and retain the best personnel, to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants, advisors, substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors of the Company (or as the case maybe, the independent non-executive directors of the Company) from time to time on the basis of the directors' opinion as to their contribution or potential to the development and growth of the Group.

The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at anytime by approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

For the year ended 31 March 2025

23. SHARE OPTION SCHEME (CONTINUED)

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of 10 years commencing on 3 September 2016, subject to early termination provisions contained in the Scheme.

No share options were granted, exercised, cancelled or lapsed since the adoption of the Scheme and there were no share option outstanding as at 31 March 2025 and 2024.

24. TRADE AND OTHER PAYABLES

	2025 **HK$'000**	2024 HK$'000
Trade payables	**23,097**	12,758
Retention payables	**11,092**	10,516
Accruals and other payables	**9,845**	7,501
	44,034	30,775

Notes:

(a) Payment terms granted by suppliers are generally within two months.

The ageing analysis of trade payables based on the invoice date are as follows:

	2025 **HK$'000**	2024 HK$'000
0–30 days	**22,093**	8,501
31–60 days	**206**	3,130
61–90 days	**–**	12
Over 90 days	**798**	1,115
	23,097	12,758

(b) Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the completion of maintenance period for periods ranging from 6 months to 1 year from completion of the relevant works.

(c) All trade and other payables are denominated in HK$.

For the year ended 31 March 2025

25. DEFERRED INCOME

	2025 **HK$'000**	2024 HK$'000
Non-current		
Government grant	**820**	–
Current		
Government grant	**240**	–

During the year ended 31 March 2025, the Group received a government subsidy of approximately HK$1.2 million towards the purchase cost of foundation drill (2024: Nil). The amount has been treated as deferred income. The amount is transferred to income over the useful lives of the relevant assets. This policy has resulted in a credit to income in the current year of HK$140,000 (2024: Nil). As at 31 March 2025, an amount of HK$1,060,000 (2024: Nil) remains to be amortised.

26. LEASE LIABILITIES

The Group's lease liabilities arise from lease property in Hong Kong for fixed term of 2 years. Interest rates underlying the lease is fixed at respective contract rates 5.9% per annum (2024: Nil).

At 31 March 2025 and 2024, the Group had lease liabilities repayable as follows:

	2025		2024	
	Present value of the minimum lease payments **HK$'000**	**Total minimum lease payments** **HK$'000**	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	**450**	**474**	–	–
After 1 year but within 2 years	**156**	**158**	–	–
	606	**632**	–	–
Less: total future interest expenses		**(26)**		–
Present value of lease liabilities		**606**		–
Less: Amount due for settlement within one year	**(450)**		–	
Amount due for settlement after one year	**156**		–	

27. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Contract liabilities arising from:		
Performance under construction contracts	**17,692**	23,607

As at 1 April 2023, contract liabilities amounted to Nil.

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

(i) Construction contracts

When the Group receives a deposit before the construction activity or receives advance payment during the construction activity, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit or advance payment.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	2025 HK$'000	2024 HK$'000
Revenue recognised from performance obligations satisfied in prior periods	**13,385**	–

28. DEFERRED TAX ASSETS/(LIABILITIES)

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

	2025 HK$'000	2024 HK$'000
Deferred tax assets	**1,565**	44
Deferred tax liabilities	**(1,354)**	(1,198)
	211	(1,154)

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	**ECL provision** HK$'000	**Tax losses** HK$'000	**Tax depreciation** HK$'000	**Total** HK$'000
As at 1 April 2023	(35)	(1,685)	1,720	–
(Credited)/charged to profit or loss (Note 10)	(9)	1,685	(522)	1,154
As at 31 March 2024 and 1 April 2024	(44)	–	1,198	1,154
(Credited)/charged to profit or loss (Note 10)	(1,521)	–	156	(1,365)
As at 31 March 2025	**(1,565)**	**–**	**1,354**	**(211)**

As at 31 March 2025, the Group has estimated unused tax losses of approximately HK$8,845,000 (2024: approximately HK$10,187,000), which are available for offset against future profits that may be carried forward indefinitely and are subject to approval from the Hong Kong Inland Revenue Department. No deferred tax asset has been recognised in respect of these estimated unused tax losses due to unpredictability of future profit streams.

As at 31 March 2025, the Group has deductible temporary differences of approximately HK$980,000 (2024: approximately HK$1,110,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of (loss)/profit before income tax to cash generated from operations

	2025 **HK$'000**	2024 HK$'000
(Loss)/profit before income tax	**(7,058)**	42,781
Adjustments for:		
Depreciation of property, plant and equipment	**7,362**	6,774
Depreciation of right-of-use assets	**334**	33
Finance cost	**30**	–
Amortisation of deferred income	**(140)**	–
Impairment losses on trade receivables	**5,410**	148
Impairment losses/(reversal of impairment losses) on contract assets	**3,813**	(96)
Gain on disposal of property, plant and equipment	**(10)**	(26)
Interest income	**(3,585)**	(2,432)
Operating profit before working capital changes	**6,156**	47,182
Increase in trade and other receivables	**(10,067)**	(12,711)
Increase in pledged bank deposits	**(700)**	(322)
(Increase)/decrease in contract assets	**(2,370)**	23,574
Increase/(decrease) in trade and other payables	**13,259**	(32,434)
(Decrease)/increase in contract liabilities	**(5,915)**	23,607
Cash generated from operations	**363**	48,896

(b) Cash outflows for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2025 **HK$'000**	2024 HK$'000
Within operating and financing cash flows	**3,313**	2,966
	3,313	2,966

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

The table below details the cash flow and non-cash flow changes in the Group's liabilities arising from financing activities. Except as disclosed below, there were non-cash changes in the Group's liabilities arising from financing activities.

	Lease liabilities HK$'000
As at 1 April 2023, 31 March 2024 and 1 April 2024	–
Repayment of lease liabilities	(286)
Interest paid	(30)
Other changes:	
Interest expense on lease liabilities	30
New lease	892
At 31 March 2025	**606**

30. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The directors of the Company are of the view that the following companies that had transactions with the Group are related parties:

Name	Relationship with the Group
Hop Kee Development Co., Limited	A related company owned by Mr. YH Wong and Mr. Tony Wong as to 50% and 30% respectively
Shun Tai Holdings Limited	A related company owned by Mr. YH Wong, Mr. Tony Wong and Mr. Lai as to 40%, 30% and 30% respectively

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with related parties during the year.

	Note	**2025 HK$'000**	2024 HK$'000
Rental of office and car parks paid to:			
Hop Kee Development Co., Limited	i	**530**	608
Short-term warehouse lease expense paid to:			
Shun Tai Holdings Limited	i	**2,404**	2,295

Note:

(i) The rental expenses for office premises, car parks and warehouse payable to the above related parties are based on the agreements entered into between the parties involved with lease term of 12 months.

(c) The emoluments of the directors (representing the key management personnel) during the years ended 31 March 2025 and 2024 are disclosed in Note 9.

31. CAPITAL COMMITMENTS

	2025 HK$'000	2024 HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— Property, plant and equipment	**1,155**	4,743

32. SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entity to issue guarantees for the performance of contracts in the form of surety bonds secured by pledged bank deposits or a corporate indemnity issued by insurance companies secured by pledged deposit.

As at 31 March 2025, the Group has outstanding surety bonds of approximately HK$18,416,000 (2024: approximately HK$18,969,000). The surety bonds will be released upon completion of the contracting works.

Saved as disclosed above, as at 31 March 2025, the Group did not have any other material contingent liabilities.

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	2025 HK$'000	2024 HK$'000
ASSETS		
Non-current asset		
Investment in a subsidiary	**81,375**	81,375
Current assets		
Other receivables and prepayments	**192**	354
Bank balances	**115**	18
	307	372
Total assets	**81,682**	81,747
EQUITY		
Capital and reserves		
Share capital	**40,000**	40,000
Reserves	**26,894**	30,246
Total equity	**66,894**	70,246
LIABILITIES		
Current liabilities		
Accruals	**176**	592
Amounts due to subsidiaries	**14,612**	10,909
Total liabilities	**14,788**	11,501
Total equity and liabilities	**81,682**	81,747
Net current liabilities	**(14,481)**	(11,129)
Total assets less current liabilities	**66,894**	70,246

The Company's statement of financial position were approved and authorised for issue by the board of directors on 26 June 2025 and signed on its behalf by:

Mr. Wong Yan Hung
Director

Mr. Lai Kwok Fai
Director

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Reserve movement of the Company

	Share premium HK$'000	Merger reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2023	56,625	(2)	(22,650)	33,973
Loss and total comprehensive expense for the year	–	–	(3,727)	(3,727)
As at 31 March 2024 and 1 April 2024	56,625	(2)	(26,377)	30,246
Loss and total comprehensive expense for the year	–	–	(3,352)	(3,352)
As at 31 March 2025	**56,625**	**(2)**	**(29,729)**	**26,894**

Summary of Financial Information

The financial summary of the Group for the last five years is set as follows:

RESULTS

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**166,255**	333,430	312,906	242,292	144,359
Direct costs	**(140,916)**	(272,636)	(288,333)	(224,925)	(121,309)
Gross profit	**25,339**	60,794	24,573	17,367	23,050
Other income and other gains	**8,768**	4,391	1,865	1,539	4,942
Change in fair value of financial assets at fair value through profit or loss	**–**	–	–	–	(18)
Administrative and other operating expenses	**(31,912)**	(22,352)	(22,278)	(22,390)	(22,802)
(Impairment losses) /reversal of impairment losses on financial assets and contract assets, net	**(9,223)**	(52)	14,772	(1,011)	(11,614)
(Loss)/profit from operations	**(7,028)**	42,781	18,932	(4,495)	(6,442)
Finance cost	**(30)**	–	–	–	–
(Loss)/profit before income tax	**(7,058)**	42,781	18,932	(4,495)	(6,442)
Income tax credit/(expense)	**1,365**	(3,316)	–	–	369
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	**(5,693)**	39,465	18,932	(4,495)	(6,073)

ASSETS AND LIABILITIES

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**16,530**	12,614	16,800	14,377	19,708
Current assets	**186,882**	190,797	152,657	127,811	91,581
Non-current liabilities	**(976)**	(1,154)	–	–	–
Current liabilities	**(62,416)**	(56,544)	(63,209)	(54,872)	(19,478)
Equity attributable to owners of the Company	**140,020**	145,713	106,248	87,316	91,811