

HSC Resources Group Limited

鴻盛昌資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1850)

ANNUAL REPORT

2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Junheng (*Chairman*)
Mr. Li Shing Kuen Alexander (*Chief Executive Officer*)
Ms. Chau Ngai Mo

Independent non-executive Directors

Mr. Li Ka Chun Gordon
Mr. Fu Wing Kwok Ewing
Mr. Ghanshyam Adhikari
Ms. Mak Suet Man (resigned on 31 October 2024)

AUDIT COMMITTEE

Mr. Fu Wing Kwok Ewing (*Chairman*)
Mr. Li Ka Chun Gordon
Mr. Ghanshyam Adhikari
Ms. Mak Suet Man (resigned on 31 October 2024)

REMUNERATION COMMITTEE

Mr. Li Ka Chun Gordon (*Chairman*)
Mr. Fu Wing Kwok Ewing
Ms. Chau Ngai Mo

NOMINATION COMMITTEE

Mr. Fu Wing Kwok Ewing (*Chairman*)
Mr. Li Ka Chun Gordon
Ms. Chau Ngai Mo

COMPANY SECRETARY

Mr. Yau Yan Yuen

AUTHORISED REPRESENTATIVES

Mr. Li Shing Kuen Alexander
Mr. Yau Yan Yuen

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1603, 16/F., Tower 1
Enterprise Square
9 Sheung Yuet Road
Kowloon Bay, Kowloon
Hong Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited

AUDITOR

Global Link CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

SHARE REGISTRARS

Cayman Islands Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

STOCK CODE

1850

COMPANY'S WEBSITE

www.windmill.hk

Chairman's Statement

To all shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of HSC Resources Group Limited (the "Company"), I am delighted to present the consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 April 2025 to the shareholders of the Company (the "Shareholders").

The Group is a registered fire service installation contractor engaged in installation, maintenance, repair or inspection of fire safety systems for more than 30 years in Hong Kong. Fire safety systems mainly consist of fire alarm systems, water and gas expression systems, fire hydrant and hose reel systems, emergency lighting systems and portable fire equipment. Our services mainly include (i) design, supply and installation of fire safety systems and other engineering and construction related aspects for buildings under construction or re-development; (ii) maintenance and repair of fire safety systems for built premises; and (iii) trading of fire service accessories including branded fire services equipment under a distributorship agreement with an internationally branded fire service equipment supplier.

In 2025, the economic environment in Hong Kong, Macau and the PRC, as well as the world is recovering and a rebound of business activities and economic conditions is expected. We anticipate that the aforesaid expected recovery is likely to enhance our business performance, and the Group looks forward to commencing more projects and works ancillary to such projects in Hong Kong, which will help the Group to maintain a stable revenue stream in coming year. The Group has experienced a revenue decreased of approximately 5.1% as compared between the revenue for the year ended 30 April 2024. Such decrease was primarily due to the decrease from installation services during the year ended 30 April 2025 as compared to the previous year.

The Group's profit attributable to owners of the Company was approximately HK\$0.6 million for the year ended 30 April 2025, which represented a decrease in profit of approximately HK\$1.6 million from approximately profit of HK\$2.2 million for the year ended 30 April 2024.

In the future, the Group will continue to expand our business to maintain and strengthen our market position in our core Hong Kong market by pursuing the following strategies:

- Having continuous active participation in providing services for fire safety systems in public sectors and advanced fire safety system work for private buildings;
- Exploring and developing of engineering businesses (other than fire service installation) in Hong Kong;
- Expanding our maintenance service business;
- Streamlining the fire service installation process; and
- Maintaining and further enhancing our high standards of project planning, management and implementation.

In addition, the Group will also seek potential opportunities to expand and develop our business further to other overseas markets by seeking potential strategic and financial partners which can potentially assist the Group in various aspects to achieve this goal.

Chairman's Statement

As the Group has successfully been listed in the Main Board of Hong Kong Stock Exchange in 2019, our brand name awareness has been further enhanced. I believe we may leverage this to explore other new attractive business opportunities both inside and outside Hong Kong which may be value-enhancing to the Group and its shareholders. Furthermore, the Group will also continue to look at opportunities to strengthen our investor and shareholder base to support our Group's business and expansion plans.

Last but not least, I would also like to take this opportunity to express my sincere gratitude to our Shareholders, customers, subcontractors, suppliers and business partners for their continuous support, and to our management and staff members for their diligence, dedication and contribution to the growth of the Group. The Group remains positive about the prospects of the fire safety service industry. With our experienced management team and decades of valuable project experience, we are convinced that we can expand our operation scale and maximize returns to the Shareholders.

Li Junheng

Chairman

Hong Kong, 31 July 2025

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

We are a registered fire service installation contractor, qualified to undertake works in respect of the installation, maintenance, repair or inspection of fire safety systems in Hong Kong. Fire safety systems mainly consist of fire alarm systems, water and gas expression systems, fire hydrant and hose reel systems, emergency lighting systems and portable fire equipment.

Our services mainly include (i) design, supply and installation of fire safety systems and other engineering and construction related aspects for building under construction or re-development (referred to as “installation services”); (ii) maintenance and repair of fire safety systems for built premises (referred to as “maintenance services”); and (iii) trading of fire service accessories including branded fire services equipment under a distributorship agreement with an internationally branded fire service equipment supplier (referred to as “others”).

In 2025, the economic environment in Hong Kong, Macau and the PRC, as well as the world is recovering and a rebound of business activities and economic conditions is expected. We anticipate that the aforesaid expected recovery is likely to enhance our business performance, and the Group looks forward to commencing more projects and works ancillary to such projects in Hong Kong, which will help the Group to maintain a stable revenue stream in coming year.

Having said that, we will continue to explore the opportunities to further expand and increase its capacity in providing our services by identifying suitable business opportunities with potential customers and the Group has also committed to undertake new installation and maintenance projects for both fire service installation and other engineering businesses.

In addition, the Group will also continuously seek potential opportunities to expand and develop our business further to other overseas markets by seeking strategic and financial partners which can potentially assist the Group in various aspects to achieve this goal.

As the Group has successfully been listed on the Main Board of the Stock Exchange in 2019, our brand name awareness has been further enhanced. The Group may leverage this to explore other new attractive business opportunities inside and outside Hong Kong which may be value-enhancing to the Group and its shareholders. Furthermore, the Group will also continue to look for opportunities to strengthen our investor and shareholder base to support our Group’s business and expansion plans.

FINANCIAL REVIEW

Revenue

The Group’s revenue for the year ended 30 April 2025 recorded amounted to approximately HK\$374.3 million which represented a decrease of approximately HK\$20.2 million or 5.1% from approximately HK\$394.5 million for the year ended 30 April 2024. The decrease in total revenue was mainly due to the decrease from installation services amounted to approximately HK\$16.8 million.

Management Discussion and Analysis

Analysis of revenue is as follows:

	Year ended 30 April			
	2025		2024	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Installation services	367,007	98.04	383,784	97.28
Maintenance services	7,308	1.95	10,499	2.66
	374,315	99.99	394,283	99.94
Others	32	0.01	254	0.06
Total	374,347	100.00	394,537	100.00

Installation services

Revenue decreased by approximately 4.4% from approximately HK\$383.8 million for the year ended 30 April 2024 to approximately HK\$367.0 million for the year ended 30 April 2025. The decrease by approximately HK\$16.8 million was mainly due to gradually reached out the progress of the ongoing installation projects during the year.

Maintenance services

Revenue decreased by approximately 30.5% from approximately HK\$10.5 million for the year ended 30 April 2024 to approximately HK\$7.3 million for the year ended 30 April 2025. The decrease by approximately HK\$3.2 million was mainly due to a decrease in revenue from repair and maintenance to the safety system of the premises of various government departments during the year ended 30 April 2025 as comprised to the corresponding year.

Others

For the year ended 30 April 2025, revenue recorded amounted to approximately HK\$0.1 million (2024: HK\$0.1 million).

Cost of sales

Our cost of sales decreased by approximately 4.7% from approximately HK\$365.5 million for the year ended 30 April 2024 to approximately HK\$348.4 million for the year ended 30 April 2025. The decrease was mainly attributed to the decrease in subcontracting costs, direct labour and materials cost which were due to less revenue recognised by the Group during the year ended 30 April 2025.

Gross profit and gross profit margin

Our gross profit decreased by approximately HK\$3.1 million or 10.7% from approximately HK\$29.0 million for the year ended 30 April 2024 to approximately HK\$25.9 million for the year ended 30 April 2025. Our gross profit margin has been decreased to 6.9%. It is because of decrease in revenue amounted to approximately HK\$374.3 million.

Management Discussion and Analysis

Other income

The Group recorded other income of approximately HK\$2.4 million for the year ended 30 April 2025 (2024: approximately HK\$1.0 million). The increase was mainly due to the increase in handling fee income with approximately HK\$1.8 million during the year ended 30 April 2025.

Reversal of impairment loss under expected credit loss on trade receivables, contract assets and deposits, prepayments and other receivables

The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. For the year ended 30 April 2025, reversal of impairment loss of approximately HK\$668 million was made on the trade receivables, contract assets and deposits, prepayments and other receivables.

As at 30 April 2025, impairment allowance amounted to approximately HK\$25.6 million was made against the trade receivables, contract assets and deposits, prepayments and other receivables. Among the allowance made, HK\$20.0 million was made against a single customer.

The Group considered the allowances made were adequate since most of the Group's clients are major contractors in the industry.

Administrative expenses

Our administrative expenses increased by approximately HK\$0.4 million or 1.8% from approximately HK\$22.2 million for the year ended 30 April 2024 to approximately HK\$22.6 million for the year ended 30 April 2025. The increase in administrative expenses was mainly due to the increase in staff costs including directors emoluments.

Other gain and loss

Other gain and loss was nil for the year ended 30 April 2025, other gain and loss of approximately HK\$2.9 million for the year ended 30 April 2024 was arose from the fair value changes of the financial assets at fair value through profit or loss and exchange loss.

Finance costs

Our finance costs increased by approximately 2.5% from approximately HK\$4.0 million for the year ended 30 April 2024 to approximately HK\$4.1 million for the year ended 30 April 2025. The increase was primarily attributed to the increase in drawdown of bank borrowings for normal operation during the year.

Income tax expense

Our income tax expense was changed from approximately HK\$1.6 million for the year ended 30 April 2024 to approximately HK\$0.8 million for the year ended 30 April 2025. The decrease was primarily attributed to the net profit results for the year ended 30 April 2025.

Management Discussion and Analysis

Profit and total comprehensive income for the year attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company was approximately HK\$0.6 million for the year ended 30 April 2025.

Deposits, prepayment and other receivables

Our deposits, prepayment and other receivables decreased by approximately 0.8% from approximately HK\$92.5 million for the year ended 30 April 2024 to approximately HK\$91.8 million for the year ended 30 April 2025. The decrease was primarily attributed to the increase in impairment analysis performed at each reporting date by considering ECL. Up to the date of this report, approximately 62.3% of the deposits, prepayment and other receivables has been settled.

Our deposits, prepayment and other receivables primarily represent upfront payments and advances to sub-contractors to secure critical resources, materials, and services necessary for the timely execution of the project. The prepayments ensure priority access to specialized services, while advances align with contractual terms to mobilize sub-contractors. To safeguard these transactions, the Group has implemented enhanced internal controls, including a multi-tiered approval process for significant payments, due diligence on sub-contractors' track record and periodic monitoring of project milestones to align disbursements with progress.

An impairment analysis is performed at each reporting date by considering ECL, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. In determining ECL for financial assets included in prepayments, other receivables and deposits, the directors of the Company have taken into account the historical default experience and the future prospects of the industries and/or considered various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the financial assets included in prepayments, other receivables and deposits occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Details of the impairment assessment of deposits, prepayments and other receivables are set out in note 33 in this report.

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 April 2025	2024
Current ratio	2.9	3.0
Gearing ratio*	15.8%	20.7%

* Calculated based on total debts at the end of the year divided by total equity at the end of the year. Total debts are defined to include bank borrowings, other borrowings and lease liabilities.

The current ratio of the Group as at 30 April 2025 was 2.9 times as compared to that of 3.0 times as at 30 April 2024. The decrease in current ratio was mainly due to increase in accruals and other payable. The gearing ratio of the Group as at 30 April 2025 was 15.8% as compared to that of 20.7% as at 30 April 2024. Similar level of gearing ratio was primarily due to similar level of increase in total debts and total equity during the year ended 30 April 2025.

Management Discussion and Analysis

The Group's finance department closely monitors the Group's cash flow position to ensure the Group has sufficient working capital available to meet the operational needs. The finance department takes into account the trade receivables, trade payables, cash on hand, bank borrowings, administrative and capital expenditures to prepare the cash flow forecast to forecast the Group's future financial liquidity.

The Group generally finance its operations through a combination of owner's equity, internally generated cash flows, net proceeds from the share offer of the Company's shares in listing and placements, other reserve and bank borrowings.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 30 April 2025 (2024: nil).

PLEDGE OF ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OF LOSS

As at 30 April 2025, the Group pledged its bank deposit to a bank of HK\$21.9 million as collaterals to secure bank facilities granted to the Group. Save for the above disclosed, the Group did not have any charges on its assets.

CONTINGENT LIABILITIES

As at 30 April 2025, performance bonds of approximately HK\$8.3 million (2024: approximately HK\$3.4 million), were given by the bank in favour of some of our customers as security for the due performance and observance of our obligations under the contracts entered into between us and our customers. If our Group fails to provide satisfactory performance to our customers to whom performance bonds have been given, such customers may demand the bank to pay to them the sum or sums stipulated in such demand. Our Group will then become liable to compensate such bank accordingly. The performance bonds will be released upon completion of the contract work. The performance bonds were granted under the banking facilities. As at 30 April 2025, in the opinion of the Directors, it was not probable that a claim would be made against our Group under the guarantees, and hence no provision for such guarantees was made in respect of the aforesaid performance bonds.

EVENT AFTER THE REPORTING PERIOD

Saved as disclosed in note 13 in this report, there were no important events after the Reporting Period and up to the date of this report.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures during the year ended 30 April 2025.

CAPITAL STRUCTURE

The Group's shares were successfully listed on GEM on the Listing Date and have been transferred from GEM to the Main Board of the Stock Exchange on 14 February 2019. There has been no change in the capital structure of the Group after the Reporting Period and up to the date of this report. The capital of the Group only comprises of bank borrowings, net of bank balances and cash, issued share capital and reserves.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS

As at 30 April 2025, there was no significant investment held by the Group (2024: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently does not have any future plans for material investments or capital assets.

FOREIGN CURRENCY EXPOSURE

During the year ended 30 April 2025, the Group's monetary assets and transactions were mainly denominated in HK\$. The Group's exposure to exchange rate fluctuation was not significant and therefore the Group currently does not have a foreign currency hedging policy.

EMPLOYEES AND EMOLUMENT POLICY

The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to build good staff relations and retention. The Group continues to provide training for new staff and existing staff to enhance their technical knowledge. The Directors believe such initiatives have contributed to increasing productivity and efficiency.

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability and the staff performance, the Group may also provide a discretionary bonus to employees as an incentive for their contributions to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

Biographical Details of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Li Junheng (李俊衡), aged 60, was appointed as an executive Director and the chairman of the Board on 26 July 2023. Mr. Li has over 25 years' experience in corporate investment and business management, particularly comprehensive logistics, port cargo internet and large-sale commodity trading digital platforms in China, Asia and Europe. Mr. Li is currently an executive deputy director of the China Port Logistics Association. He has significant involvements in the countries along the Belt and Road in respect of planning and layout of ports, road and railway and sea transportation network, and planning of warehousing. Mr. Li is currently an executive director of Kazakhstan Potash Corporation Limited which is listed on the Australia Stock Exchange.

Mr. Li Shing Kuen Alexander (李誠權), aged 65, is an executive Director, chairman of our Board and our chief executive officer. Mr. Li is responsible for the strategic planning and overall management of business operations and development of our Group. Mr. Li founded our Group when he acquired Windmill Engineering Company Limited on 30 June 1985. Mr. Li was appointed as a Director on 25 August 2016, and re-designated as an executive Director and appointed as chairman of the Board on 29 November 2016. He is also the sole director of Success Chariot Limited, Golden Chariot International Limited and Windmill Engineering Company Limited.

Mr. Li has over 30 years of managerial experience in the fire services installation and maintenance industry gained from managing and developing our Group's business. He oversees the project planning, project management and execution of our fire services installation and maintenance projects, directs our business development and acts as a representative in our Group's communications with industry associations, key customers, government representatives and regulatory agencies. Mr. Li was awarded the Chief Executive's Commendation for Community Service in 2007, the Medal of Honour (MH) by The Chief Executive of the HKSAR in 2012 and Bronze Bauhinia Star (BBS) by The Chief Executive of the HKSAR in 2019 for his outstanding and dedicated community service in Wan Chai District.

He was appointed as the Chairman of District Fire Safety Committee (Wan Chai District) of the Home Affairs Department from 2010 to 2013, a non-official member of the Advisory Committee under the Fire Safety (Buildings) Ordinance (Chapter 572 of the Laws of Hong Kong) appointed by the Director of Fire Services from 2011 to 2017, Chairman of the District Fight Crime Committee (Wan Chai District) of the Home Affairs Department from 2014 to 2019 and a member of the Liquor Licensing Board (LLB) since 2024.

Ms. Chau Ngai Mo (鄒藝斌), aged 39, was appointed as an executive director on 22 April 2024. Ms. Chau holds a master degree in science international marketing from Sheffield Hallam University, U.K. and also a bachelor's degree in English for business and professional communication from The Hong Kong Polytechnic University. She has over 10 years of experience in strategic planning, business development, and creative solutions.

Biographical Details of Directors and Senior Management

Independent non-executive Directors

Mr. Li Ka Chun Gordon (李家俊), aged 33, was appointed as an independent non-executive Director, the member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 17 March 2022 and as the chairman of the Remuneration Committee of the Company on 25 April 2022. Mr. Li obtained his bachelor's degree in Accounting from The University of Hull. Mr. Li is a fellow member of Certified Practising Accountant with CPA Australia. Mr. Li has over 8 years of experience in the areas of accounting and financial management in financial institutions and corporations, and led several large audit and financing projects. Mr. Li is currently an executive director of Hope Life International Holdings Limited (stock code: 1683) and an independent non-executive director of China New Holdings Limited (stock code: 8125).

Mr. Fu Wing Kwok Ewing (傅榮國), aged 55, was appointed as an independent non-executive director on 9 April 2024. Mr. Fu is currently the financial controller and company secretary of CT Vision S.L. (International) Holdings Limited (stock code: 994). Mr. Fu worked for a number of international accounting firms and listed companies in Hong Kong. He holds a master degree of business administration from Anglia Ruskin University, U.K. and also a bachelor's degree in science with major in accounting from Bemidji State University, USA. He is a fellow member of Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. He has over 30 years of experience in finance, auditing and accounting field.

Mr. Ghanshyam Adhikari, aged 43, was appointed as an independent non-executive director on 6 June 2024. Mr. Adhikari obtained his Master Degree in Education from Tribhuvan University and Bachelor's Degree in British Literature from Mahendra Multiple Campus. Mr. Adhikari has over 15 years of experience in corporate management, marketing and public relations management.

SENIOR MANAGEMENT

Ms. Ma Man Chi (馬敏姿), aged 41, has been our financial controller since May 2019, responsible for financial reporting, financial planning and analysis, treasury, taxation, internal controls and compliance with financial regulations. Ms. Ma joined the Group in November 2018 as Assistant Financial Controller. She has extensive experience in accounting and auditing, specifically more than 10 years of experience from the engineering and construction industry. Prior to joining the Group, Ms. Ma served PricewaterhouseCoopers and has led audit engagements and capital market transactions for multinational corporations and sizable listed companies in Hong Kong. Ms. Ma is a fellow member of the Hong Kong Institute of Chartered Public Accountants and holds a bachelor's degree of Business Administration in Accounting from the Open University of Hong Kong.

Mr. Tang Wai Yin (鄧偉賢), aged 52, has been our head of Project since October 2020. Mr. Tang joined our Group as a project manager in March 2016 and was promoted to the position of construction manager in March 2018.

Mr. Tang is primarily responsible for overall project management which includes quality control, master progress monitoring, value enhancement, overall site administration and site safety.

Biographical Details of Directors and Senior Management

Mr. Tang graduated from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a Higher Certificate in Mechanical Engineering in November 1993. Mr. Tang has over 10 years of experience in the fire engineering field. Mr. Tang is a holder of the Construction Industry Safety Training Certificate. Mr. Tang joined our Group in February 1996 as a project engineer and was responsible for handling various systems of fire services installation, site supervision, design, testing and commissioning. Mr. Tang left our Group in August 2007 and worked for Thorn Security (Hong Kong) Limited as project engineer and senior project engineer from September 2008 to September 2013. Mr. Tang was our project manager from October 2013 to 2014. He worked for Tyco Fire, Security & Services (Macau) Limited as an assistant project manager from May 2014 to December 2015.

Mr. Lam Tai Ming (林泰銘), aged 55, has been a senior project manager of the Group since April 2014. Mr. Lam is primarily responsible for project execution which includes site supervision, and liaison with customers and relevant site agents, etc.

Mr. Lam has over 20 years of experience in the fire engineering field. Mr. Lam joined the Group in January 1995 as an assistant engineer and he was promoted to his current position in April 2014. Mr. Lam obtained from the Vocational Training Council an Ordinary Certificate in Electrical Engineering in September 1999 and a Higher Certificate in Building Services Engineering in July 2005. Mr. Lam is a holder of the Certificate for Safety and Health Supervisor (Construction) awarded by the Occupational Safety & Health Council in November 1999. He is a Class 3 Registered Fire Service Installation Contractor registered with the Fire Services Department since June 2012, an electrical worker (Grade B) registered with the Electrical and Mechanical Services Department (EMSD). Mr. Lam received from the Labour Department an Attendance Certificate in legal requirements of working in confined space in August 1996 and an Attendance Certificate in construction sites safety regulations in November 1996.

Ms. Leung Wan Yi (梁尹儀), aged 57, has been an administration manager of the Group since November 2016. Ms. Leung is primarily responsible for overseeing daily support operations and performing administrative duties. She joined our Group in October 1986 as a junior accounts clerk and was promoted to accounts clerk in February 1989. She was the account manager from January 2012 to October 2016.

Ms. Leung completed a 9-month full-time business secretarial studies course and received a diploma in business secretarial studies from the Professional & Business Youth Department of the Hong Kong Young Women's Christian Association in May 1986. She attended a higher accounting course organised by Caritas Adult Educational Centre from July 1986 to January 1987. She obtained a Certificate of Internal QMS Auditor from SGS United Kingdom Limited in April 2003 and a Certificate of Achievement – Integrated Management System: Internal Auditor for ISO9001, ISO14001 and OHSAS18001 from SGS Hong Kong Limited in July 2012.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as risk management and internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more values for the Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise returns for the Shareholders.

The Board is of the view that the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules during the year ended 30 April 2025 and up to the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct governing dealings by all Directors in the securities of the Company on terms no less exacting than the required standard of dealings as set out in Listing Rules. Specific enquiries have been made with all Directors, all Directors declared that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 30 April 2025.

THE BOARD

The Board currently consists of six Directors, comprising three executive Directors, namely, Mr. Li Junheng, Mr. Li Shing Kuen Alexander and Ms. Chau Ngai Mo and three independent non-executive Directors, namely, Mr. Li Ka Chun Gordon, Mr. Fu Wing Kwok Ewing and Mr. Ghanshyam Adhikari. The Board oversees the management of the business and affairs of the Company. The Directors are accountable for making decisions objectively in the best interest of the Shareholders as a whole.

The Board is responsible for making decisions on all major aspects of the Company’s affairs, including the approval and monitoring of key policy matters, overall strategies, business plans and annual budgets, risk management and internal control systems, material transactions, major capital expenditure, appointment of Directors and other significant financial and operational matters.

Corporate Governance Report

During the year ended 30 April 2025, 11 Board meetings were held to, among other matters, review past financial and operating performance to consider the opinions recommended by Board committees, and discuss the Group's overall strategies and policies. Besides, two shareholders' meeting of the Company (i.e. the annual general meeting of the Company (the "Annual General Meeting") were held on 25 October 2024 and 7 April 2025. The attendance records of the Directors at the aforesaid board meetings and Shareholders' meeting are set out as follows:

Name of Directors	Attendance/ Number of meetings	
	Board Meetings	Shareholders' Meetings
Executive Directors		
Mr. Li Junheng (<i>Chairman</i>)	11	2
Mr. Li Shing Kuen Alexander (<i>Chief Executive Officer</i>)	11	2
Ms. Chau Ngai Mo	11	N/A
Independent Non-Executive Directors		
Mr. Li Ka Chun Gordon	11	2
Mr. Fu Wing Kwok Ewing	11	2
Mr. Ghanshyam Adhikari	11	2
Ms. Mak Suet Man (resigned on 31 October 2024)	4	1

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All non-executive Directors, including the independent non-executive Directors, are appointed for a term of three years and are subject to retirement by rotation at least once every three years.

In accordance with the articles of association of the Company (the "Articles"), at least one-third of the Directors are subject to retirement by rotation at an Annual General Meeting at least once every three years. Any Director appointed by the Board shall hold office until the next following general meeting of the Company. According, the retiring Directors, including Mr. Li Shing Kuen Alexander and Mr. Li Ka Chun Gordon, being eligible, shall offer themselves for re-election by the Shareholders in the forthcoming Annual General Meeting.

Corporate Governance Report

RESPONSIBILITY OF THE BOARD

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions and duties conferred on the Board include convening Shareholders' meetings, reporting on the work of the Board to the Shareholders at Shareholders' meetings as may be required by applicable laws, implementing resolutions passed at Shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and applicable laws. The senior management is delegated the authority and responsibilities by the Board for the day-to-day management and operations of the Group in which the management should report back or obtain prior Board approval. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company. The composition of the Board is well balanced with the Directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The independent non-executive Directors bring a variety of experience and expertise to the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board in compliance with code provision D.3.3 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

All Directors have separate and independent access to the Company's senior management to fulfill their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense. All Directors also have access to the company secretary of the Company (the "Company Secretary") who is responsible for ensuring that the Board procedures and all applicable rules and regulations are followed. To provide an opportunity to the Directors to include matters for discussion in the agenda, at least 14 days' notice of a regular Board meeting is given to all Directors. An agenda and accompanying Board committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which record in sufficient details of the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the Company Secretary and are open for inspection by the Directors.

Corporate Governance Report

DIRECTORS' TRAINING

According to the code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Directors. During the year ended 30 April 2025, the Company had arranged to provide trainings to all the Directors. One of the topics of the external courses the Directors had participated was analyzed director's securities dealings and case study of notifiable transactions. The table below summaries the participation of the Directors in continuous professional development during the year ended 30 April 2025 and up to the date of this report.

Name of Directors	Training organised by professional organizations	Reading materials updating on new rules and regulations
Executive Directors		
Mr. Li Junheng (<i>Chairman</i>)	✓	✓
Mr. Li Shing Kuen Alexander (<i>Chief Executive Officer</i>)	✓	✓
Ms. Chau Ngai Mo	✓	✓
Independent Non-Executive Directors		
Mr. Li Ka Chun Gordon	✓	✓
Mr. Fu Wing Kwok Ewing	✓	✓
Mr. Ghanshyam Adhikari	✓	✓
Ms. Mak Suet Man (resigned on 31 October 2024)	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

During the Year, the roles of the chairman of the Board and the chief executive officer, held by separate individuals, Mr. Li Junheng and Mr. Li Shing Kuen Alexander respectively, are clearly segregated with an aim to providing a balance of power and authority. The chairman of the Board is principally responsible for the strategic planning of the Group and the management of the operations of the Board. The chief executive officer is mainly responsible for the operations and business development of the Group.

Corporate Governance Report

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meetings and scrutinizing the Group's performance. Their views carry significant weight in the Board's decisions; in particular, they bring an impartial view to bear on issues arising from the Group's strategy, performance and control. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided professional advice to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of all the Shareholders can be taken into account, and the interests of the Company and the Shareholders can be protected.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed four independent non-executive Directors representing at least one-third of the Board.

Among the four independent non-executive Directors, Mr. Li Ka Chun Gordon, Mr. Fu Wing Kwok Ewing and Mr. Ghanshyam Adhikari have appropriate professional accounting qualifications and financial management expertise in compliance with the requirements set out in Rule 3.10(2) of the Listing Rules.

The Company has received annual confirmations of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs:

Audit Committee

The Company has established its audit committee (the "Audit Committee") with terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. The Audit Committee has three members comprising the Company's three independent non-executive Directors, namely Mr. Li Ka Chun Gordon, Mr. Fu Wing Kwok Ewing and Mr. Ghanshyam Adhikari. The chairman of the Audit Committee is Mr. Fu Wing Kwok Ewing.

Corporate Governance Report

During the year ended 30 April 2025, two meetings of the Audit Committee were held to review and discuss with the external auditor and the management of the Company on the annual audit planning, the accounting principles and practices adopted by the Group, the draft consolidated financial statements for the year ended 30 April 2025 and up to the date of this report as well as risk management and internal control systems and other financial reporting matters. The attendance records of individual committee members are set out below:

	Number of meetings attended/held
Mr. Fu Wing Kwok Ewing (<i>Chairman</i>)	2
Mr. Li Ka Chun Gordon	2
Mr. Ghanshyam Adhikari	1
Ms. Mak Suet Man (<i>Chairman</i>) (resigned on 31 October 2024)	1

Remuneration Committee

The Company has established a remuneration committee (the “Remuneration Committee”) with terms of references in compliance with the CG Code as set out in Appendix C1 of the Listing Rules. The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management. The Remuneration Committee comprises Company's three independent non-executive Directors, namely Mr. Li Ka Chun Gordon, Ms. Chau Ngai Mo and Mr. Fu Wing Kwok Ewing. The chairman of the Remuneration Committee is Mr. Li Ka Chun Gordon.

During the year ended 30 April 2025, one meeting of the Remuneration Committee were held to, amongst others, review, approve and to make recommendations to the Board on the remuneration packages of the Directors and senior management of the Company. The attendance records of individual committee members are as follows:

	Number of meetings attended/held
Mr. Li Ka Chun Gordon (<i>Chairman</i>)	1
Mr. Fu Wing Kwok Ewing	1
Ms. Chau Ngai Mo	N/A
Ms. Mak Suet Man (resigned on 31 October 2024)	1

Corporate Governance Report

For the year ended 30 April 2025, the emoluments of the senior management are within the following band:

	Number of senior management
HK\$1,000,001 to HK\$1,500,000	3
HK\$1,500,001 to HK\$2,000,000	1

Pursuant to Appendix 16 of the Listing Rules, the emoluments of the employees who are Directors and who are amongst the five highest paid individuals are set out in notes 12 and 13 to the consolidated financial statements, respectively.

Nomination Committee

The Company has established a nomination committee (the “Nomination Committee”) with terms of references in compliance with the CG Code as set out in Appendix C1 of the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board. The Nomination Committee comprises three independent non-executive Directors, namely Mr. Li Ka Chun Gordon, Ms. Chau Ngai Mo and Mr. Fu Wing Kwok Ewing. The chairman of the Nomination Committee is Mr. Fu Wing Kwok Ewing.

The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity, at least annually to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group. It is also responsible to consider and recommend to the Board suitably qualified persons to become a member of the Board, monitor the succession planning of Directors and assess the independence of independent non-executive Directors. The Nomination Committee will also give consideration to the Board Diversity Policy (as defined below) when identifying suitably qualified candidates to become members of the Board, and the Board will review the Board Diversity Policy (as defined below), so as to develop and review measurable objectives for the implementing the Board Diversity Policy (as defined below) and to monitor the progress on achieving these objectives.

The Nomination Committee has reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors.

The Board has adopted the nomination policy (the “Nomination Policy”) on 21 November 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

Corporate Governance Report

The process to identify potential candidates for the Board would be as follows:

- (1) identifying potential candidates, including recommendations from the Board members, professional search firms and the shareholders of the Company;
- (2) evaluating the candidates based on the approved selection criteria through methods such as reviewing the resume and conducting the background checks;
- (3) reviewing the profiles of the shortlisted candidates and interview them; and
- (4) making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy (the "Board Diversity Policy") on 27 March 2017 in accordance with the requirement set out in the CG Code. The Board Diversity Policy aims to set out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates shall 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 shall be based on merit and contribution that the selected candidates shall bring to the Board. The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy.

During the year ended 30 April 2025, one meeting of the Nomination Committee was held. The attendance records of individual committee members are as follows:

	Number of meetings attended/held
Mr. Fu Wing Kwok Ewing (<i>Chairman</i>)	1
Mr. Li Ka Chun Gordon	1
Ms. Chau Ngai Mo	N/A
Ms. Mak Suet Man (resigned on 31 October 2024)	1

Corporate Governance Report

Directors' and Auditor's Responsibility for the Consolidated Financial Statements

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Group so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group. The consolidated financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies have been adopted and applied consistently, and that judgments and estimates made are prudent and reasonable. Having made appropriate enquiries, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the consolidated financial statements.

The reporting responsibilities of external auditor of the Company are disclosed in "Independent Auditor's Report".

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditor for the year ended 30 April 2025, is set out as follows:

Nature of services	Fee paid/payable HK\$'000
Annual audit service	580
Non-audit services	300
Total	880

RISK MANAGEMENT AND INTERNAL CONTROL

During the year ended 30 April 2025, the Board complied with the code provisions on risk management and internal control as set out in the CG code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

Corporate Governance Report

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A year end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

The Board is also vested with the responsibility to disseminate to the Shareholders and the public any inside information in the form of announcements and circulars, in accordance with the Listing Rules.

COMPANY SECRETARY

The Company has entered into a service contract with an external service provider, pursuant to which Mr. Yau Yan Yuen ("Mr. Yau") was appointed as the Company Secretary. Mr. Li Shing Kuen Alexander, the executive Director of the Company, is the primary corporate contact person of the Company with Mr. Yau.

Being the Company Secretary, Mr. Yau plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. Mr. Yau is responsible for advising the Board on corporate governance matters and should also facilitate induction and professional development of Directors.

Mr. Yau is a member of the Hong Kong Institute of Certified Public Accountants. According to Rule 3.29 of the Listing Rules, Mr. Yau took more than 15 hours of relevant professional training for the year ended 30 April 2025.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An Annual General Meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an Annual General Meeting, shall be called an extraordinary general meeting (the "EGM").

To convene an EGM

Pursuant to article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Corporate Governance Report

Procedures by which enquiries may be put to the Board

To ensure effective communication between the Board and the Shareholders, the Company has adopted a Shareholders' communication policy (the "Policy") on 27 March 2017. Under the Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings, including annual general meetings of the Company, the Company's financial reports (interim reports and annual reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's head office and principal place of business in Hong Kong.

Procedures for putting forward proposals at general meeting

The number of Shareholders necessary for a requisition for putting forward a proposal at a Shareholders' meeting shall be any number of Shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the requisition.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:

- (i) a requisition requiring notice of a resolution, not less than 21 days before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with necessary procedures.

Communication with Shareholders

The Board recognises the importance of maintaining clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognises that effective communication with its investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors of the Company and the shareholders will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company's website at www.windmill.hk. The Directors and members of various board committees will attend the Annual General Meeting to answer questions raised by the Shareholders. The resolutions of every important proposal will be proposed at general meetings separately.

Voting at general meetings of the Company are conducted by way of poll in accordance with the Main Board Listing Rules. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media to keep them informed of the Group's strategy, operations, management and plans, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

Corporate Governance Report

Dividend Policy

The Board has adopted the dividend policy (the “Dividend Policy”) on 21 November 2018 which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the shareholders of the Company. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis.

Constitutional Documents

There was no significant change in the constitutional documents of the Company during the year ended 30 April 2025.

Environmental, Social and Governance Report

ABOUT THIS REPORT

HSC Resources Group Limited (the “Company”) and its subsidiaries (collectively known as “the Group”) are pleased to present our Environmental, Social and Governance (the “ESG”) Report. This Report reflects the sustainability strategy of the Group, including our environmental, social and governance initiatives and performances. The Group also wants to take this opportunity to communicate these achievements with our stakeholders.

Reporting Period and Scope

The ESG Report describes the ESG activities, challenges, and measures taken by the Group from 1 May 2024 to 30 April 2025 (the “reporting period”), unless otherwise stated.

The senior management of the Group identifies the reporting scope by considering the materiality principle, its core business and material businesses namely provision of installation, maintenance, repairs or inspection of fire safety systems as a registered fire service installation contractor in Hong Kong.

The ESG key performance indicators (“KPIs”) data are gathered from the Group’s Office (“office”). Our business has insignificant impacts on the environment in terms of wastewater, waste pollutants, air pollutants, hazardous waste and packaging materials. Therefore, disclosures relating to these aspects, as set forth in the ESG Reporting Guide, are not applicable to the Group and so have not been made and the relevant disclosed environmental data primarily include the emission data of the office.

The Group’s awareness on issues such as greenhouse gas (“GHG”) emissions and climate change are ever increasing and focus on improving the data collection system and expanding the disclosure scope. The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

Reporting Standard and Principles

This ESG report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”), which is the Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) issued by the Stock Exchange of Hong Kong Limited. The Group has adhered to the four reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency” set out in the ESG Reporting Guide.

Principle	Meaning and Our Practice
Materiality	Materiality means issues covered in the Report are important to investors and other stakeholders. The Group has identified the key ESG issues through our regular engagements with stakeholders and the assessment of our management.
Quantitative	Key performance indicators (KPIs) are reported in a measurable manner where appropriate. Historical KPIs results are provided for comparison. Targets are set to reduce impacts to the environment.
Balance	Both achievements and challenges are covered in this report to reflect an unbiased, objective picture on our performances.
Consistency	The reporting scope and approach remain consistent with the previous years for meaningful comparison.

The Group has established internal controls and a formal review process to ensure that any information presented in this ESG Report is as accurate and reliable as possible. This ESG Report has been approved by the Board.

Environmental, Social and Governance Report

Board of Directors

The Board supports the Group's commitment to fulfilling its environmental and social responsibility and has overall responsibility for the Group's ESG strategy and reporting.

The Board recognize that corporate social responsibility is essential for making the right decisions that shape our present and future while our management is responsible for monitoring and managing ESG-related risks and the effectiveness of our ESG management systems. In order to identify key ESG matters of the Group, we have engaged our business functions to review the operations and to assess the ESG matters relating to our business and the stakeholders. Disclosures relating to the material ESG issues identified have been included in this ESG Report pursuant to the General Disclosure requirements of the ESG Reporting Guide.

STAKEHOLDERS ENGAGEMENT

Understanding and responding to the needs and expectation of stakeholders from different sectors helps the Group in formulating and adjusting our sustainability strategies.

The Group's stakeholders are those who have a considerable influence on our business, and whom our business has a significant impact on. The Group identified clients, shareholders, employees, business partners, regulatory authorities and the community as our key stakeholders.

The Group engages its key stakeholders via multiple channels to gather their feedback. Meetings, workshops and other communicative means are held across daily operations for both internal and external stakeholder groups. Every feedback from stakeholders guides us to identify material environmental, social and governance issues, as well as to address risks and seize development opportunities.

Throughout the stakeholders' engagement, the Group identified that quality of services, customer data protection and privacy, anti-corruption, and employee training and development are the more material ESG issues for the Group. Our policies regarding these issues are disclosed in the respective sections of this ESG Report.

GROUP POLICIES RELATING TO ENVIRONMENTAL PROTECTION

The Directors believe that it is essential for the Group to be environmentally responsible, and to meet the customers' demand for environmental protection and the expectation of the community for a healthy living and working environment. In this connection, we have set up an environmental management system, which was awarded with ISO14001:2015 certification by SGS Hong Kong Limited, to promote environmental awareness and to prevent pollution of the environment.

Emissions

Since the Group principally engaged in installation, maintenance, repairs or inspection of fire safety systems, we did not generate air emissions nor hazardous waste during our operations in the Reporting Period. The major non-hazardous waste produced from our business activities is mainly paper consumed for administrative purposes. The Group is dedicated to protect the environment by taking all actions which are feasible in its office operating boundaries including recycling paper, reusing single-sided paper, avoiding necessary photocopying and printing but not limit to re-use of envelopes for internal use, and target to establish a paperless office by using electronic platforms and communication channels.

Environmental, Social and Governance Report

Greenhouse Gas (“GHG”) Emissions

The Greenhouse gas (“GHG”) emission from the Group is mainly from its purchased electricity (Indirect GHG emissions (Scope 2)) consumed in daily office operations.

The total GHG emissions and intensity generated by Hong Kong office are as follows:

Indirect GHG Emissions (Scope 2)

		2025	2024
Purchased Electricity	Total (kWh)	38,843	39,018
GHG emissions	Total (kg)	24,295	24,330
GHG emissions per employee	Total (kg/employee)	387	399

Notes:

1. The number of employees working in Hong Kong office is 63 as at 30 April 2025 (2024: 61).
2. GHG emissions data is presented in carbon dioxide equivalent and was based on the article “How to prepare an ESG Report?” downloaded in The Stock Exchange of Hong Kong Limited’s website.

Waste Management

The solid waste generated from the Group is mainly paper used for administrative purposes. During the year ended 30 April 2025 and 2024, the consumption volume generated by the Group is as below:

Non-hazardous waste category	Year	Quantity	Unit	Intensity – Unit per employee
Paper	2025	0.6750	Tonnes	10.7 kg
	2024	0.6812	Tonnes	11.2 kg

Although those indirect emission from the office are very insignificant, we regularly monitor the consumption volume of paper and have implemented a number of reduction measures. The Group’s office has also provided suitable facilities and encouraged our staff to sort and recycle the wastes to achieve the objectives in mitigating wastes, reusing and recycling in its operations. The Group maintains high standard in waste reduction, educates its employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development.

Environmental, Social and Governance Report

Apart from recycling, the office has implemented various programs and activities to encourage employees to participate in waste reduction management, including:

- Promote green information and electronic communication, such as e-mail and electronic workflows, to implement “paperless system” concept;
- Place “Green Message” reminders on office equipment;
- Utilise used envelopes and double-side printing. Paper for single-side printing would be only adopted when handling official documents and confidential documents when necessary;
- Recommend the use of recycled paper.

Use of Resources

Energy Consumption

The Group is committed to have an environmental friendly working environment. The Group advocates to reduce the consumption of fuel, electricity, water and improving the resource efficiency by way of, inter alia, the following measures: (i) the Group encourages its employees to switch off the lights and electronic appliances before they leave the office; (ii) the Group encourages its employees to set the temperature range of the office’s air conditioner from 23.5 to 25.5 Degree Celsius; and (iii) the Group encourages its employees to save water and reduce domestic sewage and water- saving notices are placed in office area.

During the year ended 30 April 2025 and 2024, the total energy consumption by Hong Kong office and total energy consumption per employee in terms of electricity are as follows:

		2025	2024
Energy Consumption	Total (kWh)	38,843	39,138
Energy consumption per employee	Total (kWh/employee)	617	642

Water Consumption

Water consumption is relatively low in the Group. Much of our water consumption is for basic cleaning and sanitation. The majority of the water supply facilities are provided on our rental premises, and the usage have been included in the management fees. Nonetheless, we emphasize water saving to our staff through staff education.

The Environmental and Natural Resources

Although the core business of the Group has remoted impact on the environment and natural resources, the Group is committed to making continuous improvements in environmental and social responsibility in order to meet the changing needs of our society. We also regularly provides internal trainings and briefings in order to spread the practical tips and information about the environmental friendly action to its management and employees in order to minimize the impact of the business on the environment.

Environmental, Social and Governance Report

Climate Change

As Hong Kong's climate is sub-tropical, the significant climate-related issues the Group has identified and faced are typhoons and heavy rainstorms. As stated in the Group's Staff Handbook, when Typhoon Signal No. 8 or Black Rainstorm Warning is hoisted on or before the normal office hour, staff are not required to come to work and the company's office is usually closed until the signal or warning has been lowered. The issues have inevitably affected the productivity of the Group. Having said that, for urgent works, the staff can adopt "Work from Home" practice to mitigate the impact to the operation of the Group. To ensure availability of relevant information and resources to monitor the impact of climate change on its employees and business operations, the Group reviews the Climate Change Policy periodically.

OUR PEOPLE

Employment

We believe that our employees are important assets to our Group. We make our best efforts to attract and retain appropriate and suitable personnel. We assess our available human resources on a continuous basis and will determine the need to recruit additional personnel to cope with our business development from time to time. We arrange training to new employees to familiarize themselves with the applicable rules and regulations and their job duties and requirements. We also provide them with our employees' handbook for our internal working guidelines.

Our employment is as shown below:

As at 30 April	Percentage of total headcount (%)	
	2025	2024
By Gender		
Male	68	66
Female	32	34
By Age Group		
Under 30	10	20
30 to 50	68	62
Over 50	22	18
By Employment Contact		
Full-time	98	100
Part-time	2	0

Environmental, Social and Governance Report

Annual Turnover

Year ended 30 April	2025	2024
No. of Employees	63	61
Average No. of Employees	64	61
No. of Leaved Employees	12	15
Turnover Rate	19%	25%
Average Turnover Rate	22%	24%

Leaved Employee Turnover

Year ended 30 April	2025		2024	
	No. of Employees	Percentage %	No. of Employees	Percentage %
By Gender				
Male	8	67%	12	80%
Female	4	33%	3	20%
By Age Group				
Under 30	4	33%	4	27%
30 to 50	8	67%	7	46%
Over 50	–	–%	4	27%

Health and Safety

Providing a safe working environment to employees is viewed as an important responsibility and safety risks at different business units are managed diligently and efficiently, ensuring compliance with the relevant laws and regulations.

Occupational Health and Safety

The ISO accreditations demonstrate that we have achieved an international standard of quality management in an environmentally friendly manner. We actively implement our commitment to OHSAS18001 since 27 August 2010 and replaced by ISO45001:2018 since 3 June 2021 (Occupational Safety and Health) standards by setting internal guidelines that align to stringent performance indicators. We emphasize the health and safety of our employees and we are committed to providing a safe and healthy working environment for the benefits of our employees and our subcontractors. To this end, we have established in-house rules and safety measures for our employees and our subcontractors' employees to observe at project sites, in order to promote a safe and healthy working environment and to ensure compliance with the applicable laws and regulations. Such rules and safety measures include, among others:

- Proper procedures for carrying out different types of works, such as lifting of heavy objects, cutting of materials and use of electricity and electrical devices;
- Proper procedures for operating and handling different types of machinery and equipment; and
- The use of proper personal protective equipment, such as safety helmets, safety gloves and breathing masks, under different circumstances.

During the year ended 30 April 2025 and 2024, the Group has not identified any material non-compliance cases relating to health and safety.

Environmental, Social and Governance Report

Development and Training

The Group emphasize on continuing education and quality training of our staff to enhance their work performance. We offer training programs to our employees, which are designed to develop their skills to meet our enterprise goals and our customers' requirements. These include, for example, safety supervisor training program and Class 3 portable fire extinguisher training program.

Labour Standards

The Group strictly complies with the Employment Ordinance (Cap. 57 of the laws of Hong Kong) and fully understands the employing child labour and forced labour is prohibited. The employment policies of the Group also protect the right of free choice of employment by any person and ensure that all employment relationship is established on a voluntary basis. During the year ended 30 April 2025 and 2024, the Group has not identified any non-compliance cases involving child labour and forced labour.

SUPPLY CHAIN MANAGEMENT

Sustainable Procurement

To ensure that our installation and maintenance services for fire safety systems meet the ISO9001:2015 quality standard, we normally assign at least one project manager and one project engineer with relevant certifications and/or academic qualifications on a full-time basis for each of our projects for quality assurance. In respect of the quality of the materials used, we maintain a list of approved suppliers. We assess and evaluate the industry qualification, job and project reference, business scale, on-time delivery, financial stability and compliant history of the suppliers to determine whether a supplier is eligible for inclusion in the list of approved suppliers. We maintain a list of approved subcontractors. We assess and evaluate the work quality, site management and work planning, time management, work safety track record, financial strength and stability, environmental awareness and cooperativeness with third parties of the subcontractors to determine their eligibility for inclusion in the list of approved subcontractors. We generally engage subcontractors in the list of approved subcontractors to ensure the quality of the subcontracted works. During the year ended 30 April 2025, all of the Group's suppliers were situated in Hong Kong.

Products Responsibility

The Group recognizes the importance of the quality of the services provided by our Group. The Group has established relevant policies which cover service quality and safety in order to ensure relevant measures for complying with the applicable laws and regulations.

The Group communicates and confirms the work plan with customers before the commencement of the project and actively monitors processes and coordinates with the customers. During the year ended 30 April 2025, the Group has not received any material complaints or request to terminate projects due to poor quality and safety. If a complaint arises, the Group will immediately assess the complaint and conduct an internal investigation into the matter to identify the source of the issue. If the complaint is valid, the Group will immediately provide the relevant solution to solve the issues as soon as practicable.

During the year ended 30 April 2025 and 2024, the Group has not identified any non-compliance cases relating to product responsibility.

Environmental, Social and Governance Report

ANTI-CORRUPTION

The Group realizes the importance of staff integrity. The Group strictly forbids any bribery, extortion, fraud and money laundering activities. We have established the Code of Conduct (“CoC”) for all employees. With reference to the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong), advice from the Independent Commission Against Corruption (ICAC), industry practice and internal consideration, CoC is made for the purpose of providing employees with the guidance for allowable acceptance of gifts or entertainment, conflict of interest, handling of confidential information, and whistle-blowing procedure.

Employees are also required to comply strictly with applicable laws relating to the above acts. The Group has adopted and circulated internally clear guidelines for employees. During the year ended 30 April 2025 and 2024, the Group has not received any complaint or notification from governmental authorities regarding non-compliance of the Group or its employees with anti-corruption laws referred to above.

COMMUNITY INVOLVEMENT

The Group is making its best effort in contributing to the community. The Group actively seeks opportunities to repay society and in hope of creating a better living environment for local community.

INTELLECTUAL PROPERTY RIGHTS AND INFORMATION SECURITY

The Group registered our trademarks for the Group itself and its products in Hong Kong to foster its corporate image. The Group relies on the relevant laws and regulations to protect its brand names, trademarks and other intellectual property rights.

During the year ended 30 April 2025, the Group was not aware of any material infringement by the Group of any intellectual property rights owned by any third parties. Further, there were no pending or threatened material claims made against the Group with respect to the infringement of intellectual property rights owned by the Group.

Report of the Directors

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 30 April 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries of the Company are set out in note 37 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 30 April 2025 is set out in the sections of Chairman's Statement, Management Discussion and Analysis, Environment, Social and Governance Report, Financial Summary and the paragraphs below.

The Group complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group. Important events affecting the Group occurred since the end of the year are mentioned under "Events after the reporting period".

PRINCIPAL RISKS AND UNCERTAINTIES

The following lists out the key risks and uncertainties facing the Group. The Group believes that the risk management practices are important and use its best effort to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible.

- i. Our revenue is mainly derived from projects which are not recurring in nature and any significant decrease in the number of our projects would affect our operations and financial results;
- ii. We depend on our suppliers for materials, and any shortage or delay of supply, or deterioration in the quality, of the same could materially and adversely affect our operations, and we may not be able to identify an alternative source of stable supply with acceptable quality and price;
- iii. We may be involved in construction and/or labour disputes, legal and other proceedings arising from our operations from time to time and may face significant legal liabilities as a result;
- iv. We determine our tender price based on the estimated time and costs to be involved in a project, yet the actual time and costs incurred may deviate from our estimate due to unexpected circumstances, thereby adversely affecting our operations and financial results;
- v. We rely on our Board members and senior management staff, and their departure would adversely affect our operations and financial results;
- vi. Our works are labour intensive. If we or our subcontractors experience any shortage of labour, industrial actions, strikes or material increase in labour costs, our operations and financial results would be adversely affected;
- vii. Expiry, withdrawal, revocation, downgrading and/or failure to renew any of our various registrations and certifications would adversely affect our operations and financial results; and

Report of the Directors

- viii. There is no guarantee that we would not be subject to any claims in relation to defects of our works, which may result in further costs to make good the defects, and/or deduction of the retention monies to be released and/or claims from our customers against us.

For other risks and uncertainties facing the Group, please refer to the section headed “Risks Factors” in the Prospectus.

An analysis of the Group’s financial risk management (included credit risk, and liquidity risk) objectives and policies are provided in note 33 to the consolidated financial statements.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

Customers

For installation projects, our customers mainly include well-established main contractors, who are engaged by property developers/site owners, Government departments or Government-related organisations for construction or renovation projects in Hong Kong. Sometimes, Government departments and Government-related organisations may engage us directly for the installation of fire safety system.

For maintenance projects, our customers mainly include Government departments, Government related organisations and property management companies. The years of business relationship with the Group ranged from 3 to 5 years and the credit terms granted to the major customers ranged from 30 to 60 days. Up to the date of this report, approximately 75.8% of the trade receivables from the major customers has been settled. Details of the trade receivables of the Group as at 30 April 2025 are set out in note 20 to the financial statements.

We maintain close and stable relationships with our major customers. However, due to the business nature, our business operation is project-based and we do not have any long-term contracts with our major customers. To cope with this situation, we maintain our relationships with our customers by ensuring the quality of our services, renewing our qualifications and licences required to carry out installation and maintenance services of fire safety systems, and maintaining our professional reputation in the industry.

We strive to strengthen our market position in the fire safety industry in Hong Kong. We aim to have continuous active participation in providing installation services for fire safety system work in public sectors and also the advanced fire safety system work in private sectors such as data centres for telecommunication companies. We also actively establish rapport with potential customers from time to time, introducing our expertise and experience in the industry and showing our interest in being one of their approved sub-contractors.

We believe that our ability to maintain our services at a high standard would improve customer satisfaction and in turn enhance our capability to compete with other industry peers in the future.

During the year, our Group has not experienced any major disruption of business due to material delay or default of payment by our customers due to their financial difficulties. We did not have any material disputes with our customers.

Report of the Directors

Suppliers and Subcontractors

We maintain a list of approved suppliers. We assess and evaluate the industry qualification, job and project reference, business scale, on-time delivery, financial stability and compliant history of the suppliers to determine whether a supplier is eligible for inclusion in the list of approved suppliers. We generally procure materials from suppliers in the list of approved suppliers to ensure the quality of the materials supplied.

We maintain a list of approved subcontractors. We assess and evaluate the work quality, site management and work planning, time management, work safety track record, financial strength and stability, environmental awareness and cooperativeness with third parties of the subcontractors to determine their eligibility for inclusion in the list of approved subcontractors. We generally engage subcontractors in the list of approved subcontractors to ensure the quality of the subcontracted works.

Our major suppliers are generally manufacturers for the pipe and fittings, and had business relationship with the Group for over 3 years on average. Up to the date of this report, approximately 88.5% of the trade payable to the major suppliers has been settled.

As we have not entered into any long-term contracts with our major subcontractors, there is no assurance that our major subcontractors will continue to provide services to our Group at fees acceptable to us or that we can maintain our business relationship with them in the future. We have not entered into long term agreements with our suppliers too and will only make purchase orders on a project basis.

Close relationships with a stable list of reliable subcontractors and suppliers would enable us to obtain quotes and prepare tender documents in an efficient manner. It would also enable us to provide quality work in a timely manner, whereby we can procure the necessary services and supplies as and when they are needed from time to time, reducing the risk of shortage or delay in delivery of services causing disruption to our works or delay in the relevant project as a whole. We believe that our reputation in the industry of on-time settlement of accounts payable helps us to build a stable network of quality suppliers and subcontractors. We have therefore cultivated long term and well-established relationships with the major subcontractors and suppliers of fire safety system equipment in Hong Kong.

The credit terms granted by suppliers and subcontractors were generally within 30 to 60 days. The payables were usually settled within the credit period. Please refer to the note 24 to the consolidated financial statements for more details of the trade and retention payables of our Group as at 30 April 2025.

Our Group did not have any significant disputes with our major suppliers and subcontractors during the year ended 30 April 2025.

Employees

We believe that our employees are important assets to our Group. We use our best efforts to attract and retain appropriate and suitable personnel. We assess the available human resources on a continuous basis and will determine the need to recruit additional personnel to cope with our business development from time to time. We also emphasise on continuing education and quality training of our staff to enhance their work performance. We offer training programmes to our employees, which are designed to develop their skills to meet our enterprise goals and our customers' requirements. These include, for example, safety supervisor training programme and Class 3 portable fire extinguisher training programme.

Report of the Directors

Our Group offers attractive remuneration packages to our employees, which include salary, discretionary bonuses and allowance. We determine the salaries of our employees mainly on the basis of their qualifications, experience, position and seniority.

Our Group has maintained good relationship with our employees. We has not experienced any strikes, work stoppages or labour disputes which affected our operations during the year ended 30 April 2025. The Directors also consider that the relationship and co-operation between the management team and the employees have been good during the year ended 30 April 2025.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “Defined Contribution Schemes”) under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme, which contributions are made based on a percentage of the employees’ basic salaries. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group’s contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 30 April 2024 and 30 April 2025, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 30 April 2024 and 30 April 2025.

For each of the two years ended 30 April 2024 and 30 April 2025, the Group did not have any defined benefit plan.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 30 April 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 52 of this annual report.

No final dividend in respect of the year ended 30 April 2024 and interim dividend in respect of the six months ended 31 October 2024 were declared.

No final dividend has been paid or proposed by the Company during the year ended 30 April 2025, nor has any dividend been proposed since the end of the reporting period.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

The Group’s top five customers accounted for approximately 90% of the total revenue. The top five suppliers and subcontractors accounted for approximately 10% and 45% of the total cost of services respectively for the year. In addition, the Group’s largest customer accounted for approximately 48% of the total revenue and the Group’s largest supplier and subcontractor accounted for approximately 4% and 11% of the total cost of services respectively for the year.

At no time during the year have the Directors, their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s shares) had any interest in these major customers and suppliers.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial performance of the Group for the year ended 30 April 2025 and the consolidated financial position of the Group as at 30 April 2025 are set out in the consolidated financial statements on pages 52 to 53.

Report of the Directors

RESERVES

Details of movements in the reserves of the Group during the year ended 30 April 2025 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 30 April 2025, the Company's reserves available for distribution to shareholders amounted to approximately HK\$180.6 million, comprising accumulated losses of approximately HK\$27.4 million and share premium of approximately HK\$208.0 million. Under Cayman Islands law, the Company may not pay a dividend, or make a distribution out of share premium account unless immediately following the date on which the payment is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business.

PLANT AND EQUIPMENT

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

DONATIONS

During the year, the Group did not make charitable and other donations (2024: nil).

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 30 April 2025 and up to the date of this report are:

Executive Directors

Mr. Li Junheng (*Chairman*)

Mr. Li Shing Kuen Alexander (*Chief Executive Officer*)

Ms. Chau Ngai Mo

Independent non-executive Directors

Mr. Li Ka Chun Gordon

Mr. Fu Wing Kwok Ewing

Mr. Ghanshyam Adhikari

Ms. Mak Suet Man (resigned on 31 October 2024)

Biographical information of the Directors and senior management of the Group are set out from pages 11 to 13 of this annual report.

Report of the Directors

Pursuant to article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an Annual General Meeting at least once every three years. In addition, pursuant to article 83(3) of the Articles, any Director appointed by the Board shall hold office only until the next following general meeting of the Company.

Accordingly, Mr. Li Shing Kuen Alexander and Mr. Li Ka Chun Gordon, being the Directors to retire in rotation will be eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company with no fixed term. Each of the independent non-executive Directors has entered into an appointment letter with the Company for a fixed term of three years and there after from year. The service contracts and appointment letters may be terminated in accordance with the terms of the individual service agreement, and is subject to termination provisions therein and retirement and re-election at the Annual General Meetings in accordance with the Articles or any other applicable laws from time to time whereby he/she shall vacate his/her office.

None of the Directors proposed for re-election at the forthcoming Annual General Meeting has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

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

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year ended 30 April 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year ended 30 April 2025.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments are set out in notes 12 and 13 to the consolidated financial statements respectively.

Report of the Directors

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

As at 30 April 2025, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

The Company

Name of Director	Capacity/ Nature of Interest	Long/Short position	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Li Junheng	Beneficial owner	Long position	14,390,000	8.33%

Save as disclosed above, none of the Directors and their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this report pursuant to the Takeovers Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES

At no time during the year and up to the date of this annual report was the Company, or its holding company, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (with the meaning of Part XV of the SFO).

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

As at 30 April 2025, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Report of the Directors

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out below, no equity-linked agreement was entered into by the Group, or existed during the year ended 30 April 2025.

SHARE OPTION SCHEME

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of the Shareholders passed on 27 March 2017 and became unconditional upon the listing of the Company's shares on the Stock Exchange. The principal terms of which are set out in the paragraph headed "Share Option Scheme" under the section headed "Statutory and General Information" of the Prospectus.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, clients, business partners and service providers of the Group and to promote the success of the business of the Group.

The Board may, at its absolute discretion, offer options to subscribe to such number of shares in accordance with the terms set out in the Share Option Scheme to the following persons (the "Participants"): any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, client, business partner or service provider of the Group.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of the total number of shares in issue as at 18 April 2017, i.e. 4,000,000 shares. No option may be granted to any Participant of the Share Option Scheme such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued shares from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant under the Share Option Scheme. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company upon acceptance of the grant on or before 1 month after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is granted, which date must be a business day;
- (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date on which the option is granted; and
- (iii) the nominal value of the Company's share on the date on which the option is granted.

Report of the Directors

The Share Option Scheme shall be valid and effective for a period of 10 years from 27 March 2017, after which no further options will be granted or offered. The remaining life of the Share Option Scheme is 2 years.

No share option was granted, exercised, cancelled or lapsed during the year ended 30 April 2025 and there is no outstanding share option under the Share Option Scheme.

As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme is 4,000,000, representing 2.78% of the issued shares of the Company.

RELATED PARTY TRANSACTIONS

Details of material related party transactions entered into by the Group during the year are set out in note 34 to the consolidated financial statements. For the year ended 30 April 2025, such transactions did not fall within the definition of connected transaction or constituted connected transaction as defined in Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

There were no other transactions which constituted connected transaction(s) or continuing connected transaction(s) of the Company for the year ended 30 April 2025.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the public float required by the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, or its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director and a connected entity of a Director had a material interest, subsisted at 30 April 2025 or at any time during the year ended 30 April 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the annual report, as at 30 April 2025, none of the Directors or their close respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

BANK BORROWINGS

The amount of bank borrowings of the Group as at 30 April 2025 is approximately HK\$44.5 million (2023: HK\$54.5 million).

Report of the Directors

HUMAN RESOURCES AND EMOLUMENT POLICY

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

A remuneration committee is set up to review the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company maintains a Share Option Scheme to attract and retain individuals with experience and ability and/or to reward them for their past contributions. Please refer to the paragraphs headed "Share Option Scheme" in this report for details of such scheme.

The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to the employees have contributed to building good staff relations and retention. The Group continues to provide training for new staff and existing staff to enhance their technical knowledge. The Group also provides fire and production safety training to production staff. The Directors believe such initiatives have contributed to increased productivity and efficiency.

CONTRIBUTIONS TO THE RETIREMENT BENEFITS SCHEMES

Details of contributions to the retirement benefits schemes of the Group are set out in note 30 of the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the shares of the Company during the year ended 30 April 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed here in, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 30 April 2025 and up to the date of this report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out in the financial summary section on page 114 of this report.

Report of the Directors

ANNUAL GENERAL MEETING

The Annual General Meeting for the year ended 30 April 2025 is scheduled to be held on Friday, 24 October 2025. A notice convening the Annual General Meeting has been issued and despatched to the Shareholders on 30 August 2025.

AUDITOR

The consolidated financial statements of the Company for the year ended 30 April 2025 was audited by Global Link CPA Limited. A resolution for the re-appointment of Global Link CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board

Li Junheng

Chairman

31 July 2025

Independent Auditor's Report



TO THE SHAREHOLDERS OF HSC RESOURCES GROUP LIMITED

鴻盛昌資源集團有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of HSC Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 113, which comprise the consolidated statement of financial position as at 30 April 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 April 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for 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.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Key audit matter	How the matter was addressed in our audit
<i>Revenue recognition for design, supply and installation services</i> We identified the revenue recognition from for design, supply and installation services as a key audit matter due to the significance of the amount to the consolidated financial statements as a whole and estimation uncertainty involved. Management estimates the revenue and budgeted costs at the commencement date of the construction contracts and regularly assesses the progress of construction works. Revenue from design, supply and installation services is recognised progressively over time using the output method, based on the value of construction work transferred to the customers to date relative to the remaining construction work promised to be completed under the construction contract. Management reviews and revises the estimates of revenue for the construction contracts based on the construction progress and certifications issued by the in-house surveyors of the customers or payment applications accordingly to the construction work performed. As disclosed in note 5 to the consolidated financial statements, the revenue recognised from design, supply and installation services contracts was HK\$367,007,000, which represents 98.0% of total revenue of the Group.	Our procedures in relation to the recognition of revenue from design, supply and installation services included: • Obtaining an understanding on relevant internal controls in place on revenue recognition for design, supply and installation services; • Reviewing Group's latest internal construction progress reports and assessing management's key estimates on preparation of internal construction progress reports; • Comparing internal construction progress reports with the latest certificates issued by in-house surveyors of the customers and reviewing supportive information for discrepancies, on a sample basis; and • Interviewing the project managers for the progress of construction contracts, on a sample basis.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Key audit matter	How the matter was addressed in our audit
<i>Impairment assessment of trade receivables and contract assets</i> As at 30 April 2025, the net carrying amounts of trade receivables and contract assets were approximately HK\$105,634,000 and HK\$183,393,000 respectively, which represented approximately 24.3% and 42.2% of total assets of the Group respectively. The Group recognised the reversal of impairment loss of HK\$2,455,000 during the year ended 30 April 2025. Management recognises a loss allowance on the trade receivables and contract assets individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort. We have identified the impairment assessment of trade receivables and contract assets as a key audit matter in view of the significance of their carrying amounts and the involvement of the management's judgements and estimates, which may be subject to management bias.	Our procedures in relation to the impairment assessment of trade receivables and contract assets included: • Reviewing the management's assessment on the expected credit loss ("ECL") of the trade receivables and contract assets; • Reviewing and assessing the application of the Group's policy for calculating the ECL; • Evaluating the methodologies, inputs used by the management to estimate the impairment of trade receivables and contract assets and evaluated the techniques and methodology under the ECL model; and • Assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgments, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Key audit matter	How the matter was addressed in our audit
<i>Impairment of goodwill</i> We identified the impairment of goodwill as a key audit matter due to the significance to the consolidated financial statements as a whole and significant judgement involved in the management's assessment process. As disclosed in note 17 to the consolidated financial statements, the net carrying amounts of goodwill at 30 April 2025 was HK\$19,687,000. In estimating the recoverable amount of the cash-generating units to which goodwill have been allocated, the management has made a number of key assumptions in the value in use calculation. The key assumptions include growth rates, discount rates applied and the forecast performance based on management's view of future business prospects.	Our procedures in relation to the impairment of goodwill included: • Evaluating the independent external valuer's competence, capabilities and objectivity; • Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; • Evaluating the historical accuracy and the growth rate of the financial budget used in the discounted cash flows by comparing the historical budget to actual results; • Testing a selection of data inputs underpinning the cash flow forecasts against appropriate supporting evidence, such as approved budgets, to assess the accuracy and reliability; • Obtaining an understanding of the management's control procedures of the impairment assessment and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied; • Assessing the sensitivity analysis prepared by management on the significant assumptions to evaluate the extent of impact on the discounted cash flows; and • Assessing whether the disclosures of impairment assessment in the consolidated financial statements are sufficient and appropriate.

Independent Auditor's Report

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 auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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

Global Link CPA Limited

Certified Public Accountants

Li Siu Bun

Practising Certificate Number: P08414

Hong Kong

31 July 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 April 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	374,347	394,537
Cost of sales		(348,435)	(365,537)
Gross profit		25,912	29,000
Other income	7	2,353	979
Other gain and loss	8	(22)	2,900
Reversal of (impairment loss) under expected credit loss on trade receivables, prepayments, other receivables and contract assets, net		668	(2,007)
Impairment loss on goodwill	17	(754)	(780)
Administrative expenses		(22,567)	(22,218)
Finance costs	9	(4,061)	(4,020)
Profit before taxation	11	1,529	3,854
Taxation	10	(761)	(1,646)
		768	2,208
Profit/(loss) and total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		568	2,928
Non-controlling interests		200	(720)
		768	2,208
Earnings per share attributable to owners of the Company:			
Basic and diluted (HK\$)	15	0.003	0.02

Consolidated Statement of Financial Position

As at 30 April 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Plant and equipment	16	971	889
Goodwill	17	19,687	20,441
Intangible assets	18	561	680
Right-of-use assets	19	1,783	2,019
Deposits	22	34	528
		23,036	24,557
Current assets			
Trade receivables	20	105,634	78,299
Contract assets	21	183,393	164,389
Deposits, prepayments and other receivables	22	91,795	91,948
Tax recoverable		1	1
Pledged bank deposits	23	21,863	21,546
Bank balances and cash	23	8,842	16,324
		411,528	372,507
Current liabilities			
Trade and retention payables	24	36,384	36,634
Contract liabilities	21	84	3,415
Accruals and other payables	25	43,263	26,178
Lease liabilities	19	1,244	1,639
Bank borrowings	26	44,502	54,506
Tax payables		1,096	335
Other borrowings	26	14,200	–
		140,773	122,707
Net current assets		270,755	249,800
Total assets less current liabilities		293,791	274,357
Non-current liabilities			
Provisions		16	–
Lease liabilities	19	590	457
Deferred tax liabilities	27	–	–
		606	457
Net assets		293,185	273,900
Capital and reserves			
Share capital	28	34,560	28,800
Reserves		259,807	246,482
Equity attributable to owners of the Company		294,367	275,282
Non-controlling interests		(1,182)	(1,382)
Total equity		293,185	273,900

The consolidated financial statements on pages 52 to 113 were approved and authorised for issue by the board of directors on 31 July 2025 and are signed on its behalf by:

Li Junheng
Director

Li Shing Kuen Alexander
Director

Consolidated Statement of Changes in Equity

For the year ended 30 April 2025

	Attributable to owners of the Company					Non-	Total
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Retained profits HK\$'000	Sub-total HK\$'000	controlling interests HK\$'000	
1 May 2023	9,600	78,244	10,148	46,122	144,114	(662)	143,452
Profit and total comprehensive income for the year	–	–	–	2,928	2,928	(720)	2,208
Issue of shares pursuant to the right issue	19,200	111,360	–	–	130,560	–	130,560
Share issue costs	–	(2,320)	–	–	(2,320)	–	(2,320)
At 30 April 2024 and 1 May 2024	28,800	187,284	10,148	49,050	275,282	(1,382)	273,900
Profit and total comprehensive income for the year	–	–	–	568	568	200	768
Issue of shares pursuant to the right issue	5,760	13,536	–	–	19,296	–	19,296
Share issue costs	–	(779)	–	–	(779)	–	(779)
	34,560	200,041	10,148	49,618	294,367	(1,182)	293,185

Note: Other reserve represented the difference between the aggregate nominal value of the issued share capital of subsidiaries pursuant to a group reorganisation over the aggregate consideration paid for acquiring/subscribing these subsidiaries.

Consolidated Statement of Cash Flows

For the year ended 30 April 2025

	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	1,529	3,854
Adjustments for:		
Depreciation of plant and equipment	397	671
Depreciation of right-of-use assets	1,718	1,656
Amortisation of intangible assets	226	190
Loss on disposal of plant and equipment	22	–
(Reversal of) Impairment loss under expected credit loss on trade receivables, prepayment, other receivables and contract assets, net	(668)	2,007
Impairment loss on goodwill	754	780
Interest income	(528)	(379)
Finance costs	4,061	4,020
Gain on fair value changes of financial assets at fair value through profit or loss	–	(2,562)
Operating cash flows before movements in working capital	7,511	10,237
Increase in trade receivables	(27,644)	(56,019)
Increase in contract assets	(16,241)	(42,800)
Increase in deposits, prepayments and other receivables	(1,139)	(52,309)
(Decrease)/increase in trade and retention payables	(250)	5,411
(Decrease)/increase in contract liabilities	(3,331)	2,623
Increase in accruals and other payables and provision	17,101	3,270
Cash used in operations	(23,993)	(139,824)
Profits tax paid	–	(2,102)
NET CASH USED IN OPERATING ACTIVITIES	(23,993)	(131,689)
INVESTING ACTIVITIES		
Purchase of plant and equipment	(501)	(81)
Purchase of intangible assets	(107)	(800)
Proceed on disposal of financial asset at fair value through profit or loss	–	7,211
Interest received	528	379
Placement of pledged bank deposits	(317)	(338)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(397)	6,371

Consolidated Statement of Cash Flows

For the year ended 30 April 2025

	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES		
Proceeds from issue of shares pursuant to the right issue	19,296	130,560
Transaction costs for right issue	(779)	(2,320)
Drawdown of bank borrowings	239,293	226,212
Drawdown of other borrowings	14,200	–
Repayment of bank borrowings	(249,297)	(227,634)
Interest paid	(4,061)	(4,020)
Repayment of lease liabilities	(1,744)	(1,631)
NET CASH GENERATED FROM FINANCING ACTIVITIES	16,908	121,167
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,482)	(4,151)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16,324	20,475
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	8,842	16,324

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

1. GENERAL INFORMATION

HSC Resources Group Limited (the “Company”) was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 25 August 2016. Its ultimate holding company and immediate holding company is Standard Dynamic Enterprises Limited, which is incorporated in the British Virgin Islands (the “BVI”). The shares of the Company were listed on Main Board of The Stock Exchange of Hong Kong (the “Stock Exchange”) on 14 February 2019.

The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 1603, 16/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong respectively.

The Company is an investment holding company. The principal activities of the subsidiaries of the Company are design, supply and installation of fire safety systems for buildings under construction or re-development, maintenance and repair of fire safety systems for built premises and trading of fire service accessories.

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

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Accounting Standards and the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 May 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(Continued)

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

The Group has not applied any new and revised HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 May 2024. These new and revised HKFRSs include the following which may be relevant to the Group.

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

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

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

Basis of preparation of consolidated financial statements

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

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

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

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represents present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Goodwill

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

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

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

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

Revenue recognition

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Revenue recognition *(Continued)*

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the services underlying the particular performance obligation is transferred to customers.

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

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

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

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

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties and discounts.

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

Contract assets

A contract asset represents the Group’s right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. 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.

The Group recognised revenue from the following major sources:

- Construction contracts for design, supply and installation services
- Construction contract for maintenance and repair services
- Trading of fire service accessories

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Revenue recognition *(Continued)*

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

Revenue from design, supply and installation services is recognised over time using output method.

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

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Revenue from maintenance and repair services is recognised over time using input method.

The progress towards complete satisfaction of a performance obligation is measured based on input method. Input methods recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Revenue from trading of fire service accessories is recognised at the point when the control of the goods is transferred to the customers (generally on delivery of fire service accessories).

Variable consideration

For the consideration promised in a contract includes variations in contract work, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised services to a customer.

The Group estimates an amount of variable consideration by using either the expected value method or the most likely amount method, depending on which method the Group expects to better predict the amount of consideration to which it 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.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Leasing *(Continued)*

The Group as lessee *(Continued)*

Lease liabilities (Continued)

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 *Provision, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Leasing *(Continued)*

The Group as lessee *(Continued)*

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, HKFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient for all leases.

Lease modifications

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

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

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

Borrowing costs

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

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

Retirement benefits costs

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Taxation *(Continued)*

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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

Current and deferred tax are recognised in profit or loss.

Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment over their estimated useful lives, using the straight line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment on plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of the CGUs for which a reasonable and consistent allocation can be identified.

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Impairment on plant and equipment, right-of-use assets and intangible assets other than goodwill *(Continued)*

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

Cash and cash equivalents

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Amortised cost and effective interest methods

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit loss ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at amortised cost (Continued)

Amortised cost and effective interest methods (Continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in “Other income”.

Financial assets at FVTPL

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

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

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

Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position, with low risk of default and no significant increase in credit risk.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

Definition of default

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

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. 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. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Revenue recognition from construction contracts

The Group recognises the revenue from design, supply and installation services over time based on output method by directly measuring the value of construction work transferred to the customer to date relative to the remaining construction works promised to be completed under the construction contract. Most construction works take one to three years to complete and the scope of work may change during the construction period. Management estimates the revenue and budgeted costs at the commencement of the construction contracts and regularly assesses the progress of construction works. The construction works performed by the Group would be certified by the in-house surveyors of the customers or payment applications according to the construction work performed. The Group regularly reviews and revises the estimation of contract revenue prepared for each construction contract as the contract progresses based on the construction progress and the certification issued by the customers.

The Group recognises revenue from provision of maintenance and repair services over time based on input method by measuring the progress towards complete satisfaction of the relevant performance obligation. The progress is determined based on the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The Group is required to estimate the total service costs of each project in measuring the Group's progress towards complete satisfaction of a performance obligation. The computation of the progress and estimation of total service costs for each project require the use of judgement and estimates.

Impairment assessment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about ECL. The Group calculates ECL for the trade receivables and contract assets individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 33, 20 and 21 respectively.

At 30 April 2025, the net carrying amount of trade receivables and contract assets are approximately HK\$105,634,000 (2024: HK\$78,299,000) and HK\$183,393,000 (2024: HK\$164,389,000) respectively. The Group recognised impairment loss of HK\$308,000 (2024: HK\$1,118,000) and reversal of impairment loss of HK\$2,763,000 (2024: impairment loss of HK\$889,000) for trade receivables and contract assets respectively for the year ended 30 April 2025.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of goodwill

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

The recoverable amount of CGUs has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the directors of the Company covering the following five years with a pre-tax discount rate using 18.27% as at 30 April 2025 (2024: 18.6%). Another key assumption for the value in use calculated is the budgeted sales with annual growth rates ranging from 0% to 11% (2024: 0% to 9%), which is estimated based on the CGU's past performance and management expectations for the business and market development.

As at 30 April 2025, the carrying amount of goodwill is HK\$19,687,000 (2024: HK\$20,441,000). Based on the value in use calculation, the Group recognized impairment loss of HK\$754,000 (2024: HK\$780,000) during the year.

5. REVENUE

Revenue represents the revenue arising on services provided and sales of goods in the normal course of business. An analysis of the Group's revenue for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major services lines:		
– Revenue from design, supply and installation services	367,007	383,784
– Revenue from maintenance and repair services	7,308	10,499
– Trading of fire service accessories	32	254
	374,347	394,537
Disaggregation of revenue by timing of recognition:		
	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition		
At a point in time	32	254
Over time	374,315	394,283
	374,347	394,537

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

5. REVENUE (Continued)

Transaction price allocated to the remaining performance obligations

As at 30 April 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$892,000,000 (2024: HK\$516,703,000). The amount represents revenue expected to be recognised in the future from construction contracts. The Group will recognise this revenue as the service is completed, which is expected to occur over the next 12–36 months (2024: next 12–36 months).

6. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on the design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that is regularly reviewed by the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance. The CODM monitors the revenue from the engagement in design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises with no discrete information available to the CODM. The CODM reviews the profit for the year of the Group as a whole for performance assessment.

Geographical information

The Group's revenue from external customers based on the location of the operation is derived in Hong Kong and Macau (place of domicile). Non-current assets of the Group based on the location of assets are all located in Hong Kong. Accordingly, no analysis by geographical information is presented.

Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A ¹	240,782	170,404
Customer B ¹	111,365	77,500
Customer C ^{1, 2}	N/A	38,061

Note:

1 Revenue from design, supply and installation services

2 The corresponding revenue in 2025 did not contribute 10% or more of the total revenue of the Group

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Interest income	528	379
Others	1,825	600
	2,353	979

8. OTHER GAIN AND LOSS

	2025 HK\$'000	2024 HK\$'000
Gain on fair value changes of financial assets at FVTPL	–	2,562
Exchange gain	–	93
(Loss)/gain on disposal of plant and equipment	(22)	245
	(22)	2,900

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on:		
– bank overdrafts	693	467
– bank borrowings	3,301	3,488
– lease liabilities	67	65
	4,061	4,020

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

10. TAXATION

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax	761	1,705
Deferred taxation (note 27)	–	(59)
	761	1,646

Hong Kong Profits Tax was calculated under the two-tiered profits tax rates regime where the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million was taxed at 16.5%. Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the year.

Pursuant to the rules and regulation of the BVI and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.

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

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	1,529	3,854
Tax calculated at the domestic income tax rate of 16.5% (2024: 16.5%)	252	636
Tax effect of income not taxable for tax purpose	(87)	(541)
Tax effect of expenses not deductible for tax purpose	16	880
Tax effect of tax losses not recognised	576	1,529
Effect of two-tiered profits tax rates regime	(165)	(165)
Others	169	(693)
Taxation for the year	761	1,646

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

11. PROFIT BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Profit before taxation has been arrived at after charging		
Staff costs		
– Salaries, allowances and other benefits	31,617	32,833
– Contributions to the MPF Scheme	870	1,207
Total staff costs (excluding directors' emoluments)	32,487	34,040
Auditor's remuneration	580	580
Amount of inventories recognised as expenses	47,080	73,267
Amortisation of intangible assets (included in administrative expenses)	226	190
Depreciation of plant and equipment	397	671
Depreciation of right-of-use assets	1,718	1,656

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to 7 (2024: 9) directors, including the chief executive of the Company, were as follows:

For the year ended 30 April 2025

	Fee HK\$'000	Salaries, allowance and other benefits HK\$'000	Discretionary bonuses HK\$'000	Contributions to the MPF Scheme HK\$'000	Total HK\$'000
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings:					
Executive directors:					
Ms. Chau Ngai Mo	-	17	-	-	17
Mr. Li Junheng	-	50	-	-	50
Mr. Li Shing Kuen Alexander	-	3,250	-	18	3,268
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:					
Independent non-executive directors:					
Mr. Fu Wing Kwok Ewing	17	-	-	-	17
Mr. Li Ka Chun Gordon	60	-	-	-	60
Mr. Ghanshyam Adhikari ²	-	-	-	-	-
Ms. Mak Suet Man	20	-	-	-	20
	97	3,317	-	18	3,432

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

For the year ended 30 April 2024

	Fee HK\$'000	Salaries, allowance and other benefits HK\$'000	Discretionary bonuses HK\$'000	Contributions to the MPF Scheme HK\$'000	Total HK\$'000
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings:					
Executive directors:					
Ms. Chau Ngai Mo ⁶	–	3	–	–	3
Mr. Li Junheng	–	460	–	–	460
Mr. Li Shing Kuen Alexander	–	3,000	–	18	3,018
Non-executive directors:					
Ms. Wang Ya ⁵	–	113	–	2	115
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:					
Independent non-executive directors:					
Mr. Fu Wing Kwok Ewing ⁷	7	–	–	–	7
Mr. Li Ka Chun Gordon	120	–	–	–	120
Mr. Xian Gonghua ⁴	113	–	–	–	113
Mr. Liu Sicheng	55	–	–	–	55
Ms. Mak Suet Man ³	92	–	–	–	92
Ms. Chau Ngai Mo ⁶	4	–	–	–	4
	391	3,576	–	20	3,987

Notes:

- (1) Appointed as independent non-executive director of the Company on 27 October 2023 and resigned as an independent non-executive director of the Company on 9 April 2024
- (2) Appointed as independent non-executive directors of the Company on 5 June 2024.
- (3) Appointed as independent non-executive directors of the Company on 26 July 2023 and resigned as a non-executive director of the Company on 31 October 2024
- (4) Appointed as independent non-executive directors of the Company on 10 May 2022 and resigned as independent non executive directors of the Company on 9 April 2024
- (5) Re-designated from an executive director to a non-executive director of the Company on 14 September 2023 and resigned as a non-executive director of the Company on 10 April 2024
- (6) Appointed as independent non-executive director of the Company on 10 April 2024 and re-designated from an independent non-executive director to an executive director of the Company on 22 April 2024
- (7) Appointed as independent non-executive director of the Company on 9 April 2024

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

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

Discretionary bonuses were determined by the directors of the Company, having regard to their individual performance and the Group's performance and profitability.

The Executive Directors' and Non-executive Director' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The Independent Non-Executive Directors' emoluments shown above were for their services as directors of the Company.

Mr. Li Shing Kuen Alexander is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive of the Company.

No emoluments were paid or payable by the Group to the chief executive or any of the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 30 April 2025 and 2024.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2024: one) were the chief executive and the directors of the Company whose emoluments are included in note 12 above. The emoluments of the remaining four (2024: four) individuals were as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and other benefits	5,132	5,303
Contributions to the MPF Scheme	72	72
	5,204	5,375

Their emoluments were within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$1,000,001 to HK\$1,500,000	3	3
HK\$1,500,001 to HK\$2,000,000	1	1

No emoluments were paid or payable by the Group to any of the five highest paid individuals, including the chief executive and the directors of the Company, as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 30 April 2025 (2024: nil).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

14. DIVIDEND

No dividend has been paid or proposed by the Company during the years ended 30 April 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

15. EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Earnings		
Earnings for the year attributable to owners of the Company		
for the purpose of basic earnings per share	568	2,928
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	171,458,630	125,290,504

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 30 April 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

16. PLANT AND EQUIPMENT

	Leasehold improvement HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST				
At 1 May 2023	705	1,360	2,144	4,209
Additions	–	81	–	81
At 30 April 2024 and 1 May 2024	705	1,441	2,144	4,290
Additions	137	121	243	501
Disposal	–	–	(88)	(88)
At 30 April 2025	842	1,562	2,299	4,703
ACCUMULATED DEPRECIATION				
At 1 May 2023	667	718	1,345	2,730
Charge for the year	22	392	257	671
At 30 April 2024 and 1 May 2024	689	1,110	1,602	3,401
Charge for the year	17	139	241	397
Eliminated on disposals	–	–	(66)	(66)
At 30 April 2025	706	1,249	1,777	3,732
CARRYING VALUES				
At 30 April 2025	136	313	522	971
At 30 April 2024	16	331	542	889

The above items of plant and equipment are depreciated on a straight-line method over their estimated useful lives at the following rates per annum:

Leasehold improvement	20%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

17. GOODWILL

	Acquisition of Noah Ark Pipelines Co., Ltd. ("Noah Ark") HK\$'000
Cost	
At 1 May 2023, 30 April 2024 and 30 April 2025	21,221
Impairment	
At 1 May 2023	–
Charge for the year	780
At 30 April 2024 and 1 May 2024	780
Charge for the year	754
At 30 April 2025	1,534
Carrying value	
At 30 April 2025	19,687
At 30 April 2024	20,441

During the year ended 30 April 2025, the Directors of the Company determines that there is impairment of HK\$754,000 (2024: HK\$780,000) of the CGUs containing goodwill. The basis of the recoverable amounts of the CGUs and its major underlying assumptions are summarised below:

The recoverable amount of each of the CGUs is determined on the basis of value in use calculation. The recoverable amount is based on certain key assumptions. These calculations use cash flow projection based on latest financial budget approved by management covering a five-year period, using an applicable pre-tax discount rate of 18.27% (2024: 18.6%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.0% (2024: 2.0%). Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the CGU's past performance and management's expectations for the market development. The directors of the Company believe that any reasonably possible change in any of these assumptions would not result in significant impairment loss.

Furthermore, the estimated cash flow and discount rate are subject to higher degree of estimation uncertainties in both years due to uncertainty on the volatility in financial markets, including potential disruptions of the Group's operations.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

18. INTANGIBLE ASSETS

	Computer software HK\$'000	Suppliers relationship HK\$'000	Total HK\$'000
COST			
At 1 May 2022, 30 April 2023 and 1 May 2023	90	4,315	4,405
Additions	800	–	800
At 30 April 2024 and 1 May 2024	890	4,315	5,205
Additions	107	–	107
At 30 April 2025	997	4,315	5,312
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 May 2023	20	4,315	4,335
Charge for the year	190	–	190
At 30 April 2024 and 1 May 2024	210	4,315	4,525
Charge for the year	226	–	226
At 30 April 2025	436	4,315	4,751
CARRYING VALUES			
At 30 April 2025	561	–	561
At 30 April 2024	680	–	680

The above intangible assets have finite life. Such intangible assets are amortised on a straight-line basis over the following periods:

Computer software	3 years
Suppliers relationship	2.5 years

As at 30 April 2025, the recoverable amount of the relevant asset has been determined on the basis of its value-in-use. The discount rate in measuring the amount of value in use was 20.3% (2024: 20.3%) in relation to intangible assets.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

19. LEASES

(i) Right-of-use assets

	2025 HK\$'000	2024 HK\$'000
Office premise and warehouse	1,783	2,019

The Group has lease arrangements for office premise and warehouse. The lease terms are generally ranged from two to three years.

Additions to the right-of-use assets for the year ended 30 April 2025 amounted to approximately HK\$1,482,000 (2024: nil), due to new leases of office premise and warehouses.

(ii) Lease liabilities

	2025 HK\$'000	2024 HK\$'000
Non-current	590	457
Current	1,244	1,639
	1,834	2,096

	2025 HK\$'000	2024 HK\$'000
Amounts payable under lease liabilities		
Within one year	1,244	1,639
After one year but within two years	590	457
After two years but within five years	–	–
	1,834	2,096
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,244)	(1,639)
Amount due for settlement after 12 months	590	457

The weighted average incremental borrowing rate applied to lease liabilities was 4.9% (2024: 4.9%).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

19. LEASES (Continued)

(iii) Amounts recognised profit or loss

	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets	1,718	1,656
Interest expense on lease liabilities (included in finance costs)	67	65

(iv) Others

During the year ended 30 April 2025, the total cash outflow for leases amount to approximately HK\$1,811,000 (2024: HK\$1,696,000).

20. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables, gross	127,536	99,893
Less: impairment allowance	(21,902)	(21,594)
Trade receivables, net	105,634	78,299

The Group generally allows a credit period of 30–60 days (2024: 30–60 days) to its customers. The following is an ageing analysis of trade receivables, net of impairment, presented based on the date of progress certificates or completion certificates and invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	105,534	75,952
31 to 60 days	100	377
61 to 90 days	–	1,764
91 to 180 days	–	1
Over 180 days	–	205
	105,634	78,299

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

20. TRADE RECEIVABLES (Continued)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Details of the impairment assessment of trade receivables are set out in note 33.

21. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2025 HK\$'000	2024 HK\$'000
Analysed as current:		
Unbilled revenue of construction contracts (note (a))	140,058	124,479
Retention receivables of construction contracts (note (b))	43,335	39,910
Total contract assets	183,393	164,389

Notes:

- (a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. Upon completion of service and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.
- (b) The Group also typically agrees to six to twelve months retention period for 2% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. Except for the amount of approximately HK\$26,825,000 (2024: HK\$27,288,000) as at 30 April 2025, which was expected to be recovered or settled after one year, all of the remaining balances are expected to be recovered or settled within one year.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

21. CONTRACT ASSETS AND CONTRACT LIABILITIES *(Continued)*

(a) Contract assets *(Continued)*

Contract assets are included in current assets as the Group expects to realise these within its normal operating cycle.

For contract assets, the Group has applied the simplified approach permitted by HKFRS 9 to measure the allowance for credit losses at lifetime ECL. The contract assets are assessed for ECL individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining contract assets are grouped under a collective assessment after considering internal credit ratings of debtors, ageing, repayment history and/or past due status. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Details of the impairment assessment of contract assets are set out in note 33.

(b) Contract liabilities

	2025 HK\$'000	2024 HK\$'000
Construction contracts	84	3,415

As at 1 May 2023, contract liabilities amounted to HK\$792,000.

Contract liabilities include advances received to render design, supply and installation services.

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For the year ended 30 April 2025

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Deposits	978	1,091
Prepayments	40,135	48,590
Advances to sub-contractors	52,502	42,795
Impairment	(1,786)	–
	91,829	92,476
Analysed for reporting purpose as:		
Current assets	91,795	91,948
Non-current assets	34	528
	91,829	92,476

An impairment analysis is performed at each reporting date by considering ECL, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

In determining ECL for financial assets included in prepayments, other receivables and deposits, the directors of the Company have taken into account the historical default experience and the future prospects of the industries and/or considered various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the financial assets included in prepayments, other receivables and deposits occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Details of the impairment assessment of deposits, prepayments and other receivables are set out in note 33.

23. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits

Pledged bank deposits represents deposits pledged to banks to secure banking facilities granted to the Group. The balances are pledged to secure short-term bank borrowings and undrawn facilities and are therefore classified as current assets.

The pledged bank deposits carry fixed interest rate at 0.4%–2.0% (2024: 0.98%–3.7%) per annum.

Bank balances and cash

Bank balances carry interest at prevailing market rate during the years ended 30 April 2025 and 2024. Details of impairment assessment of bank balances and pledged bank deposits are set out in note 33.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

24. TRADE AND RETENTION PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	13,386	18,685
Retention payables	22,997	17,949
	36,384	36,634

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	5,722	9,350
31 to 60 days	790	3,934
61 to 90 days	840	2,592
Over 90 days	3,034	2,809
	13,386	18,685

Trade payables represented payables to suppliers and subcontractors. The credit terms granted by suppliers and subcontractors were stipulated in the relevant contracts and the payables were usually due for the settlement within 30 to 60 days (2024: 30 to 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time-frame.

25. ACCRUALS AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Other accruals	453	1,918
Amounts due to shareholders (note)	1,850	1,850
Other payables	40,960	22,410
	43,263	26,178

Note: The amounts are unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

26. BANK BORROWINGS/OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings – secured	18,600	8,000
Bank borrowings under supplier finance arrangements	25,902	46,506
	44,502	54,506
Other borrowings – unsecured	14,200	–

Based on the scheduled repayment dates set out in the loan agreements, all outstanding bank borrowings are payable within one year.

As at 30 April 2025, secured bank borrowings with carrying amount of approximately HK\$18,600,000 (2024: HK\$8,000,000) were secured by pledged bank deposits of the Group. Details are disclosed in note 23.

The Group has entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group. The Group's obligations to suppliers are legally extinguished on settlement by the relevant banks. The Group then settles with the banks between 60 to 90 days after settlement by the banks with interest ranged from 5.01% to 7.16%, which may be extended beyond the original due dates of respective invoices. The interest rates are consistent with the Group's short-term borrowing rate.

Taking into consideration of the nature and substance of the above arrangements, the Group presents payables to the banks under these arrangements as "borrowings" in the consolidated statement of financial position. In the consolidated statement of cash flows, repayments to the banks are included within financing cash flows based on the nature of the arrangements.

During the year ended 30 April 2025, the Group has entered into other borrowings agreements with two independent third parties and the other borrowings carry interest at fixed interest rate of 1% per month and are repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

26. BANK BORROWINGS/OTHER BORROWINGS (Continued)

The range of effective interest rates per annum (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	2025		2024	
	Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
Variable-rate bank borrowings	5.89%–6.58%	18,600	5.36%–6.99%	8,000

The variable-rate bank borrowings carry interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 2% (2024: HIBOR plus 2%).

27. DEFERRED TAXATION

The following are the major deferred tax asset/(liability) recognised and movements thereon during the current and prior years:

	Tax losses	Accelerated tax depreciation	Total
	HK\$'000	HK\$'000	HK\$'000
At 1 May 2023	–	(59)	(59)
Credit to profit or loss (note 10)	–	59	59
At 30 April 2024 and 1 May 2024	–	–	–
Credit to profit or loss (note 10)	–	–	–
At 30 April 2025	–	–	–

As at 30 April 2024, the Group has unused tax losses of approximately HK\$27,286,000 (2024: HK\$23,797,000) available for offset against future profits. Tax losses in Hong Kong are available for offsetting against future taxable profits of the companies in which the losses arose for an indefinite period.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

28. SHARE CAPITAL

	Notes	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.2 each (2024: HK\$0.01 each)			
Authorised:			
At 30 April 2023 and 1 May 2023		4,000,000,000	40,000
Share consolidation		(3,800,000,000)	–
At 30 April 2024, 1 May 2024 and 30 April 2025		200,000,000	40,000
Issued and fully paid:			
At 30 April 2023 and 1 May 2023		960,000,000	9,600
Share consolidation	(a)	(912,000,000)	–
Issue of shares pursuant to right issue	(b)	96,000,000	19,200
At 30 April 2024 and 1 May 2024		144,000,000	28,800
Issue of shares upon placing of shares	(c)	28,800,000	5,760
At 30 April 2025		172,800,000	34,560

Notes:

- (a) On 10 February 2023, the director of the Company proposed to implement a share consolidation on the basis that every 20 issued shares would be consolidated into one consolidated share. Pursuant to an ordinary resolution passed on 3 May 2023, the share consolidation was approved by the shareholders of the Company and has become effective on 4 May 2023. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 960,000,000 to 48,000,000.
- (b) A rights issue of two rights share for every existing shares held by members on the register of members on 28 June 2023 was made, at an issue price of HK\$1.36 per rights share, resulting in the issue of 96,000,000 shares for a total cash consideration, before expenses, of approximately HK\$19,200,000.
- (c) The placing of shares under the general mandate ("Placing") was completed on 16 May 2024, and the Company issued 28,800,000 ordinary shares to independent third parties at a subscription price of HK\$0.67 on the same date. The net proceeds from the placing of new shares amounted to approximately HK\$18,517,000.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

29. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), adopted pursuant to the written resolution passed on 27 March 2017 for the primary purpose of attracting and retaining the best available personnel and providing additional incentive to eligible persons, will expire on 18 April 2027. Under the Scheme, the board of directors may grant options to the eligible person, including employees (full-time and part-time), directors of the Company, consultants, advisers, distributors, contractors, suppliers, agents, clients, business partners and service providers of the Group, to subscribe for shares of the Company.

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

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1. Options may be exercised at any time from the date of grant of the share option to the ten years from the date of grant subject to the provisions of early termination. The exercise price is determined by the board of directors of the Company, and shall be the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

No share options are granted since the adoption of the Scheme and there are no outstanding share options as at 30 April 2025 and 2024.

30. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Group operates the MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme and subject to a cap of HK\$1,500 per month in which the contribution is matched by employees.

The total cost charged to consolidated statement of profit or loss and other comprehensive income of approximately HK\$888,000 (2024: HK\$1,227,000) represents contributions payable to the MPF Scheme by the Group in respect of the current accounting period.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

31. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had provided the following guarantees:

	2025 HK\$'000	2024 HK\$'000
Guarantees in respect of performance bonds in favour of its clients	8,271	3,424

In the opinion of the directors of the Company, it was not probable that a claim would be made against the Group under the guarantees. Therefore, no provision for such guarantee was made for the years ended 30 April 2025 and 2024.

32. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of lease liabilities and bank borrowings disclosed in notes 19 and 26 respectively, net of bank balances and cash disclosed in note 23, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues, issue of new debts or the redemption of existing debt.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at amortised cost (including bank balances and cash)	188,033	160,055
Financial liabilities		
Financial liabilities at amortised cost	137,896	115,400

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits, prepayment and other receivables, pledged bank deposits, bank balances and cash, financial assets at FVTPL, trade and retention payables, other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments included interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) **Interest rate risk**

The Group is exposed to fair value interest rate risk in relation to its fixed-rate pledged bank deposits and bank balances and lease liabilities. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to cash flow interest rate risk in relation to its variable-rate bank balances (see note 23) and bank borrowings (see note 26). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the Group's variable-rate bank borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point (2024: 100 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 100 basis points (2024: 100 basis points) higher/lower and all other variables were held constant, the Group's post tax profit (2024: post tax loss) for the year ended 30 April 2025 would decrease/increase (2024: increase/decrease) by approximately HK\$372,000 (2024: HK\$455,000).

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

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

(ii) Credit risk and impairment assessment

As at 30 April 2025 and 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of our Group mainly arises from pledged bank deposits, bank balances and cash, trade receivables, contract assets, deposits and other receivables. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the directors of the Company are responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL individually or collectively, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12m ECL.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal and external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

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

(ii) Credit risk and impairment assessment *(Continued)*

In order to minimise credit risk, the management develops and maintains the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is obtained from the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Trade receivables and contract assets	Other financial assets at amortised cost
Performing	The counterparty has low default risk by considering the business relationship, repayment history and pattern for repayment after due dates, or other supporting information	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Write-off	Amount is written-off

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

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

(ii) Credit risk and impairment assessment *(Continued)*

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on collective assessment.

	Average loss rate	Gross carrying amount HK\$'000
At 30 April 2025		
Performing	1.07%	106,454
Doubtful	2.75%	323
Loss	100%	20,759
		127,536
At 30 April 2024		
Performing	1.96%	78,520
Doubtful	4%	1,373
Loss	100%	20,000
		99,893

The estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable, supportable and available without undue cost or effort. Management performs review regularly to ensure relevant information about specific debtors is updated.

Movement in the loss allowance on trade receivables:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 May	21,594	20,533
Changes due to financial instruments recognised as at 1 May:		
– Impairment losses recognised, net of reversal	(1,583)	(533)
New financial assets originated	1,891	1,594
Balance at 30 April	21,902	21,594

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

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

(ii) Credit risk and impairment assessment *(Continued)*

The following table provides information about the exposure to credit risk for contract assets which are assessed based on collective assessment.

	Average loss rate	Gross carrying amount HK\$'000
At 30 April 2025		
Performing	1.03%	185,297
At 30 April 2024		
Performing	2.76%	169,056

Movement in the loss allowance on contract assets:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 May	4,667	3,778
Changes due to financial instruments recognised as at 1 May:		
– Impairment losses recognised, net of reversal	(4,636)	184
New contract assets originated	1,873	705
Balance at 30 April	1,904	4,667

The Group writes off trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulties and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The Group is exposed to concentration of credit risk. At 30 April 2025, the Group had a concentration of credit risk as 49% and 60% (2024: 55% and 67%) respectively of the total trade receivables and contract assets was due from the Group's largest debtor while 97% and 93% (2024: 93% and 95%) respectively of the total trade receivables and contract assets was due from the Group's five largest debtors, respectively.

During the year ended 30 April 2025, the Group recognised impairment loss of HK\$308,000 (2024: HK\$1,118,000) and reversal of impairment loss of HK\$2,763,000 (2024: impairment loss of HK\$889,000) for trade receivables and contract assets, respectively.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS (Continued)

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

(ii) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's other financial assets at amortised cost, which are subject to ECL assessment:

	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
			2025 HK\$'000	2024 HK\$'000
Deposits	Performing	12m ECL	978	1,091
Other receivables	Performing	12m ECL	52,502	42,795
Prepayment	Performing	12m ECL	40,135	48,590
Pledged bank deposits	Performing	12m ECL	21,863	21,546
Bank balances	Performing	12m ECL	8,823	16,318

Prepayment, other receivables and deposits

The management made periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Movement in the loss allowance on deposits, other receivables and prepayment:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 May	–	–
New financial assets originated	1,786	–
Balance at 30 April	1,786	–

Pledged bank deposits and bank balances

The credit risk of pledged bank deposits and bank balances is limited because the majority of the counterparties are international banks with good reputation. Majority of the bank balances are placed in banks with credit ratings of AA and A. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant.

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS (Continued)

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

(iii) Liquidity risk

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

The Group relies on bank borrowings and bank borrowings under supplier finance arrangements as significant sources of liquidity. As at 30 April 2025, the Group has available unutilised banking facilities of approximately HK\$23,498,000 (2024: HK\$13,495,000). The following table show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date of the Group can be required to pay:

	Contractual undiscounted cash outflows					
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000	Total HK\$'000	Carrying amount at 30 April HK\$'000
At 30 April 2025						
Trade and retention payables	36,384	–	–	–	36,384	36,384
Other payables	42,810	–	–	–	42,810	42,810
Bank borrowings	47,803	–	–	–	47,803	44,502
Other borrowings	14,200	–	–	–	14,200	14,200
Lease liabilities	1,312	622	–	–	1,934	1,834
	142,509	622	–	–	143,131	139,730
At 30 April 2024						
Trade and retention payables	36,634	–	–	–	36,634	36,634
Other payables	24,260	–	–	–	24,260	24,260
Bank borrowings	57,994	–	–	–	57,994	54,506
Lease liabilities	1,694	520	–	–	2,214	2,096
	120,582	520	–	–	121,102	117,496

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

33. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of current financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements are not materially different from their fair values due to their immediate or short-term maturities.

The directors of the Company also consider that the carrying amounts of non-current financial assets recorded at amortised cost in the consolidated financial statements are not materially different from their fair values due to insignificant impact of discounting.

34. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into transactions with its related party as follows:

Compensation to key management personnel

The remuneration paid to the directors of the Company, being the only key management personnel of the Group, during the year was as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term benefits	3,414	3,967
Post-employment benefits	18	20
	3,432	3,987

The remuneration of the directors of the Company is determined by the remuneration committee having regard to the performance of individuals and market trends.

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35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities HK\$'000	Bank borrowings HK\$'000	Other borrowings HK\$'000	Total HK\$'000
1 May 2023	3,727	55,928	–	59,655
Financing cash flow	(1,696)	(1,422)	–	(3,118)
Finance costs	65	–	–	65
At 30 April 2024 and 1 May 2024	2,096	54,506	–	56,602
Financing cash flow	(1,811)	(10,004)	14,200	2,385
Increase in lease liabilities	1,482	–	–	1,482
Finance costs	67	3,994	–	4,061
At 30 April 2025	1,834	48,496	14,200	64,530

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36. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current asset			
Investments in subsidiaries		26,701	26,701
Current assets			
Prepayments and other receivables		55	1,047
Amounts due from subsidiaries	(a)	209,232	185,905
Bank balances and cash		102	73
		209,389	187,025
Current liabilities			
Accruals and other payables		–	5,187
Other borrowings		14,200	–
Net current assets		195,189	181,838
Total assets less current liabilities		221,890	208,539
Capital and reserves			
Share capital	29	34,560	28,800
Reserves	(b)	187,330	179,739
Total equity		221,890	208,539

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

36. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

- (a) The amounts are unsecured, non-interest bearing and repayable on demand.
- (b) The movement of reserves is shown as follows:

	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Accumulated losses HK\$'000	Total HK\$'000
At 30 April 2023 and 1 May 2023	86,244	6,705	(20,236)	72,713
Loss and total comprehensive expense for the year	109,040	–	(2,014)	107,026
Issue of shares pursuant to the right issue	111,360	–	–	111,360
Share issue costs	(2,320)	–	–	(2,320)
At 30 April 2024 and 1 May 2024	195,284	6,705	(22,250)	179,739
Loss and total comprehensive expense for the year	12,757	–	(5,166)	7,591
Issue of shares pursuant to the right issue	13,536	–	–	13,536
Share issue costs	(779)	–	–	(779)
At 30 April 2025	208,041	6,705	(27,416)	187,330

Note: Other reserve represented the difference between the nominal value of issued share capital of the Company and the net assets value of a subsidiary of the Company arising from the completion of reorganisation on 30 September 2017.

Notes to the Consolidated Financial Statements

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Place of incorporation or operation	Issue and fully paid ordinary share capital	Percentage of equity interest and voting power attributable to the Group				Principal activities
			2025		2024		
			Direct	Indirect	Direct	Indirect	
Success Chariot Limited	BVI	United States dollars \$3	100%	-	100%	-	Investment holding
Golden Chariot International Limited	BVI	United States dollars \$50,000	100%	-	100%	-	Investment holding
Windmill Engineering Company Limited	Hong Kong	HK\$10,148,000	-	100%	-	100%	Design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises and trading of fire service accessories
Greenleaf Enterprises Pte. Ltd*	Singapore	Singapore dollars \$5	N/A	100%	N/A	100%	Wholesale of health supplements products
Bliss Key Limited	BVI	United States dollar \$100	100%	-	100%	-	Investment holding
Gain Success Development Limited	Hong Kong	HK\$1	-	100%	-	100%	Design, supply and installation of fire safety systems for buildings under construction or re-development
Golden Chariot (HK) Limited	Hong Kong	HK\$10,000	-	100%	-	100%	Administrative office
Market Star International Limited	BVI	United States dollar \$1	100%	-	100%	-	Investment holding
Windmill Engineering (China & HK) Co., Ltd.	Hong Kong	HK\$10,000	-	100%	-	100%	Design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises and trading of fire service accessories
Noah Ark	Hong Kong	HK\$10,000	-	78%	-	78%	Provision of design for manufacture and assembly services used in fire services
Zhu Yu# Sociedade Unipessoal Limitada	Macau	MOP\$25,000	-	100%	-	100%	Design, supply and installation of fire safety systems for buildings under construction or re-development and maintenance and repair of fire safety systems for built premises and trading of fire service accessories

* The subsidiary had been disposed during the year.

The subsidiary had been acquired during the year.

None of the subsidiaries had issued any debt securities during both years and at the end of both years.

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For the year ended 30 April 2025

38. EVENTS AFTER THE REPORTING PERIOD

On 19 December 2024, the Group proposes subject to the capital reorganisation becoming effective, to conduct the rights issue at the subscription price of HK\$0.53 per rights share on the basis of four (4) rights shares for every one (1) adjusted Share held on the record date to raise up to approximately HK\$73.27 million (before expenses) by issuing up to 138,240,000 rights shares.

On 3 July 2025, the Group announced that the hearing of the petition for confirmation of the capital reduction would be held at 10:00 a.m. on Friday, 25 July 2025 (Cayman Islands time) at the court and the capital reorganisation will be effective on Tuesday, 5 August 2025 (Hong Kong Time).

Details of the above events were disclosed in the announcement of the Company dated 19 December 2024, 24 January 2025, 14 February 2025, 28 February 2025, 17 March 2025, 7 April 2025 and 23 April 2025 and the circular of the Company dated 14 March 2025.

Five-year Financial Summary

		Year ended 30 April			
	2025	2024	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	374,347	394,537	277,683	231,259	197,598
Profit/(loss) before taxation	1,529	3,854	10,538	(6,939)	6,006
Taxation	(761)	(1,646)	(3,111)	(53)	(1,119)
Profit/(loss) and total comprehensive income/(expense) for the year	768	2,208	7,427	(6,992)	4,887
Attributable to:					
Owners of the Company	568	2,928	7,054	(6,992)	4,887
Non-controlling interests	200	(720)	373	–	–
	768	2,208	7,427	(6,992)	4,887
Total assets	434,564	397,064	258,821	194,629	180,814
Total liabilities	141,379	123,164	115,369	57,569	66,021
Net assets	293,185	273,900	143,452	137,060	114,793
Non-controlling interests	(1,182)	(1,382)	(662)	–	–
Equity attributable to owners of the Company	294,367	275,282	144,114	137,060	114,793