Shing Chi Holdings Limited
成志控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1741

ANNUAL REPORT 2025

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Corporate Information

BOARD OF DIRECTORS

Executive Directors
Dr. Lau Chi Wang *(Chairman)*
Mr. Lau Chi Ming
Dr. Lau Chi Keung *(Chief Executive Officer)*
Ms. Lau Yan Ki Patricia

Independent Non-executive Directors
Mr. Leung Bing Kwong Edward
Mr. Pang Ka Hang
Mr. Wong Chun Nam

BOARD COMMITTEES

Audit Committee
Mr. Pang Ka Hang *(Chairman)*
Mr. Leung Bing Kwong Edward
Mr. Wong Chun Nam

Remuneration Committee
Mr. Wong Chun Nam *(Chairman)*
Mr. Lau Chi Ming
Mr. Leung Bing Kwong Edward
Mr. Pang Ka Hang

Nomination Committee
Mr. Leung Bing Kwong Edward *(Chairman)*
Dr. Lau Chi Keung
Mr. Pang Ka Hang
Mr. Wong Chun Nam
Ms. Lau Yan Ki Patricia *(Appointed on 19 March 2025)*

Investment Committee
Mr. Lau Chi Ming *(Chairman)*
Dr. Lau Chi Wang
Dr. Lau Chi Keung
Mr. Leung Bing Kwong Edward
Mr. Pang Ka Hang
Mr. Wong Chun Nam

COMPANY SECRETARY

Ms. Yim Sau Ping

AUTHORISED REPRESENTATIVES

Mr. Lau Chi Ming
Ms. Yim Sau Ping

AUDITORS

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F, Kai Tak Commercial Building
Nos. 317-319 Des Voeux Road Central
Sheung Wan
Hong Kong

COMPLIANCE ADVISER

Frontpage Capital Limited
26/F, Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

CFN Lawyers LLP
Units 4101-4104, 41/F
Sun Hung Kai Centre
30 Harbour Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKS

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

COMPANY'S WEBSITE

www.shing-chi-holdings.com

STOCK CODE

1741

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Shing Chi Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I would like to present to our shareholders the annual report of the Group for the year ended 30 September 2025.

FINANCIAL RESULTS

For the year ended 30 September 2025, the Group recorded a total revenue from continuing operations of approximately HK$152.4 million, representing an increase of approximately 5.8% as compared to approximately HK$144.0 million for the year ended 30 September 2024. The Group also recorded a decrease in net loss from continued operations of approximately HK$23.4 million for the year ended 30 September 2024 to approximately HK$12.0 million for the year ended 30 September 2025. Such decrease was primarily attributable to (i) the increase in gross profit and revenue during the year ended 30 September 2025; and (ii) the decrease in administrative and other operating expenses as a result of the decrease in the depreciation of property, plant and equipment as well as right-of-use assets after the recognition of impairment losses in previous year and the decrease in the legal and professional fees incurred during the year ended 30 September 2025. In addition, the Group recorded a net profit from discontinued operation of approximately HK$13.3 million for the year ended 30 September 2024, which was mainly due to gain on disposal of subsidiaries engaged in health management and consultancy business. No further financial contribution was recorded from the discontinued operation after the Group ceased to engage in health management and consultancy business in the PRC in 2024. As a result, the Group's overall net loss increased from at approximately HK$10.1 million for year ended 30 September 2024 to approximately HK$12.0 million for the year ended 30 September 2025.

PROSPECTS

Our Directors are of the view that the general outlook of the construction industry and the business environment in which the Group operates will remain challenging in the coming year. The rising geopolitical tensions, the global trade conflicts and the high interest rate environment are expected to continue to cause market volatility and affect global economic growth. Besides, the intense competition for tender prices and the rising material and labour costs have continued to pose significant challenges on the Group's operations and financial performance. Under such business landscape, the Group will continue to adopt prudent financial management and cost control and explore suitable business and investment opportunities to drive our business growth.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our shareholders, customers, suppliers and subcontractors for their continuous support. I would also like to send my warmest thanks to all our management and staff members for their hard work and dedication throughout the years.

Lau Chi Wang
Chairman and Executive Director

Hong Kong, 30 December 2025

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a construction contractor in Hong Kong that principally provides (i) foundation and site formation works, which mainly include piling works, excavation and lateral support ("**ELS**") works, pile cap construction and ground investigation works; (ii) general building works and associated services, which mainly include development of superstructures, alteration and addition works; and (iii) other construction works, which mainly include slope works and demolition works. The Group is able to undertake construction works as either a main contractor or a subcontractor. Apart from construction works, the Group also provides construction related consultancy services including engineering consulting on construction designs and works supervision, and construction contract administration services.

As at 30 September 2025, the Group had 20 construction projects on hand (including projects in progress and projects that are yet to commence) (2024: 25 construction projects on hand) with a total contract value of approximately HK$315.7 million (2024: approximately HK$324.6 million), out of which approximately HK$141.3 million has been recognised as revenue up to 30 September 2025. The details of the Group's projects on hand as at 30 September 2025 are as follows:

Number	Project awarded	Actual/expected commencement Date	Actual/expected Completion Date
1	Slope works in Kwun Tung North New Development Areas	September 2020	June 2026
2	Site formation and infrastructure works in Tseung Kwan O	May 2022	December 2025
3	Construction for the proposed playground in Hung Hom	March 2024	March 2026
4	Fence inspection works for a university in Shatin	May 2024	December 2026
5	Demolition services for a plant in Tai Po	September 2024	December 2025
6	Pre-bored socketed piles for noise barrier work in Fanling North Development Areas	October 2024	December 2025
7	Slope improvement works for a university in Shatin	December 2024	November 2026
8	Supply and installation of flexible barrier in various locations in Hong Kong	December 2024	December 2025
9	External works for a university in Shatin	April 2025	March 2026
10	Site enhancement and minor works for a building in Kwun Tong	May 2025	November 2025
11	Rail track foundation works in the Central and Western District	June 2025	October 2025
12	Stability improvement works for slope for a university in Shatin	August 2025	February 2026
13	Demolition services in Yau Tong	August 2025	March 2026
14	Proposed addition and alteration works for the shipyard entrance in Tsing Yi	August 2025	January 2026
15	Geotechnical works for proposed cut slope in Tuen Mun	October 2025	October 2026
16	Slope works in Happy Valley	October 2025	December 2025
17	Run-in out and associated works in Central	October 2025	December 2025
18	Supply and installation of flexible barrier in various locations in Hong Kong	November 2025	October 2026
19	Landslip prevention and mitigation works in various locations in New Territories	November 2025	October 2026
20	Supply and installation of flexible barrier in various locations in Tai Po Kau	November 2025	May 2026

Management Discussion and Analysis

Apart from undertaking construction works in Hong Kong, the Group also operated a health management and consultancy business in the PRC (the "**Health Management Business**") primarily involve the sales of health products, which include Ginseng and related products as well as the health intelligent robots during the year ended 30 September 2024. On 13 September 2024, the Company and Mr. Wong Wa Kei Anthony (the "**RY Purchaser**") entered into the sale and purchase agreement, pursuant to which the Company agreed to sell, and the RY Purchaser agreed to purchase, the entire issued share capital of Ri Ying Group Co., Limited ("**Ri Ying**") at the consideration of HK$50,000 (the "**RY Disposal**"). After the RY Disposal, the Group no longer engaged in the Health Management Business in the PRC. For the details, please refer to the announcement of the Company dated 13 September 2024.

OUTLOOK

The Directors are of the view that the general outlook of the construction industry and the business environment in which the Group operates will remain challenging. The rising geopolitical tensions, the global trade conflicts and the high interest rate environment are expected to continue to cause the market volatility and affect global economic growth. Besides, the intense competition for tender prices and the rising material costs and labour costs have continued to pose significant challenges on the Group's operations and financial performance. In light of the uncertain business environment, the Group will continue to adopt prudent financial management and cost control in order to address the challenges of the current market conditions. Furthermore, the Group will continue to obtain additional qualifications and strengthen its financial resources to better position itself for tendering suitable projects in the public sector as a main contractor, and invest in the manpower and information system to enhance its operational capacity and efficiency. Meanwhile, the Group will continue to explore suitable business and investment opportunities to drive its business growth.

Management Discussion and Analysis

FINANCIAL REVIEW

Continued operations

Revenue

The Group's revenue increased by approximately HK$8.4 million, or 5.8%, from approximately HK$144.0 million for the year ended 30 September 2024 to approximately HK$152.4 million for the year ended 30 September 2025. The following table sets out a breakdown of the Group's revenue during the years ended 30 September 2025 and 2024 by segments:

	Year ended 30 September			
	2025		2024	
	HK$'000	**%**	HK$'000	%
Foundation and site formation works	**38,477**	**25.2**	42,310	29.4
General building works and associated services	**45,493**	**29.9**	24,945	17.3
Other construction works	**60,790**	**39.9**	67,299	46.8
Construction related consultancy services	**7,634**	**5.0**	9,402	6.5
Total	**152,394**	**100.0**	143,956	100.0

The increase in the Group's revenue was primarily due to the increase in revenue contribution from general building works and associated services as a result of the substantial works undertaken for a sizeable project during the year ended 30 September 2025. Such increase was partially offset by (i) the decrease in revenue contributed from foundation and site formation works as a result of the increase in number of lower value projects undertaken during the year ended 30 September 2025; (ii) the decrease in revenue contributed from other construction works due to the substantial completion of works for certain sizeable projects in previous year; and (iii) the decreased revenue from construction related consultancy services as a result of the decrease in number of projects undertaken during the year ended 30 September 2025.

Cost of sales

Cost of sales increased by approximately HK$6.6 million, or 4.9%, from approximately HK$134.1 million for the year ended 30 September 2024 to approximately HK$140.7 million for the year ended 30 September 2025. Such increase was mainly driven by the increase in revenue for the year ended 30 September 2025.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK$1.8 million, or 18.2%, from approximately HK$9.9 million for the year ended 30 September 2024 to approximately HK$11.7 million for the year ended 30 September 2025. The Group's gross profit margin also increased from 6.9% for the year ended 30 September 2024 to 7.7% for the year ended 30 September 2025.

Management Discussion and Analysis

During the year ended 30 September 2025, the Group recorded an increase in gross profit margins for foundation and site formation works (2024: 4.4%; 2025: 19.5%) which was mainly due to the relatively lower gross profit margin projects undertaken as a result of the stringent and competitive market conditions during the year ended 30 September 2024. Such increase was partially offset by the decrease in gross profit margins for general building works and associated services (2024: 8.1%; 2025: 2.9%) and other construction works (2024: 6.8%; 2025: 3.2%) as a result of the undertaking of projects with relatively lower margins during the year ended 30 September 2025. The gross profit margins for construction related consultancy services (2024: 14.9%; 2025: 13.3%) remained relatively stable for the year ended 30 September 2025 as compared with that for the same period in 2024.

Other income, gains and losses

The other income, gains and losses increased by approximately HK$0.8 million, or 200%, from approximately HK$0.4 million for the year ended 30 September 2024 to approximately HK$1.2 million for the year ended 30 September 2025, primarily due to the refund of costs incurred upon the termination of a research and development project.

Administrative and other operating expenses

The administrative and other operating expenses decreased by approximately HK$6.9 million, or 20.7%, from approximately HK$33.3 million for the year ended 30 September 2024 to approximately HK$26.4 million for the year ended 30 September 2025. Such decrease was mainly attributable to (i) the decrease in the depreciation of property, plant and equipment as well as right-of-use assets after the recognition of impairment losses in previous year; and (ii) the decrease in the legal and professional fees incurred during the year ended 30 September 2025.

Discontinued operation

On 13 September 2024, the Company and the RY Purchaser entered into the sale and purchase agreement, pursuant to which the Company agreed to sell, and the RY Purchaser agreed to purchase, the entire issued share capital of Ri Ying at the consideration of HK$50,000. After the RY Disposal, the Group no longer engaged in the Health Management Business in the PRC. The Group recorded a net profit of approximately HK$13.3 million from discontinued operation during the year ended 30 September 2024, which was primarily attributable to the gain on disposal of subsidiaries engaged in the Health Management Business. No further financial contribution was recorded from the discontinued operation during the year ended 30 September 2025 after the Group ceased to engaged in Health Management Business in 2024.

Loss for the year

As a result of the foregoing, the net loss increased by approximately HK$1.9 million from approximately HK$10.1 million for the year ended 30 September 2024 to approximately HK$12.0 million for the year ended 30 September 2025.

Contract assets

The Group's contract assets mainly included the Group's right to consideration for work performed but not yet billed (the "**Unbilled Revenue**") as well as the retention receivable as withheld by customers for contract works. The Group's contract assets remained stable at approximately HK$17.7 million and approximately HK$17.2 million as at 30 September 2024 and 2025, respectively. The Group has engaged an independent professional valuer to estimate the expected credit losses for contract assets and the simplified approach has been adopted under HKFRS 9. The management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on contract assets. In this regard, the management of the Group considers that the credit risk on contract assets is significantly reduced. The Group considers available reasonable and supportive forward-looking information. Based on such assessment, the Group's management considers the expected credit loss allowance on the contract assets is adequately provided as at 30 September 2025. As at the date of this annual report, approximately 27.7% of the Group's contract assets have been subsequently settled. All of the Unbilled Revenue have been subsequently transferred to trade receivables. Retention receivables would be settled based on the expiry of the defect liability period at the end of the reporting period was approximately HK$4,073,000 within one year and HK$14,784,000 after one year respectively.

Other receivables, deposits and prepayments

The following table sets forth the breakdown of other receivables, deposits and prepayments as at 30 September 2025 and 2024:

	As at 30 September 2025 HK$'000	As at 30 September 2024 HK$'000
Other receivables	**227**	448
Deposits	**1,824**	1,131
Prepayments	**182**	150
	2,233	1,729
Less: provision for impairment losses	**(6)**	(394)
	2,227	1,335

The Group's other receivables, deposits and prepayments increased from approximately HK$1.3 million as at 30 September 2024 to approximately HK$2.2 million as at 30 September 2025. Such increase was mainly due to the deposits paid for the surety bonds for the guarantee of the performance of contract works. As at the date of this annual report, approximately 42.5% of the Group's other receivables, deposits and prepayments as at 30 September 2025 have been subsequently settled/utilised.

Accruals and other payables

The following table sets forth the breakdown of accruals and other payables as at 30 September 2025 and 2024:

	As at 30 September 2025 HK$'000	As at 30 September 2024 HK$'000
Accruals	**4,232**	2,507
Other payables	**100**	100
	4,332	2,607

The Group's accruals and other payables increased from approximately HK$2.6 million as at 30 September 2024 to approximately HK$4.3 million as at 30 September 2025. Such increase was mainly due to the increase in accrued expenses for construction projects as a result of the increase in works performed for the ongoing projects.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that there are certain risks and uncertainties involved in the operations of the Group, some of which are beyond the Group's control. The Directors believe the more significant risks relating to the business are as follows:

– the Group's revenue mainly relies on successful tenders of or acceptance of its quotations for construction projects which are non-recurring in nature and any failure of the Group to secure projects from its existing customers and/or new customers in the future would affect the Group's business operation and financial results;

– a significant portion of the Group's revenue was generated from contracts awarded by a limited number of customers, and any significant decrease in the number of projects with the major customers may materially and adversely affect the Group's financial condition and operating results;

– the Group relies substantially on subcontractors to complete the projects;

– the Group depends on key management personnel with relevant knowledge, experience and expertise; and

– the Group determines the price of its quotation or tender based on the estimated time and costs to be involved in a project and the actual time and costs incurred may deviate from its estimate due to unexpected circumstances, thereby leading to cost overruns and adversely affecting the Group's operations and financial results.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business strategies as set out in the prospectus of the Company dated 28 September 2018 (the "**Prospectus**") with actual business progress up to 30 September 2025.

Business strategies as stated in the Prospectus	Implementation activities up to 30 September 2025 as stated in the Prospectus	Actual business progress up to 30 September 2025
Apply for additional licences	– Acquire one set of bored piling machine; one set of rock-socket piling machine; two sets of mini-piling machines and four air compressors; and maintain newly acquired machinery to fulfill plant requirements of the licenses – Acquire a piece of land for machinery storage	The Group has acquired the bored piling machines, rock-socket piling machine and two air compressors. On 25 August 2023, the Board resolved to change the use of the unutilised net proceeds in the amounts of approximately HK$30.3 million as originally allocated for acquisition of certain additional machinery and a piece of land to increase the general working capital of the Group. For details, please refer to the announcement of the Company dated 25 August 2023 (the "**UOP Announcement**").
	– Increase the employed capital of Po Shing Construction Limited and Fong On Construction Limited	The Group has increased the employed capital of both subsidiaries.
Fund the initial costs of the Group's construction projects	– Finance the working capital requirement and upfront costs for the three of the Group's projects	The funding costs for (i) the redevelopment of an outdoor activities centre at Stanley; (ii) the redevelopment at Sheung Wan; and (iii) the alterations and additions works for commercial building at North Point were fully utilised.
Strengthening the Group's manpower	– Recruit two project managers, two project engineers, two quantity surveyors, one safety officer, two site foremen and one mechanical fitter	The Group has recruited two project managers, two project engineers, two quantity surveyors, one safety officer, two foremen and one mechanical fitter.
	– Retain talents as recruited for this business strategy	The Group has utilised the proceeds for retaining the above newly recruited staff to facilitate the business development.

Business strategies as stated in the Prospectus	Implementation activities up to 30 September 2025 as stated in the Prospectus	Actual business progress up to 30 September 2025
Investment in the new information system	– Upgrade the existing hardware and acquire new computer facilities	The Group has upgraded existing hardware and acquired new computer facilities.
	– Upgrade the accounting system to enhance documentation and manual procedures and upgrade the human resources management system to consolidate and automate attendance, payrolls and retirement fund contribution	The Group has upgraded the accounting system to enhance documentation. Having considered the current business size and the market conditions, no suitable human resources management system is identified and the expected time for the upgrade of the human resources management system is delayed. The Group will continue to approach different service providers to search for suitable human resources management system for the Group.
	– Upgrade the engineering and design system to facilitate the planning, designing, and managing of construction projects through automatic generation of drawings and reports, design analysis, schedule simulation and facilities management	The Group has upgraded engineering and design system.

USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds (the "**Net Proceeds**") from the listing of the shares of the Company on the Main Board of the Stock Exchange on 16 October 2018 (the "**Listing**"), after deduction of the underwriting commission and actual expenses paid by the Group in connection thereto, were approximately HK$86.6 million. After the Listing, a part of these proceeds have been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus and the UOP Announcement.

The below table sets out the proposed and actual applications of the net proceeds from the date of the Listing to 30 September 2025:

	Planned use of Net Proceeds as disclosed in the Prospectus and as amended in the UOP Announcement HK$ million	Actual use of Net Proceeds from the date of the Listing to 30 September 2024 HK$ million	Unutilised Net Proceeds brought forward as at 1 October 2024 HK$ million	Net Proceeds utilised during the year ended 30 September 2025 HK$ million	Unutilised Net Proceeds as at 30 September 2025 HK$ million	Expected timeline for utilising the unutilised Net Proceeds
Apply for additional licences	9.2	9.2	–	–	–	N/A
Fund the initial costs of the Group's construction projects	21.8	21.8	–	–	–	N/A
Strengthening the Group's manpower	13.9	13.9	–	–	–	N/A
Investment in the new information system	2.7	2.3	0.4	0.1	0.3	30 September 2026
General working capital	39.0	39.0	–	–	–	N/A
	86.6	86.2	0.4	0.1	0.3	

Management Discussion and Analysis

During the year ended 30 September 2025, the Net Proceeds from the Listing were utilised and expected to be utilised in the manners as disclosed in the Prospectus and the UOP Announcement. Save as disclosed in the UOP Announcement, there has been no change in the use of Net Proceeds since the date of the Listing.

Up to 30 September 2025, approximately HK$86.3 million out of the Net Proceeds had been utilised. The remaining unutilised Net Proceeds of approximately HK$0.3 million were deposited in licensed banks in Hong Kong. The Company intends to apply the net proceeds in the manner as stated in the Prospectus and the UOP Announcement. The Directors will constantly evaluate the Group's business objectives and specific needs from time to time. Further announcement will be made if there are any changes on the use of Net Proceeds as and when appropriate. Such amounts are expected to be fully utilised on or before 30 September 2026.

The business objectives, future plans and planned use of Net Proceeds as stated in the Prospectus and the UOP Announcement were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus and the UOP Announcement while the Net Proceeds were applied based on the actual development of the Group's business and the industry.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Company's shares were successfully listed on the Main Board of the Stock Exchange on 16 October 2018. There has been no change in the capital structure of the Group since then. The capital of the Group only comprises of ordinary shares.

The Group's operation and investments were financed principally by cash generated from its business operations and equity contribution from the shareholders.

As at 30 September 2025, the Group had net current assets of approximately HK$23.4 million (2024: approximately HK$34.9 million) and bank deposits, balances and cash of approximately HK$22.4 million (2024: approximately HK$32.6 million), which were denominated in Hong Kong dollars, Renminbi and United States dollars.

As at 30 September 2025, the Group's total equity attributable to owners of the Company amounted to approximately HK$22.7 million (2024: approximately HK$34.7 million), and the Group's total debt comprising lease liabilities amounted to approximately HK$3.6 million (2024: approximately HK$2.9 million). The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

GEARING RATIO

As at 30 September 2025, the gearing ratio of the Group, which is calculated as the total debt (comprising lease liabilities) divided by total equity, was approximately 15.6% (2024: approximately 8.5%).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, during the year ended 30 September 2025, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures.

Management Discussion and Analysis

Save as disclosed in this annual report, the Group did not have other plans for material investments or acquisition of capital assets as at 30 September 2025.

CHARGE ON GROUP ASSETS

As at 30 September 2025, the Group has pledged certain motor vehicles with net book value amounted to approximately HK$0.5 million (2024: certain motor vehicles with net book value amounted to approximately HK$0.8 million) under non-cancellable lease agreements.

FOREIGN EXCHANGE EXPOSURE

All of the Group's business operation were conducted in Hong Kong. The Group's major revenue and expenses are denominated in Hong Kong dollars, while there are certain monetary assets that are denominated in Renminbi, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

As at 30 September 2025, certain customers of construction contracts undertaken by the Group require the Group to issue guarantee for the performance of contract works in the form of surety bonds of approximately HK$16.1 million (2024: approximately HK$13.1 million). Dr. Lau Chi Wang, Mr. Lau Chi Ming and Dr. Lau Chi Keung have provided guarantee to the insurance companies to secure certain surety bonds. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

ARBITRATION

As disclosed in the announcement dated 20 January 2023, Fong On Construction Limited ("**Fong On**"), an indirect wholly-owned subsidiary of the Company, is involved in certain disputes in connection to payments owed to Fong On as main contractor for carrying out certain design and construction works for a school in Hong Kong (the "**School**"). Fong On contends, among other things, that the School has failed and/or refused to pay Fong On in accordance with the payment terms agreed and has undervalued the works carried out (including variation works) by Fong On pursuant to the relevant contracts (the "**Disputes**"). On 18 January 2023, Fong On has submitted a written notice to the School requesting the Disputes to be referred to mediation in accordance with and subject to The Government of the Hong Kong Special Administrative Region Construction Mediation Rules. Upon the conclusion of the mediation conference held on 9 May 2023, the parties were unable to reach a settlement agreement in relation to the Disputes.

Management Discussion and Analysis

In addition to the aforementioned mediation, Fong On has also initiated arbitration proceedings against the School with respect to the Disputes (the "**Arbitration**") on 18 April 2023. As part of the arbitration proceedings, the parties may exchange any documents by themselves for matters in issue but not previously appended to any of the pleadings and may submit to the Arbitrator and to the other party a Request to Produce documents by 27 December 2024. After such Request(s) to Produce, if any, the other party will respond to the request(s) before the Tribunal's ruling on the request(s) and the exchange of witness statements. As of 5 December 2025, the parties shall be preparing witness statements, which are expected to be exchanged on the date(s) agreed by the parties in the first quarter of 2026. As at the date of this annual report, the Arbitration is still in its preliminary stages and hence the impacts of the Arbitration, if any, on the Company, cannot be fully assessed at this stage. The Company will make further disclosure as and when necessary or appropriately based on the progress of the Arbitration.

COMMITMENTS

As at 30 September 2025, the Group did not have any capital commitments (2024: Nil).

SEGMENT INFORMATION

The Group's reportable and operating segments are as follows: (i) foundation and site formation works; (ii) general building works and associated services; (iii) other construction works; (iv) construction related consultancy services; and (v) health management and consultancy business. Details of the segmental information of the Group is disclosed in Note 5 to the consolidated financial statements of this annual report.

INFORMATION ON EMPLOYEES

As at 30 September 2025, the Group had 33 employees (2024: 32 employees) in Hong Kong. Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus and mandatory provident fund. Various types of training were provided to the employees.

Management Discussion and Analysis

For the year ended 30 September 2025, the total staff cost (including Directors' emoluments and mandatory provident funds contributions) amounted to approximately HK$18.8 million (2024: approximately HK$43.8 million).

DIVIDENDS

The Board did not recommend the payment of any final dividend for the year ended 30 September 2025 (2024: Nil).

MODIFIED AUDIT OPINION

The Company's auditor, HLB Hodgson Impey Cheng Limited (the "**Auditors**") expressed a qualified opinion on the consolidated financial statements of the Group for the year ended 30 September 2025 (the "**Qualified Opinion**"). The management of the Company (the "**Management**") and the audit committee of the Company (the "**Audit Committee**") have reviewed and agreed with the Qualified Opinion, details of which are set out in the independent auditor's report.

Details of the basis of the Qualified Opinion

During the year ended 30 September 2024, the Group disposed of its entire equity interests in Ri Ying to the RY Purchaser. Ri Ying and its subsidiaries and associates (collectively, the "**Ri Ying Group**") were engaged in Health Management Business and comprised the "Health management and consultancy business" reportable segment of the Group. As disclosed in the Company's annual report dated 30 December 2025, the office of the Ri Ying Group in which the books and records stored remained restricted by the relevant authorities (the "**Authorities**") after the RY Disposal for investigation of a potential fraud that a former executive Director was allegedly involved. As the RY Purchaser ignored the Company's requests to communicate with the Authorities to retrieve the relevant information, the Auditors were unable to have access to the accounting books, records and supporting documents of the Ri Ying Group. Although the Group has taken all reasonable steps and used their best endeavours to request the RY Purchaser, the RY Purchaser has failed to cooperate in providing documents and access to information of Ri Ying Group despite repeated demands made by the Group. As a result, the Auditors were unable to obtain sufficient appropriate audit evidence to satisfy themselves that (i) the financial performance of the Ri Ying Group for the period from 1 October 2023 to the disposal date on 13 September 2024 included in the determination of the Group's loss for the year from the discontinued operation, and the cash flows of the Ri Ying Group for this same period; (ii) the carrying amounts of assets and liabilities of the Ri Ying Group as at the disposal date, which entered into the determination of the Group's gain on disposal of the Ri Ying Group; (iii) the gain on disposal of the Ri Ying Group, which was included in the determination of the Group's loss for the year from the discontinued operation; and (iv) the disclosures relating to Ri Ying Group included in the consolidated financial statements of the Group, were free from material misstatements. Consequently, the Auditors were unable to determine whether any adjustments to these amounts and disclosures were necessary. The Auditors expressed a qualified opinion on the consolidated financial statements of the Group for the year ended 30 September 2024 accordingly.

Although the above incident occurred in the previous financial year and does not have any material impact to the Group for the current financial year, the Auditors' opinion on the consolidated financial statements of the Group for the year ended 30 September 2025 is still modified because of the possible effects of the above matters on the comparability of the related current year's figures and the corresponding figures.

The Management's position, view and assessment on the Qualified Opinion

The Management has given careful consideration to the Qualified Opinion and the basis of Qualified Opinion and has had ongoing discussion with the Auditors when preparing the Group's consolidated financial statements for the year ended 30 September 2025. Given that the Group has disposed the Ri Ying Group during the year ended 30 September 2024 and there were no material financial effect relating to the Ri Ying Group as it ceased to engage the segment of Health Management Business after the RY Disposal, the Management considered that the Qualified Opinion shall not have an ongoing impact to the Group's consolidated financial statements. The Management understood that the Qualified Opinion was expressed by the Auditors only to the extent of the possible effects on the comparative financial information in respect of the Group's consolidated financial performance and cash flows for the year ended 30 September 2025. As discussed with the Auditors, the matters giving rise to the qualification does not affect the figures presented in the consolidated financial statements for the year ended 30 September 2025 and it is expected that the qualified opinion will be removed for the year ending 30 September 2026 onward. As such, the Management considered that the Qualified Opinion was addressed, and acknowledged and agreed with the audit opinion issued by the Auditors based on their professional and independent assessment.

Audit Committee's View on the Qualified Opinion

The Audit Committee has reviewed the audit opinion and discussed the audit modification with the Auditors. Due to the limitation of audit evidence on the financial information in relation to the Ri Ying Group which formed part of the comparative figures for the year ended 30 September 2025, the Audit Committee agreed with the Qualified Opinion issued by the Auditors. The Audit Committee has also discussed with the Management regarding their position on the Qualified Opinion. Given that the Ri Ying Group was disposed during the year ended 30 September 2024 and the Qualified Opinion only affects the comparative financial information for the year ended 30 September 2025, the Audit Committee also concurred with the Management's view that the Qualified Opinion would not have a continuing effect on the Group's consolidated financial statements.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. Lau Chi Wang, B.B.S., J.P., (劉志宏) ("Dr. CW Lau"), aged 78, is the chairman of the Company (the "**Chairman**") and an executive Director. Dr. CW Lau is responsible for overseeing the Group's corporate governance, setting the corporate policy and supervising all matters at the Board level. Dr. CW Lau was appointed as a Director on 3 January 2018 and redesignated as the Chairman and an executive Director on 12 February 2018. Dr. CW Lau is also a member of the investment committee of the Company (the "**Investment Committee**"). Dr. CW Lau is currently a director of Fong On Construction Limited, Fong On Geotechnics Limited, Po Shing Construction Limited and James Lau & Associates Limited, respectively. Dr. CW Lau was appointed as a Justice of the Peace in July 2002 by the Chief Executive of Hong Kong. In July 2009, Dr. CW Lau was awarded the Bronze Bauhinia Star for his contribution to Hong Kong.

Dr. CW Lau has over 52 years of experience in construction, design and research in the field of civil engineering. Dr. CW Lau worked as a trainee designer at Redpath Dorman Long Limited from 1968 to 1971 with his last position held as a site engineer. He then re-joined Redpath Dorman Long Limited as a design engineer from 1972 to 1973. Dr. CW Lau subsequently worked as a research assistant at King's College London from 1973 to 1976 and obtained his PhD from the University of London in 1977 based on his research work. He later worked as a soils engineer in the Buildings Ordinance Office (currently known as the Buildings Department) from 1977 to 1980. He then joined Wong & Ouyang (HK) Limited as an assistant chief structural engineer from 1980 to 1989 with his last position held as chief civil engineer and a director of Wong & Ouyang (Civil – Structural Engineering) Limited.

Dr. CW Lau has been an authorised person, a registered structural engineer and a registered geotechnical engineer under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) since July 1983, December 1994 and April 2005, respectively. He has also been a chartered engineer of The Council of Engineering Institutions, a registered professional engineer (civil, structural and geotechnical) of Hong Kong Engineers Registration Board and a first class registered structural engineer of the People's Republic of China approved by the National Administration Board of Architectural Registration since August 1972, May 1995 and March 2002, respectively. Dr. CW Lau was granted the qualification as a barrister by The Honourable Society of Gray's Inn and was called to the English and Hong Kong Bar in July 1992 and September 1993, respectively.

Dr. CW Lau obtained a Higher Diploma in Structural Engineering from Hong Kong Technical College (currently known as The Hong Kong Polytechnic University) in July 1968. He later obtained a Master of Science in the Faculty of Technology from The Victoria University of Manchester (currently known as the University of Manchester) in December 1972. He then obtained a Doctor of Philosophy in Geotechnical Engineering from University of London in August 1977. He obtained a Master of Business Administration from The Chinese University of Hong Kong in December 1982. He subsequently completed a Bachelor of Laws and Master of Science in Financial Economics from the University of London in August 1985 and December 1994, respectively. He later obtained a Master of Laws from the University of Hong Kong in December 1999.

Dr. CW Lau is the brother of Mr. Lau Chi Ming and Dr. Lau Chi Keung, and the father of Ms. Lau Yan Ki Patricia.

Biographical Details of Directors and Senior Management

Mr. Lau Chi Ming (劉志明) ("Mr. CM Lau"), aged 75, is the deputy chairman of the Company and an executive Director. Mr. CM Lau is responsible for carrying out all the duties of the Chairman in his absence. He was appointed as a Director on 3 January 2018 and re-designated as the deputy chairman of the Company and an executive Director on 12 February 2018.

Mr. CM Lau is also the chairman of the Investment Committee and a member of the remuneration committee of the Company (the "**Remuneration Committee**"). Mr. CM Lau is currently a director of Fong On Construction Limited, Fong On Geotechnics Limited, Po Shing Construction Limited and James Lau & Associates Limited, respectively.

Mr. CM Lau has over 42 years of experience in engineering. Mr. CM Lau worked in American Engineering Corporation (Hong Kong) Limited from August 1981 to February 1985 with his last position held as a project engineer. He then worked as a senior HVAC engineer in Aoki Corporation from March 1985 to August 1987. He went on to work as a building services engineer in The Hong Kong Tuberculosis, Chest and Heart Diseases Association and the Architectural Services Department from September 1987 to October 1989 and November 1989 to April 1993, respectively.

Mr. CM Lau has been a member of The Chartered Institution of Building Services, a member of The Hong Kong Institution of Engineers and a chartered engineer of The Chartered Institution of Building Services Engineers since July 1984, January 1986 and January 1988, respectively. Mr. CM Lau has been a registered professional engineer (BSS) of Hong Kong Engineers Registration Board since November 2011.

Mr. CM Lau obtained a Bachelor of Science in Mechanical Engineering from the University of Leeds in July 1979. He then obtained a Master of Science in Management Science from Imperial College of Science and Technology (currently known as The Imperial College London) in January 1981.

Mr. CM Lau is the brother of Dr. CW Lau and Dr. Lau Chi Keung, and the uncle of Ms. Lau Yan Ki Patricia.

Dr. Lau Chi Keung (劉志強) ("Dr. CK Lau"), aged 70, is the chief executive officer of the Company (the "**Chief Executive Officer**") and an executive Director. Dr. CK Lau is responsible for overseeing the Group's operation, business development, human resources, finance and administration. Dr. CK Lau was appointed as a Director on 3 January 2018 and re-designated as the Chief Executive Officer and an executive Director on 12 February 2018. Dr. CK Lau is also a member of each of the nomination committee of the Company (the "**Nomination Committee**") and the Investment Committee. He is currently a director of Fong On Construction Limited, Fong On Geotechnics Limited, Po Shing Construction Limited and James Lau & Associates Limited, respectively. Dr. CK Lau has served as an independent non-executive director of Wecon Holdings Limited (stock code: 1793), a company listed on the Main Board of the Stock Exchange since January 2019.

Dr. CK Lau has over 43 years of experience in engineering. Dr. CK Lau worked as a graduate engineer in Ho Chung, Wallace Evans & Company Limited in August 1978 with his last position held as an engineer in 1984. He was then employed by WS Atkins (Services) Limited as a group engineer with his last position held as a senior group engineer and head of the soil structure interaction group from May 1988 to August 1994. Dr. CK Lau worked as an adjunct professor in City University of Hong Kong from June 2006 to June 2012 and The Hong Kong Polytechnic University from April 2002 to March 2005. He has re-joined The Hong Kong Polytechnic University as an adjunct professor since March 2016. He had also been appointed as an adjunct associate professor in the Department of Civil Engineering of the University of Hong Kong from September 2018 to August 2020. He has also been appointed as an adjunct professor of Civil and Environmental Engineering of The Hong Kong University of Science and Technology since April 2020.

Dr. CK Lau has been a registered professional engineer (civil, geotechnical and structural) of Hong Kong Engineers Registration Board since October 1997. He has also been a registered structural engineer, an authorised person, a registered geotechnical engineer and a registered inspector under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) since August 1997, April 1998, May 2005 and November 2012, respectively. He has been a first class registered structural engineer approved by the National Administration Board of Engineer Registration since June 2000 and appointed by 廣東省人社廳 with a 岩土正高級工程師職稱 in 2024. Dr CK Lau has also been an arbitrator and a mediator of The Hong Kong Institution of Engineers, an accredited general mediator of Hong Kong Mediation Accreditation Association Limited and an accredited adjudicator of Hong Kong International Arbitration Centre since 2005, 2013 and 2015, respectively. He was admitted as a fellow of the Hong Kong Institute of Arbitrators in May 2018. Dr. CK Lau was appointed by The Hong Kong Institute of Engineers Council as the Chairman of the Geotechnical Discipline Advisory Panel on 20 July 2023.

Dr. CK Lau obtained a Bachelor of Science in Civil and Structural Engineering from University College Cardiff (currently known as Cardiff University) in July 1978. He further obtained a Master of Philosophy in Soil Mechanics and a Doctor of Philosophy in Soil Mechanics from the University of Cambridge in December 1985 and May 1989, respectively.

Dr. CK Lau is the brother of Dr. CW Lau and Mr. CM Lau, and the uncle of Ms. Lau Yan Ki Patricia.

Ms. Lau Yan Ki Patricia (劉恩琪) (“Ms. Lau”), aged 46, was appointed as an executive Director since 9 August 2023. Ms. Lau is responsible for overseeing the Group’s financial issue.

Ms. Lau has over 20 years of experience in the investment banking industry. She held various positions in the investment banking industry and she had been the managing director of Credit Suisse Investment Bank. Ms. Lau is currently the executive director of Alpha Course Hong Kong Limited, a charitable institution of a public character recognised under section 88 of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), which provides a platform for individuals to explore life and faith in an open environment.

Ms. Lau obtained a master’s degree in engineering and a bachelor’s degree of arts from University of Cambridge in June 2002.

Ms. Lau is the daughter of Dr. CW Lau and the niece of Mr. CM Lau and Dr. CK Lau.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Bing Kwong Edward (梁秉綱) ("Mr. Leung"), aged 66, was appointed as an independent non-executive Director on 17 September 2018. He is also the chairman of the Nomination Committee and a member of each of the audit committee of the Company (the "**Audit Committee**"), the Remuneration Committee and the Investment Committee. Mr. Leung is responsible for making independent judgement and advising on the issue of strategy, performance, resources and standard of conduct of the Group.

Mr. Leung worked as an assistant civil and a geotechnical engineer in Brickell, Moss and Partners, Consulting Civil & Geotechnical Engineers from 1982 to 1986. He then worked as a project engineer in P. Y. Leung & Associates Limited and Yolles Partnership from 1986 to 1988 and 1988 to 1992, respectively. Mr. Leung rejoined P. Y. Leung & Associates Limited in 1992 and has been a director since then. Mr. Leung has been a professional engineer of the Association of Professional Engineers of Ontario and a registered professional engineer (civil) of Hong Kong Engineers Registration Board since July 1990 and November 1994, respectively. Mr. Leung has also been a registered structural engineer and an authorised person under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) since March 1996 and November 1996, respectively.

Mr. Leung obtained a Bachelor of Science in Civil Engineering from Queen's University at Kingston in May 1982.

Mr. Pang Ka Hang (彭嘉恆) ("Mr. Pang"), aged 70, was appointed as an independent non-executive Director on 17 September 2018. He is also the chairman of the Audit Committee and a member of each of the Remuneration Committee, the Nomination Committee and the Investment Committee. Mr. Pang is responsible for making independent judgement and advising on the issues of strategy, performance, resources and standard of conduct of the Group.

Mr. Pang was the partner of Pang & Ma, Chartered Accountants from 1982 to 1987. He then worked as a president of Pang and Ma Limited from 1990 to 2017.

Mr. Pang has been a chartered accountant of The Institute of Chartered Accountants of Ontario and a member of the Hong Kong Society of Accountants (currently known as The Hong Kong Institute of Certified Public Accountants) since March 1980 and June 1982 respectively.

Mr. Pang obtained a Bachelor of Business Administration from Wilfrid Laurier University in October 1976.

Mr. Wong Chun Nam (黃鎮南), B.B.S., J.P. ("Mr. Duffy Wong"), aged 72, was appointed as an independent nonexecutive Director on 17 September 2018. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee and the Investment Committee. Mr. Duffy Wong is responsible for making independent judgement and advising on the issues of strategy, performance, resources and standard of conduct of the Group.

Mr. Duffy Wong was a founder and consultant of Ho, Wong & Wong, Solicitors & Notaries until August 2024. He is now a consultant of K.B. Chau & Co. Solicitors & Notaries. Mr. Duffy Wong has served as an independent non-executive director of Water Oasis Group Limited (Stock Code: 1161), a company listed on the Main Board of the Stock Exchange since December 2001.

Mr. Duffy Wong has been a solicitor in Hong Kong since 1982, a notary public since 1994, an associate and a fellow of the Chartered Governance Institute since 1980 and 1990, respectively. He has also been a fellow of the Hong Kong Chartered Governance Institute since 1994. In addition, he has been a Chartered Tax Adviser of The Taxation Institute of Hong Kong since 2010 and an Accredited General Mediator of the Law Society of Hong Kong since 2011. He was a member of the Torture Claims Appeal Board from July 2016 to July 2025. He participates in public services including being a Justice of the Peace.

SENIOR MANAGEMENT

Mr. Li Chi Ho (李志豪)("Mr. Li"), aged 51, is the chief engineer of the Group. Mr. Li is primarily responsible for the overall management of the Group's projects, design and business development.

Mr. Li first joined the Group as a graduate engineer in Fong On Construction Ltd. in June 1996 with his last position held as an assistant engineer in December 2005. He then worked as an assistant engineer in Hyder Consulting Limited from December 2005 to June 2006. Mr. Li re-joined the Group as an engineer in June 2006 and was appointed as the chief engineer in June 2024.

Mr. Li has been a member of The Institution of Structural Engineers since September 2010 and Chartered Engineer of Engineering Council UK in 2010. Mr. Li has also been a member of The Hong Kong Institution of Engineers since March 2011 and Registered Professional Engineer (structural) of Hong Kong Engineers Registration Board since April 2012.

Mr. Li obtained a Bachelor of Engineering in Civil and Structural Engineering from The Hong Kong Polytechnic University in November 2003.

Mr. Wong Kai Wa (黃啟華)("Mr. Wong"), aged 61, is the general manager of Po Shing Construction Limited. Mr. Wong first joined the Group as a project manager in July 2004 and was appointed as the senior project manager on 1 July 2014. Mr. Wong was further promoted to general manager on 1 February 2019. He is primarily responsible for the overall management of the Group's projects, operations and business development.

Prior to joining the Group, Mr. Wong worked as a foreman in Yau Lee Construction Company Limited from April 1986 to June 1994. Mr. Wong then worked as an assistant project manager in Ytong Hong Kong Limited from June 1994 to August 1997. He subsequently worked as a project manager in Fong On Construction & Engineering Company Limited from August 1997 to October 2003.

Mr. Wong was awarded a Certificate in Building Studies by Vocational Training Council in July 1993. He then obtained a Higher Certificate in Building Studies from Hong Kong Technical Colleges (currently known as Hong Kong Institute of Vocational Education) in July 1996. He later obtained a Professional Diploma in Construction Project Management from The University of Hong Kong, School of Professional and Continuing Education in July 2001. He then obtained a Bachelor of Science in Work Based Learning Studies (Construction Project Management) from Middlesex University in January 2004. He further obtained a Diploma in Occupational Health and Safety from Li Ka Shing Institute of Professional and Continuing Education of The Open University of Hong Kong in January 2005.

Biographical Details of Directors and Senior Management

Mr. Mok Kwai Hing (莫桂興) ("Mr. Mok"), aged 60, is the general manager of Fong On Construction Limited. Mr. Mok first joined the Group as a project manager in December 2003 and was appointed as the senior project manager on 1 January 2014. Mr. Mok was further promoted to general manager on 1 February 2019. He is primarily responsible for the overall management of the Group's projects, operations and business development.

Prior to joining the Group, Mr. Mok worked as an engineering draftsman in David S.K. Au & Associates Limited from October 1990 to April 1994. He then worked as a quantity surveyor in Hong Kong Dredging Limited from May 1994 to April 1996. He subsequently worked as a project manager in Fong On Construction & Engineering Company Limited from May 1996 to October 2003.

Mr. Mok was awarded a Certificate in Civil Engineering Studies by Vocational Training Council in July 1988. He further obtained a Higher Certificate in Civil Engineering from The Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1990.

COMPANY SECRETARY

Ms. Yim Sau Ping (嚴秀屏) ("Ms. Yim"), aged 43, was appointed as the company secretary of the Company (the "**Company Secretary**") on 12 February 2018. Prior to joining the Group, Ms. Yim worked for Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) (stock code: 1246), a company listed on the Main Board of the Stock Exchange, as a company secretary from October 2014 to May 2015, and as a financial controller from October 2014 to August 2015. She also worked for Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited) (stock code: 8326), a company listed on the GEM of the Stock Exchange as a company secretary from November 2013 to December 2013, and as an accounting manager from April 2012 to December 2013. She has been a director of Blooming (HK) Business Limited, a company primarily engaged in corporate advisory and company secretarial services, since October 2015. Ms. Yim obtained a Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in December 2007. She has been a member and a fellow of the Hong Kong Institute of Certified Public Accountants since January 2010 and October 2017, respectively. She has accumulated more than 10 years of experience in accounting, auditing and financial management in international audit firm, financial institution and listed companies.

Corporate Governance Report

INTRODUCTION

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtain and maintain the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Company has fully complied with the CG Code during the year ended 30 September 2025.

A good part of the new requirements under the amended Corporate Governance Code have long been adopted by the Group as our corporate governance practices over the years.

CULTURES AND VALUES

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. **Integrity and code of conduct**

   The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook (including therein the Group's code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. **Commitment**

   The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. The Company has made specific enquiry, to all Directors and confirmed that all directors have fully complied with the required standards set out in the Model Code during the year ended 30 September 2025 and up to the date of this annual report.

DIRECTORS' RESPONSIBILITIES

The Board takes the responsibility to oversee all major matters of the Company, including but not limited to formulating and approving the overall strategies and business performance of the Company, monitoring the financial performance and internal control as well as overseeing the risk management system of the Company and monitoring the performance of senior executives. The Board is also responsible for performing the corporate governance duties including the development and reviewing the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors and reviewing the Company's compliance with the CG Code and the disclosures in this annual report.

Liability insurance for the Directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

DELEGATION BY THE BOARD

Daily operation and managing of the business of the Group, inter alia, the implementation of strategies are delegated to the executive Directors along with other senior executives. They report periodically to the Board their work and business decisions.

Board Composition

The composition of the Board as at the date of this annual report is set out as follows:

Executive Directors

Dr. Lau Chi Wang *(Chairman)*
Mr. Lau Chi Ming
Dr. Lau Chi Keung *(Chief Executive Officer)*
Ms. Lau Yan Ki Patricia

Independent non-executive Directors

Mr. Leung Bing Kwong Edward
Mr. Pang Ka Hang
Mr. Wong Chun Nam

Biographical details of the Directors are set out in the "Biographical Details of Directors and Senior Management" section on pages 17 to 22 of this annual report.

The proportion of independent non-executive Directors is higher than what is required by Rules 3.10(1) and (2), and 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer represent at least one-third of the board of directors. The Company has three independent non-executive Directors, who together represent more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. With the various experience of both the executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Group's strategies, performance and control, as well as ensure that the interests of all shareholders are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the independent non-executive Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the criteria set out in Rule 3.13 of the Listing Rules.

As at 30 September 2025, no independent non-executive Director had served more than nine years on the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of Dr. CW Lau, Mr. CM Lau, Dr. CK Lau, being the executive Directors, has renewed his service contract with the Company for an additional term of three years commencing from 16 October 2024. Ms. Lau, being an executive Director, has entered into a service contract with the Company for a term of three years from 9 August 2023. The letters of appointment of each of the independent non-executive Director was renewed for a term of three years commencing on 16 October 2024. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the memorandum and articles of association of the Company and the applicable Listing Rules.

According to article 108 of the Company's memorandum and articles of association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company, provided that every Director shall retire from office by rotation and are subject to re-election at annual general meeting at least once every three years. Article 112 of the Company's memorandum and articles of association provides that any Directors who are appointed to fill casual vacancies shall hold office only until the first general meeting of the Company after their appointment, and are subject to re-election by shareholders of the Company. Any Directors appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after their appointment and shall then be eligible for re-election.

Pursuant to article 108 and 112 of the Company's memorandum and articles of association, each of Dr. CK Lau, Ms. Lau and Mr. Duffy Wong will retire from office as Directors at the forthcoming annual general meeting of the Company to be held on 12 March 2026. Dr. CK Lau, Ms. Lau and Mr. Duffy Wong, being eligible, will offer themselves for re-election. At the forthcoming annual general meeting of the Company, separate ordinary resolutions will be put forward to the shareholders of the Company in relation to the proposed re-election of Dr. CK Lau and Ms. Lau as executive Directors, and Mr. Duffy Wong as an independent non-executive Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and not to be performed by the same individual to avoid power being concentrated in any one individual. Dr. CW Lau is the Chairman and Dr. CK Lau is the Chief Executive Officer.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

In compliance with code provision C.1 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they keep abreast of the current requirements. All Directors received training materials on corporate governance guide for board and directors.

The participation by individual Directors in the continuous professional development programme during the year ended 30 September 2025 is recorded in the table below:

Name of Directors	Training on corporate governance guide for board and directors (number of hours)
Executive Directors	
Dr. Lau Chi Wang	2.0
Mr. Lau Chi Ming	2.0
Dr. Lau Chi Keung	2.0
Ms. Lau Yan Ki Patricia	2.0
Independent non-executive Directors	
Mr. Leung Bing Kwong Edward	2.0
Mr. Pang Ka Hang	2.0
Mr. Wong Chun Nam	2.0

The Group continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, so as to ensure that the Directors are aware of their responsibilities and obligations as well as to maintain good corporate governance practices.

BOARD COMMITTEES

The Board has established four Board committees, namely, the Remuneration Committee, the Nomination Committee, the Audit Committee and the Investment Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Company's website at www.shing-chi-holdings.com. The terms of reference for Audit Committee, Nomination committee and Remuneration Committee are also posted on the Stock Exchange's website at www.hkexnews.hk. All Board Committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees follow in line with, so far as practicable, those of the Board meetings set out above.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code which included developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provisions in the CG Code and disclosures in this annual report.

Remuneration Committee

The Remuneration Committee was established on 17 September 2018. The chairman of the Remuneration Committee is Mr. Duffy Wong, the independent non-executive Director, and other members include Mr. CM Lau, an executive Director, Mr. Leung and Mr. Pang, the independent non-executive Directors. The written terms of reference of the Remuneration Committee is posted on the Stock Exchange's website and the Company's website.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriated policy and structures for all aspects of the Directors' and senior management's remuneration. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee held one meeting to review the remuneration packages and emoluments of the Directors and senior management and considered that they are fair and reasonable during the year ended 30 September 2025. During the year ended 30 September 2025, there were no material matters relating to the share option scheme of the Company which required review or approval by the Remuneration Committee. No Director nor any of his/her associates is involved in deciding his/her own remuneration.

Nomination Committee

The Nomination Committee was established on 17 September 2018. The chairman of the Nomination Committee is Mr. Leung, the independent non-executive Director, and other members include Dr. CK Lau, the Chief Executive Officer and an executive Director, Mr. Pang and Mr. Duffy Wong, the independent non-executive Directors. The written terms of reference of the Nomination Committee is posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Nomination Committee are to review and assess the composition of the Board and the independence of the independent non-executive Directors and make recommendations to the Board on appointment of new Directors. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regards to the benefits of diversity of the Board.

During the year ended 30 September 2025, the Nomination Committee held three meetings to review and assess the composition of the Board and the independence of the independent non-executive Directors, review and recommend the re-election of Directors, to appoint Ms. Lau into the Nomination Committee and to adopt the workforce diversity policy and update the terms of reference of the Nomination Committee.

In designing the Board's composition, Board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

Nomination Policy

The Nomination Committee will reference to the nomination policy (the "**Nomination Policy**") adopted by the Group on 21 December 2018 for selecting and recommending candidates for directorships.

Selection Criteria

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers, qualifications including accomplishment and experience in the relevant industries the Company's business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximise shareholders' value.

Nomination Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

(a) By giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;

(b) To consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from shareholders of the Company with due consideration given to the criteria;

(c) To adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;

(d) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(e) To make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

(f) The Board will have the final authority on determining the selection of nominees.

Board Diversity Policy

The Board adopted the Diversity Policy on 21 December 2018.

In designing the Board's composition, Board diversity is considered from a number of perspectives, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review this Diversity Policy, as appropriate, to ensure its effectiveness.

As at the date of this annual report, the Board comprises seven Directors. Three Directors are independent non-executive Directors, thereby promoting critical review and control of the management process.

The following tables illustrate the diversity of the Board members as of the date of this annual report:

	Age Group		
Name of Directors	**40 to 59**	**60 to 69**	**70 and above**
Dr. Lau Chi Wang			✓
Mr. Lau Chi Ming			✓
Dr. Lau Chi Keung			✓
Ms. Lau Yan Ki Patricia	✓		
Mr. Leung Bing Kwong Edward		✓	
Mr. Pang Ka Hang			✓
Mr. Wong Chun Nam Duffy			✓

	Professional Experience			
Name of Directors	**Building and Construction**	**Accounting and Finance**	**Civil Engineering**	**Law**
Dr. Lau Chi Wang	✓			✓
Mr. Lau Chi Ming	✓			
Dr. Lau Chi Keung	✓			
Ms. Lau Yan Ki Patricia		✓		
Mr. Leung Bing Kwong Edward			✓	
Mr. Pang Ka Hang		✓		
Mr. Wong Chun Nam Duffy				✓

The Board currently has one female Director, i.e. Ms. Lau Yan Ki Patricia, in which case the Board considered gender diversity has been achieved on the Board level. Current female representation at Board level is approximately 14.3%.

Workforce Diversity Policy

As of 30 September 2025, 42.4% and 27.3% of the Group's workforce (excluding senior management) were male and female respectively; and 90% and 10% of the Group's senior management were male and female respectively.

The Board adopted the workforce diversity policy (the "**Workforce Diversity Policy**") on 23 September 2025. The Group is committed to establishing a diverse and inclusive workplace for all Group companies where every employee is valued, respected, and treated fairly with equal access to opportunities. The Group also complies with all applicable equal opportunities' legislation and good management practices in all employment-related decisions. The Group would take appropriate actions in cases of any act of discrimination, harassment, vilification or victimisation in the workplace and/or in any work-related circumstances.

However, the Group currently does not have any specific gender target for its workforce. The availability of female candidates for many of the engineering or site worker positions is currently limited, and being an equal opportunity employer, the Group also considers other relevant factors in selecting the right candidates. The Group will strive to maintain a balanced gender diversity in its workforce in the future.

The Nomination Committee will review the implementation and the effectiveness of the Workforce Diversity Policy on an annual basis. Any revision of the Workforce Diversity Policy as recommended by the Nomination Committee will be submitted to the Board for consideration and approval.

Audit Committee

The Audit Committee was established on 17 September 2018. The chairman of the Audit Committee is Mr. Pang, the independent non-executive Director, and other members include Mr. Leung and Mr. Duffy Wong, the independent non-executive Directors. The written terms of reference of the Audit Committee is posted on the Stock Exchange's website and on the Company's website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and oversee the financial reporting system, risk management and internal control systems and relationship with external auditors and to review arrangements to enable employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 30 September 2025, the Audit Committee held two meetings to review and comment on the Company's 2024 annual results and 2025 interim results as well as the Company's internal control system and risk management system.

The Group's consolidated financial statements for the year ended 30 September 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 30 September 2025 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

Investment Committee

The Investment Committee was established on 21 January 2021. The chairman of the Investment Committee is Mr. CM Lau, the executive Director, and other members include Dr. CW Lau and Dr. CK Lau, the executive Directors; and Mr. Leung, Mr. Pang and Mr. Duffy Wong, the independent non-executive Directors. The written terms of reference of the Investment Committee is posted on the Company's website.

During the year ended 30 September 2025, the Investment Committee held one meeting to discuss the investment strategy and capital usage of the Group.

The duties of the Investment Committee are as follows:

(a) Act in good faith and with due skill, care and diligence at all times;

(b) Operate in accordance with these terms of reference at all times;

(c) Assess the viability and the terms for any major investment project or financing arrangements of the Company;

(d) Evaluate the feasibility, forecast, profits and loss calculations of the investment projects of the Company;

(e) Analyse, consider, and determine whether any proposed investment project is in the best interests of the Company and its shareholders as a whole;

(f) Consider all relationships, developments and new investment opportunities between the Company and external business and/or parties;

(g) Oversee the credit ratings and liquidity risk management of the Company;

(h) Review the Company's investing capital and financing strategy from time to time;

(i) Discuss the Company's position in respect of investment risk, including but not limited to foreign exchange risk, interest rate risk and investment products risk;

(j) Review and evaluate the Company's liquidity and funding arrangements from time to time;

(k) Monitor significant transactions and/or investment plans which might cause significant impact to the Company's treasury position;

(l) Consider and recommend the Board to implement appropriate policies in relation to the areas of treasury and investment (and any revision, as appropriate) from time to time;

(m) Review, evaluate, and approve any reports in relation to the Company's investment or treasury position from time to time;

(n) Ensure all records in relation to the Company's investments are kept properly; and

(o) Report to the Company any matters that should be brought to the Company's attention when discharging its duties and when any specific area for improvement could be identified or recommended.

ATTENDANCE RECORDS OF MEETINGS

The Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as, the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

During the year, the Chairman held a meeting with the independent non-executive Directors without the presence of other Directors.

Details of all Directors' attendance at the Board meeting, Board committees' meeting held for the year ended 30 September 2025 are as follows:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	2025 Annual General Meeting	Investment Committee Meeting
			Number of meetings attended/held			
Executive Directors						
Dr. Lau Chi Wang	4/4				1/1	1/1
Mr. Lau Chi Ming	4/4		1/1		1/1	1/1
Dr. Lau Chi Keung	3/4			3/3	1/1	1/1
Ms. Lau Yan Ki Patricia	3/4				1/1	
Independent non-executive Directors						
Mr. Leung Bing Kwong Edward	4/4	2/2	1/1	3/3	1/1	1/1
Mr. Pang Ka Hang	4/4	2/2	1/1	3/3	1/1	1/1
Mr. Wong Chun Nam	4/4	2/2	1/1	3/3	1/1	1/1

COMPANY SECRETARY

The Company Secretary assists the Board by ensuring the Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance matters.

The Company engages an external service provider, which assigned Ms. Yim as the Company Secretary. Ms. Yim possesses the necessary qualifications and experience, and is capable of performing the functions of the Company Secretary. Pursuant to Code C.6.1 of the CG Code, an issuer can engage an external service provider to provide company secretarial services, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. In this respect, the Company has nominated Mr. CM Lau, an executive Director as its contact point for Ms. Yim.

For the year ended 30 September 2025, Ms. Yim undertook no less than 15 hours of relevant professional training to update her skill and knowledge. The biographical details of Ms. Yim are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

INDEPENDENT AUDITORS’ REMUNERATION

During the year ended 30 September 2025, the remuneration paid or payable to the external auditors of the Company, HLB Hodgson Impey Cheng Limited and HLB Hodgson Impey Cheng Taxation Services Limited, in respect of the audit and non-audit services, respectively, were as follows:

Services rendered	**Remuneration paid/payable** HK$’000
Audit services	
– Annual audit services	800
Non-audit services	
– Tax compliance services for the Group in relation to the Hong Kong profits tax	41
	841

Corporate Governance Report

SHAREHOLDERS' RIGHTS

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

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding not less than one-tenth of the paid-up capital of the Company or by such shareholders who made the requisition (the "**Requisitionists**") (as the case may be) pursuant to article 64 of the memorandum and articles of association of the Company. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such article for convening an extraordinary general meeting. Shareholders may put forward proposals with general meeting of the Company by sending the same to the Company at the principal place of business in Hong Kong.

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong at 6/F, Kai Tak Commercial Building, Nos. 317-319 Des Voeux Road Central, Sheung Wan, Hong Kong or by email at JLA@fong-on.com.hk.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group maintains an effective internal control and risk management system. It consists, in part, of organisational arrangements with defined lines of responsibility and delegation of authority, and comprehensive systems and control procedures in order to safeguard the investment of the Company's shareholders and the Group's assets at all times.

The Directors acknowledge that they have overall responsibility for overseeing the Company's internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

Aimed at providing reasonable assurance against material errors, losses or fraud, the Company has established risk management procedures which comprised the following steps:

- Identify risks: Identify major and significant risks that could affect the achievement of goals of the Group;

- Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence;

- Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each function or operation are documented in the risk registry to communicate to the Board and management for reviews.

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

The Group has engaged an independent consultancy company to assist in reviewing the effectiveness of the risk management and the internal control systems of the Company. If deficiencies in the risk management and internal controls are identified, recommendations are proposed to the Company for improvement. A review on effectiveness of the risk management and the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out by an independent consultancy company with staff in possession of relevant expertise to conduct an independent review.

The Audit Committee reviewed the internal control review report issued by the independent consultancy company and the Company's risk management and internal control systems in respect of the year ended 30 September 2025 and considered that they are effective and adequate. There were no significant areas of concern identified during the year. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews were performed by the Audit Committee and concurred the same. Having considered the reasons for the Qualified Opinion set out in the section headed "Details of the basis of the Qualified Opinion", the Board considered that the Qualified Opinion arose from a single incident, which has only affected the comparative information of the consolidated financial statements for the year ended 30 September 2025, and was not related to any material internal control deficiency of the Company. Should similar incident occur in the future, the Company will strive to minimise the impact by (i) actively seeking the professional advice; and (ii) requesting the local subsidiaries to regularly share the information that is accessible to central management remotely and conduct regular reviews to ensure that updated records are properly stored.

The Group has yet to establish its internal audit function during the year ended 30 September 2025 as required under code provision D.2.5 of the CG Code. The Audit Committee and the Board have considered the internal control review report prepared by the independent consultancy company and communications with the Company's external auditors in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "**Whistleblowing Policy**") in September 2022. The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee or the human resource director of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 30 September 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy (the "**Anti-corruption Policy**") in September 2022. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

DISCLOSURE OF INSIDE INFORMATION

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- define the requirements of periodic financial and operational reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;

- controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and

- procedures of communicating with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange's website and on the Company's website.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted the Shareholders Communication Policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders as follows:

(i) Corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.shing-chi-holdings.com;

(ii) Periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) Corporate information is made available on the Company's website;

(iv) Annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and

(v) The Hong Kong branch share registrar and transfer office of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

The Company continues to promote investor relations and enhance communication with the existing shareholders and potential investors. The Company welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

During the year ended 30 September 2025, there was no change to the Company's memorandum and articles of association.

Environmental, Social and Governance Report

ABOUT THE REPORT

This report is the "Environmental, Social and Governance Report" (collectively the "**ESG Report**") published by the Group, which discloses the Group's measures and performance on sustainable development topics in a transparent and open manner, in order to increase stakeholders' confidence and understanding on the Group.

REPORTING STANDARDS

The ESG Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "**ESG Guide**") of the Stock Exchange set out in Appendix C2 to the Listing Rules. The ESG Report provides a simplified overview on the environmental, social and governance (the "**ESG**") performance of the Group. The information in the ESG Report is derived from the Group's official documents and statistics, as well as the integration and summary of monitoring, management and operational information provided by subsidiaries of the Group.

REPORTING YEAR

All the information in the ESG Report reflects the performance of the Group in environmental management and social responsibility from 1 October 2024 to 30 September 2025 (the "**Reporting Period**" or "**2025**"). This ESG Report is released annually by the Group for public review in order to improve the transparency and responsibility of information disclosure.

REPORTING SCOPE

The Group is a construction contractor in Hong Kong principally engaged in providing (i) foundation and site formation works; (ii) general building works and associated services; (iii) other construction works; and (iv) construction related consultancy services in Hong Kong. The ESG Report covers mainly the ESG performance within the operational boundaries of the Group including data and activities of the headquarters in Hong Kong and several construction projects engaged in Hong Kong. The calculation of all intensities is now based on the total number of employees of the Group in Hong Kong for 2025.

Operations that had no significant environmental and social impacts contributed were excluded from the reporting scope.

After the comprehensive completion of data collection system and the Group's deepening in its environmental, social and governance work, the Group has identified certain ESG issues relevant to the Group, which have been assessed by considering their materiality and importance to the Group's principle activities, stakeholders as well as the Group. Those identified ESG issues and key performance indicators ("**KPIs**") have been disclosed in the ESG Report.

Environmental, Social and Governance Report

ESG GOVERNANCE

The Group has developed its internal strategies and policies with aims to create sustainable values to its stakeholders, thereby to large extent minimising the Group's undue impact on the environment. In order to carry out the Group's sustainability strategy from top to bottom, the Board has ultimate responsibilities for ensuring the effectiveness of the Group's ESG policies.

The Group has established dedicated teams to manage ESG issues within each business division of the Group and kept monitoring and overseeing the progress against corporate goals and targets for addressing climate change. Dedicated teams with designated staff for management of ESG issues has been assigned to enforce and supervise the implementation of the relevant ESG policies cascading through the Group.

With the forward-looking guidance and well-designed plans of action to address underlying ESG matters, the management and responsible teams keep reviewing and adjusting the Group's sustainability policies to satisfy the ever-changing needs of its stakeholders on a regular basis. For instance, through the assignment of the responsibility of progress tracking to different management-level positions, the Group is committed to achieving an excellent performance in ESG management while also remaining competitive compared with its peers. Details of the Group's management approaches in both the environmental and social aspects are elaborated in different sections of this ESG report.

STAKEHOLDER ENGAGEMENT

The Stock Exchange has set forth four principles for reporting in the ESG Guide: materiality, quantitative, balance and consistency, which should form the basis for preparing the ESG Report. As the Stock Exchange emphasises, stakeholder engagement is the method by which materiality is assessed. Through stakeholder engagement, companies can understand wide-ranging views and identify material environmental and social issues.

The Group believes that effective feedback from stakeholders not only contributes to comprehensive and impartial evaluation of its ESG performance, but also enables it to improve its performance based on the feedback. Therefore, the Group has engaged in open and regular communication with its stakeholder groups including shareholders, employees, customers, suppliers, subcontractors and government. Over the years, the Group has continued to fine-tune its sustainability focus, addressing pressing issues. The table below shows how the Group communicates with key stakeholder groups and their respective concerns.

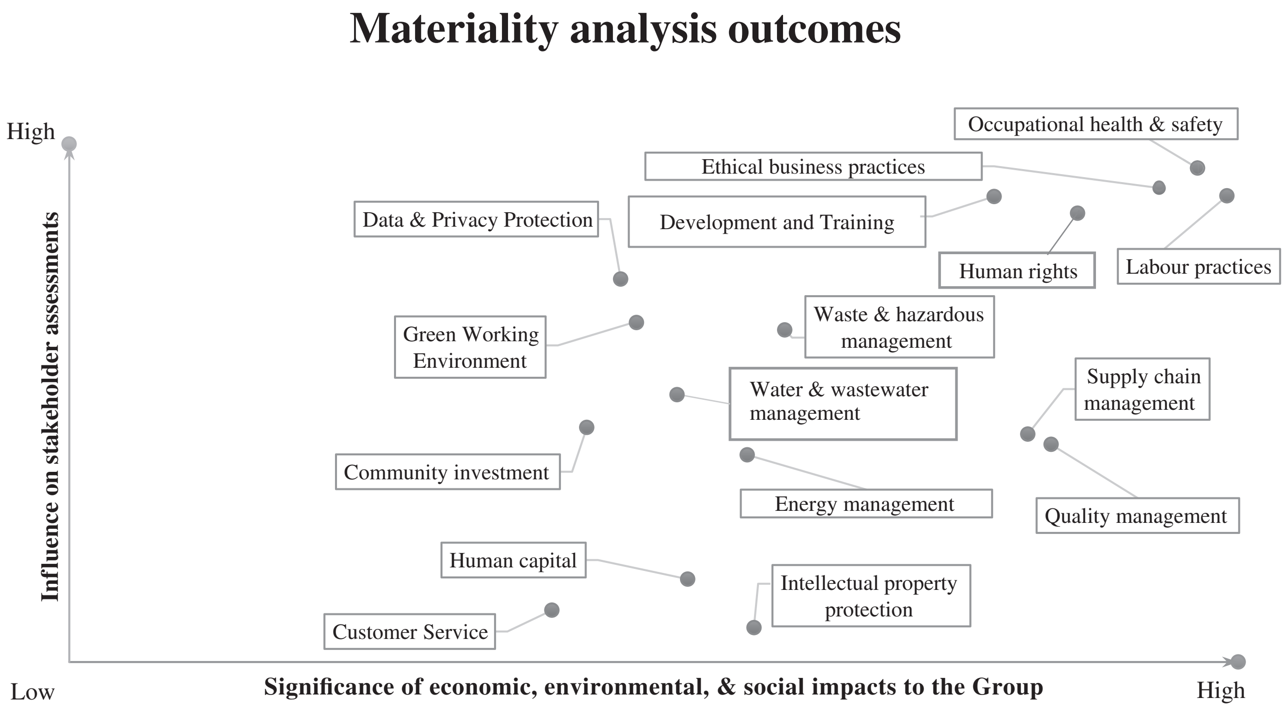
Stakeholders and Engagement Methods

Stakeholders	Interests and concerns	Engagement channels
Shareholders and investors	• Return on investment • Corporate strategy and governance • Risk mitigation and management • Financial performance	• Annual General Meeting • Interim and annual reports, corporate website • Announcements, notices of meetings, circulars
Clients	• Robust project management • Full compliance with regulations • Sustainability performance of operations	• Interim and annual reports, corporate website • Regular meetings and communication
Sub-contractors	• Effective project management • Occupational health and safety • Ethical business practices • Sub-contractor's assessment criteria • Fair and open tendering	• Annual Health, Safety and Environment seminars • Training sessions • Regular progress meetings • Audits and assessments
Employees	• Remuneration, compensation and benefits • Occupational health and safety • Career development opportunities • Corporate culture and wellbeing	• Provide leisure activities and increase cohesion • In-house training programmes • Performance reviews and appraisals • Promote career development and enhance competence at all levels
Suppliers	• Long-term partnership • Ethical business practices • Supplier assessment criteria • Fair and open tendering	• Procurement processes • Audits and assessments
Government	• Laws and regulation compliance • Environmental protection	• Review latest laws regularly • Inspection

The business of the Group affects different stakeholders, and stakeholders have different expectations on the Group. The Group will maintain communication with stakeholders continuously, collect opinions from stakeholders through different means and more extensively, and make substantive analysis more comprehensively. At the same time, the Group will enhance the reporting principles of quantification, balance and consistency, in order to define the content of the ESG Report and presentation of the information that is more in line with the expectations of stakeholders.

MATERIALITY ASSESSMENT

By reviewing the Group's operations and identifying relevant ESG issues, the Group assesses the importance of related matters to the Group's businesses and stakeholders. Based on the material ESG issues identified, feedback is collected from the relevant internal and external stakeholders of the Group. The result of the assessment is as below.



The Group will continuously monitor the business operations and its ESG performances.

CLIMATE CHANGE

Climate change is one of the most complicated challenges faced by mankind in the new century. Global warming gives rise to more frequent extreme weather conditions including changes in precipitation mode, droughts, floods and bushfires. Rise in sea level will make tens of thousands of people in densely populated coastal areas and island countries homeless. Faced with all sorts of problems, individuals, corporations and governments must take immediate actions to tackle climate change.

Over-emission of greenhouse gases is the main factor in causing global climate change. To achieving a low carbon economy, the Group is committed to reduce its greenhouse gas emissions through the approaches of mitigation and adaptation. For example, the Group has strived to mitigate the risks brought by climate change through the adoption of various environmental policies and measures; and promoting energy saving measures and habits in workplace.

The Group are focused on reducing emissions in its operations, engaging suppliers to reduce emissions in supply chains, strengthening the resilience of its business and using its voice to advocate for collective action.

The Group has identified the following significant climate related issues which have impacted and/or may impact on our operations:

Physical Risks

Extreme weather events such as storms, floods, fires or heatwaves that cause damage to construction site facilities and operations, which exposes the Group to risks associated with non-performance and delayed performance. The Group's productivity and revenue would be reduced. The Group has formulated emergency plans, including flexible working arrangements and precautionary measures to reduce the damage of our assets and construction sites under extreme weather events.

Transition Risks

The Group expected the government may introduce stricter policies and regulations to mitigate climate change, which would increase our compliance workload or subject us to litigation or claims.

In response to the policy and legal risks as well as the reputation risks, the Group would closely monitor changes in environmental laws, regulations and policies, and respond to them in a timely manner.

ENVIRONMENTAL

Emissions

Emissions from vehicle usage

During the Group's operation, the usage of private cars generate the emissions of nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and Particulate Matter ("**PM**"). The approximate amount of NO_x, SO_x and PM produced from the Group's operation in Hong Kong are shown in the following table:

Air emissions from vehicle usage

Types of air emissions	2025	2024
NO_x emissions (tonnes)	0.0047	0.0033
SO_x emissions (tonnes)	0.0001	0.0001
PM emissions (tonnes)	0.0004	0.0002

Compared to the last financial year, three types of emissions (NO_x, SO_x and PM) have slightly increased but maintained at a reasonably low level.

Although the Group does not generate a significant amount of air emissions, the Group has still formulated and educated employees about the following measures so as to achieve the environmental friendly approach; including (i) avoid peak hour traffic and (ii) encourage the use of public transport instead of private car.

GREENHOUSE GAS ("GHG") EMISSIONS

During the course of operations in Hong Kong, there are GHGs emissions principally resulting from vehicle usage, electricity consumed and the use of electricity for processing fresh water and sewage water at head office and construction projects.

Scope 1 – Combustion of fuels in mobile sources controlled by the Group

During the operations of the Group, due to the intense usage of private cars to travel between construction sites, a certain amount of GHG are produced.

The Group strictly controls the emissions of GHG through the establishment of a comprehensive data collection system. This system helps the Group to monitor the monthly usage of all private cars to maintain the efficiency at a prominent level. The Group has adopted various measures, which are described in the section headed "Emissions" to reduce emissions.

Scope 2 – Electricity purchased from power companies

Apart from the direct emissions of PM and fumes, the Group has also incurred indirect GHG, principally resulting from electricity consumed at the office and the construction sites. Energy conservation measures are described in the section headed "Energy consumption".

Scope 3 – Other indirect emissions

There are other indirect GHG emissions due to electricity used for processing fresh water and sewage by government departments, paper waste disposed at landfills and business travel by employees for the Group's operation in Hong Kong.

Compared to the last financial year, the total amount of GHG emissions has decreased due to the decrease in the usage of electricity in the construction sites during the Reporting Period.

The summary of GHGs emissions from the operations are shown in the following table:

Summary of GHG emissions

Types of GHG	2025 CO_2 equivalent emission	2024 CO_2 equivalent emission
Scope 1 – Direct emissions (tonnes)	22.24	23.67
Scope 2 – Energy indirect emissions (tonnes)	29.96	38.26
Scope 3 – Other indirect emissions (tonnes)	3.65	6.73
Total	**55.85**	**68.66**
Intensity of GHG per number of employee (tonnes)	**1.69**	**2.15**

The Group has initiated a target of 3% emission reduction in term of intensity in 5 years, using 2021 as a baseline.

HAZARDOUS WASTE EMISSIONS

Due to the business nature, the Group's operation does not directly generate any hazardous waste.

NON-HAZARDOUS SOLID WASTE EMISSIONS

For the provision of foundation and site formation services, the Group has produced some non-hazardous solid waste during the operation in Hong Kong. The emissions figures are as followings:

Types of non-hazardous waste produced	**2025 Volume**	**2024 Volume**
Inert construction waste disposal at Government Waste Disposal Facilities (tonnes)	2,652.50	7,427.10
Mixed construction waste disposal at Government Waste Disposal Facilities (tonnes)	479.60	429.27
Total	**3,132.10**	**7,856.37**
Intensity of non-hazardous solid waste emissions per number of employees (tonnes)	**94.91**	**245.51**

According to the figures above, the Construction and Demolition ("**C&D**") waste produced have decreased when comparing with last financial year's figure. The reason is that the Group undertook less projects that involved excavation works and hence less C&D waste were produced.

The Group is dedicated to proper management of the non-hazardous solid waste. Specific area at the site is assigned for the temporary storage of non-hazardous waste. The waste is then gathered by logistic service provider which is authorised by the Environmental Protection Department of the Hong Kong Government and delivered to the public landfills.

USE OF RESOURCES

The Group adheres to the concept of energy conservation and emission reduction for green production. The major resources used by the Group are principally electricity and water consumed in the Group's offices and various project sites in Hong Kong. The Group aims to improve its energy utilisation efficiency to achieve low-carbon practices and emission reduction throughout the operation, and strive to save the resources.

Water Consumption

The Group records and analyses the water consumption regularly. After identifying the causes of high rates of water consumption, the Group will take remedial action to minimise water use. Throughout the years, the Group put forth a strong emphasis on minimising the usage of electricity and water during the Group's daily operations.

The total water consumption in cubic metres and intensity during the Reporting Period are shown in the following table:

Water Consumption	**2025**	**2024**
Total water consumption (cubic metres)	–	391
Intensity of total water consumption per number of employees (cubic metres)	**–**	**12.22**

Compared to the last financial year, the intensity of water consumption per number of employees has decreased to minimal level as the projects in which site water metres borne by the Group has substantially completed in last year and there was no projects in which the site water consumption was required to be borne by the Group during the Reporting Period. The Group has initiated a target of 3% emission reduction in term of intensity in 5 years, using 2021 as a baseline. The Group will keep on performing the current monitoring mechanism to ensure the water would be used properly and efficiently. Due to the geographical location of the Group's office and construction sites, the Group does not have any issues in sourcing for water that is fit for purpose.

Energy Consumption

The major energy consumed by the Group are non-renewable fuel ("**NRF**") (direct) including diesel and petrol and purchase of energy in the form of electricity.

The Group determines to maximise energy conservation in its office by promoting efficient use of power and adopting green technologies. For instance, the Group continues to upgrade its equipment by purchasing electrical appliances with highly efficient energy label in order to increase energy efficiency. The Group also encourages staff to switch off equipment or make use of standby mode for electrical appliances upon idle. Air-conditioning systems can be adjusted to a specific temperature, which allows the users to set at a comfortable temperature and avoid power waste.

To identify energy saving opportunities, the Group measures and records the energy consumption level from time to time. The total energy consumption of the Group in kWh is shown in the following table:

Energy Consumption	**2025**	**2024**
Purchase of energy (kWh)	49,938	62,408
NRF consumed (kWh)	81,047	86,224
Total energy consumption (kWh)	**130,985**	**148,632**
Intensity of total energy per number of employees (kWh)	**3,969.24**	**4,644.75**

Compared to the last financial year, the intensity of total energy consumption per number of employees has decreased as less projects in which site electricity was borne by the Group were undertaken during the Reporting Period. During the Reporting Period, the Group strictly implements the energy conservation guideline. The Group has initiated a target of 3% emission reduction in term of intensity in 5 years, using 2021 as a baseline.

THE ENVIRONMENT AND NATURAL RESOURCES

To develop a green approach at the project sites and office, the Group has set up various environmental system management practices as part of its effort to develop an environmental management system that supports sustainable development.

By the implementation of ISO9001 Quality Management System, the Group has given a careful consideration to minimise all significant impact on the environment resources. Environmental performance is monitored regularly.

Implemented practices

- Switch off computers, printers, machines and other electronic devices after office hours or when leaving the workplace to reduce power consumption
- Used toner cartridges return to respective suppliers for recycling
- All windows and doors must be closed when the air-conditioners turn on
- Affix save energy posters near the main switches in order to remind our employees of energy saving
- The last-man-out is dedicated to check and turn off all machines and equipment

As a socially responsible enterprise, protecting the nature and the environment has become an integral part of the Group's corporate culture/important value. The Group constantly looks for ways to maximise benefits with minimal resource consumption and environmental impact, and continue to strive for sustainable development.

Packaging materials

Due to the business nature, the Group does not produce any finished products during the Reporting Period. Therefore, the Group does not consume significant amounts of package materials for product packaging.

PEOPLE

Employment

The Group reckons that employees are the most valuable assets of an enterprise and also the cornerstone for sustaining corporate development. It is always the Group's initiative to provide a fair and competitive compensation package to attract and retain quality talents, in the form of basic salary, incentives bonus, mandatory provident fund, and other fringe benefits. Remuneration packages are reviewed periodically. The Group also has a set of comprehensive human resources management policy to support human resources function. The policies include compensation and benefits, working hours and holidays, recruitment and selection, performance management, promotion, employment termination, training and development.

The ratio of the number of male to female employees is approximately 2.3 to 1 (2024: 2.6 to 1). The Group aims to refrain from any form of harassment and discrimination with respect to age, gender, race, nationality, religion, marital status or disability in the workplace via implementation of human resources management policy. The above measures have helped ensuring that every employee is treated equally and fairly.

The Group has always strictly observed the relevant legislations in Hong Kong regarding equal employment opportunities, child labour and forced labour. The Group abides by the employment regulations, relevant policies and guidance of the relevant jurisdictions where it operates, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations (Chapter 59Z of the Laws of Hong Kong) and etc. in Hong Kong.

The Group has its internal procedures to record employees' information in order to review employment practices regularly so as to avoid any non-compliance. Furthermore, the Group strictly complies with the internal recruitment process during recruitment to ensure there is no employment of child labour or forced labour in any form.

The Group also strives to establish harmonious labour relationships and create a happy working environment, promote a positive and healthy lifestyle, and lift the spirit of local workforce, encourage and strengthen internal communication through organising diversified employee activities.

During the Reporting Period, all staffs of the Group are full-time employee.

Employment Key Performance Indicators (Employee)

Total workforce structure as at 30 September 2025

Gender	Age below 30	Age 30-50	Age over 50	Number of employees by gender	Total number of employees	2025 Ratio of number of male to female employees	2024 Ratio of number of male to female employees
Male	4	7	12	23	33	2.3:1	2.6:1
Female	2	6	2	10			

Employee recruited in the Reporting Period

Gender	Age below 30	Age 30-50	Age over 50	Number of employees by gender	Total number of employees	2025 Percentage of new recruits to total number of employees	2024 Percentage of new recruits to total number of employees
Male	2	–	2	4	5	15.2%	6.3%
Female	1	–	–	1			

Employee turnover in the Reporting Period (excluding temporary staff at construction site)

Gender	Age below 30	Age 30 - 50	Age over 50	Number of employees by gender	Total number of employees	2025 Ratio of employee turnover to total number of employees	2024 Ratio of employee turnover to total number of employees
Male	–	2	1	3	4	12.1%	21.9%
Female	–	1	–	1			

HEALTH AND SAFETY

The Company is an investment holding company incorporated in Cayman Islands whilst its major operations is located in Hong Kong. The nature of its daily operation is mainly office-based where the safety risk is limited. The Group's office has been equipped with fire-fighting facilities including fire extinguishers and participates in the fire drill organised by the building regularly.

The Group requires employees to strictly comply with the company safety policy and guidelines which clearly specify workflows, all kinds of safety measures and guidance as well as employees' responsibilities for their health and safety at our workplace.

The Group has established a risk assessment program that consists of a number of sequential steps such as risk identification, analysis, evaluation, treatment, monitoring and reviewing based on the existing controls and recommendations to reduce those risks which are not deemed to be under acceptable limits.

For employees in Hong Kong whose work station is mainly project site, the Group provides "site specific induction training" to the employees before they commence their work at the project site in accordance with the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) and the Construction Sites (Safety) Regulations (Chapter 59I of the Laws of Hong Kong). Thereafter, they are given refresher talks regularly depending on the amount of changes to the site condition. The Group also provides tool-box talks, aiming to heighten employees' awareness of workplace hazards and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

Every case of injury (if any) is required to be reported to the Group and be assessed individually under the internal guideline procedures set. Subsequently, the Group follows the procedures in accordance with the "Employees' Compensation Ordinance" (Chapter 282 of the Laws of Hong Kong). The Group is pleased to report that the rate of accidents and injuries during the Reporting Period was extremely low with zero fatal accident, similar to last financial year.

Health and safety key performance indicators (Employee)

	2025	2024	2023
Number of work injuries	–	1	1
Rate of work injury in Hong Kong (per hundred employees)	–	3.1	2.7
Number of loss days due to work injuries	–	282	841[1]

Note 1: Some loss days due to work injuries is due to work injuries happened in previous years.

TRAINING AND DEVELOPMENT

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Therefore, the Group encourages them to participate in personal development and job-related training courses. During the Reporting Period, the Group formulates quality management training programs to update its staff with the most updated standard of ISO9001, in order to maintain the highest standard of professionalism by its employees. This program includes quality assurance training in operation process and inspection assurance of materials received from supplier.

In daily operation, the Group provides induction training for new employees, experienced employees act as mentors to guide newcomers. The Group believes such arrangement can be the best practice to facilitate communication and team spirit, as well as to improve technical skills and managerial capability and encourage learning and further development of employees at all levels.

The Group will continue to intensify its efforts to promote staff training programs which the Group believes that by means of offering comprehensive training opportunities, it could help providing the necessary protection for talent reserves for corporate development. The Group evaluates the training needs of its employees annually to ensure that employees are offered suitable and appropriate training according to their job nature and position.

Training and Development Key Performance Indicators in Hong Kong (Employee)

Trained staff	Managerial level or above[2]	Supervisory staff[2]	General staff[2]	Percentage of employees receiving training by gender[2]	2025 Overall percentage of employees receiving training[3]	2024 Overall percentage of employees receiving training
Male	100%	–%	–%	26%	21%	28%
Female	100%	–%	–%	10%		

Note 2: Percentage of employees trained in relevant categories = Employees in the category who took part in training/Number of employees in category x 100

Note 3: Percentage of employees trained = Employees who took part in training/Number of employees x 100

Average training hours	Managerial level or above[4]	Supervisory staff[4]	General staff[4]	Average training hours by gender[4]	2025 Overall average training hours[5]	2024 Overall average training hours
Male	6 hours	– hours	– hours	1.6 hours	1.3 hours	0.9 hours
Female	6 hours	– hours	– hours	0.6 hours		

Note 4: Overall average training hour= Total number of training hours of the category/Number of employees in category

Note 5: Average training hours per employee= Total number of training hours/Total number of employees

LABOUR STANDARDS

The Group always respects and strictly complies with all applicable national laws and local regulations as well as relevant labour laws and regulations in the place where it operates, including the Policy of Employment of Children under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The Group has also developed rigorous and systematic measures for recruitment and selection, to prevent itself from illegally hiring child labour and ensure that the employment is in compliance with relevant laws and regulations.

The Group arranges for the employees' working hours based on the statutory working hour standards and entitles them to paid leaves and sick leaves in accordance with the relevant labour laws in Hong Kong.

During the Reporting Period, the Group has not identified any material non-compliance with relevant laws and regulations in respect of the prevention of child labour and forced labour that would result in material impact to the Group.

SUPPLY CHAIN MANAGEMENT

The Group implements supplier management in accordance with internal guidance which governs the engagement of suppliers in Hong Kong. Suppliers are chosen subjecting to screening and evaluation procedures among the suppliers, based on the quality and price. Also, to ensure suppliers' capability in quality assurance, safety and environmental responsibility, field visit and investigation is conducted, which included a comprehensive quality management system accredited with the ISO9001 standard. The investigation reviews the production capacity, technology level, quality assurance capabilities, supply capacity, safety and environment management qualifications if needed. Only the highly qualified suppliers complied with regulatory requirements are eligible for the supplier selection by the Group. The Group also carries out regular assessment on suppliers' overall capabilities, assets position, nature of business, reputation in the industry, quality of products, goods delivery and compliance with law and regulations.

As customers are becoming more concerned about environmental issues and stress the importance of using environmentally friendly materials, the Group will continue to act as a corporate citizen in communicating and stressing those environmental issues to our suppliers. Supplier's service or product with minimal adverse environmental impacts would be one of the significant considerations for the Group to select new supplier.

Each subcontractor and supplier are reviewed after completion of their contracts. In case of major non-performance of approved subcontractor or supplier, the Group will review their suitability to remain on the approved list.

Number of critical suppliers cooperated with the Group during the Reporting Period

Region	2025	2024
Hong Kong	56	71

PRODUCT AND SERVICE RESPONSIBILITY

The Group is committed to providing high-quality services and guarantees that the quality of the Group's projects in Hong Kong is in line with industry standards and sustainability requirements. The Group also pursues to meet higher criteria all the time.

The Group has always been focusing on quality control in construction projects since its incorporation in Hong Kong. In respect of human resources, the Group has a team of project managers with rich experience in undertaking various construction projects. In respect of systems, the Group owns a quality management system in accordance with the ISO9001 standard, which establishes the procedure to manage the non-conformity detected during construction process. When nonconforming work is identified, the Group will review the situation and stop these substandard works from continuing or re-occurring. If the defect is likely to recur, the Group will require remedial action by the subcontractor and shall more closely supervise these works whenever practicable. The Group also carries out trainings and has established a management system covering various aspects including management of quality of construction staff, quality control on raw material, site management and quality management system, so as to ensure the timely and efficient completion of our projects.

During the Reporting Period, due to the business nature of the Group, there were no recalls concerning the provision and use of products for safety and health reasons within the Group. Besides, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on the Group's operations.

PROTECTION OF INTELLECTUAL PROPERTY RIGHT AND CONSUMER PRIVACY

The Group recognises the importance of the protection over intellectual property right and consumer privacy. Proper licences for software and information are obtained by the Group to use in its business operation.

Meanwhile, the Group handles all information provided by its clients, employees and business partner in accordance with Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and related laws and regulations to ensure those information is under proper protection.

ANTI-CORRUPTION

The Group is committed to maintaining the integrity of its corporate culture. Staff members are not allowed to solicit or accept any advantages. The Group sets out the relevant policies in the employee handbook and guides the employees to abide by the code of conduct. The code of conduct provides a clear definition of the provision and acceptance of interests, such as gifts and souvenirs, and ways to avoid conflicts of interest.

Directors and employees are required to make a declaration to the management through the reporting channels when actual or potential conflict of interest arises. Employees cannot receive any gifts from any external parties (i.e. customers, suppliers, contractors, etc.) unless approval is obtained from the management.

The Group has whistle-blowing procedures in effect, encouraging the employees to report directly to the chairman of the Audit Committee for any misconduct and dishonest behaviour, such as bribery, fraud and other offences. Furthermore, the Group has specified in the employee handbook that the Group is entitled to terminate the employment contract with any employee who is bribed with money, gifts or commission, etc., and reserves the right to take further actions against such person.

The Group plans to host regular trainings delivered by representatives from regulators and professionals to all Directors and employees in regards to anti-corruption policies and procedures so to maintain employees' awareness on anti-corruption best practices.

During the Reporting Period, the Group complied with the relevant laws and regulations regarding anti-corruption and money laundering and had no concluded legal case regarding corrupt practices brought against the issuer or its employees (2024: Nil).

COMMUNITY INVESTMENT

The Group understands well of the importance for making positive contribution to the community where it operates and considers community benefits as one of its social responsibility. The Group considers that enterprises and communities are inseparable as a whole. Enterprise development has played a leading role in the economic and social development of the community, such as providing employment opportunities and increasing taxes. At the same time, enterprise development is also inseparable from community's support and help. In order to better fulfil its social responsibilities, the Group is very concerned about environmental and health issues and sponsors relevant activities or organisations when necessary.

To strengthen the connection with society, the Group has made donations to Rotary Club of Hong Kong City North Community Service Fund Limited. The Group will continue to explore other means to contribute more to the community and strive to facilitate the building of a healthy and sustainable society.

Environmental performance indicators are summarised in the following tables:

Environmental Performance Indicators

Aspect A1: Emissions

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Emission	Total nitrogen oxides (NO_X) emissions (tonnes)	0.0047	0.0033	KPI A1.1
	Total sulphur oxides (SO_X) emissions (tonnes)	0.0001	0.0001	KPI A1.1
	Total Particulate Matter (PM) emissions (tonnes)	0.0004	0.0002	KPI A1.1
	Total GHGs emissions – scope 1 (tonnes)	22.24	23.67	KPI A1.2
	Total GHGs emissions – scope 2 (tonnes)	29.96	38.26	KPI A1.2
	Total GHGs emissions – scope 3 (tonnes)	3.65	6.73	KPI A1.2
	Intensity of GHG per number of employees (tonne)	1.69	2.15	KPI A1.2
Non-hazardous solid waste	Total inert construction waste disposal at Government Waste Disposal Facilities (tonnes)	2,652.50	7,427.10	KPI A1.4
	Total mixed construction waste disposal at Government Waste Disposal Facilities (tonnes)	479.60	429.27	KPI A1.4
	Intensity of non-hazardous solid waste emissions per number of employees (tonne)	94.91	245.51	KPI A1.4

Aspect A2: Use of resources

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Energy	Total energy consumption (kWh)	130,985	148,632	KPI A2.1
	Intensity of total electricity consumption per number of employees (kWh)	3,969.24	4,644.75	KPI A2.2
Water	Total water consumption (cubic metres)	–	391	KPI A2.2
	Intensity of total water consumption per number of employees (cubic metres)	–	12.22	KPI A2.2

Social Performance Indicators

Aspect B1: Employees

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Total workforce structure as at 30 September	Gender			KPI B1.1
	– Male employees	23	23	
	– Female employees	10	9	
Employee recruited	Gender			KPI B1.1
	– Male employees	4	2	
	– Female employees	1	–	
Employee turnover	Gender			KPI B1.2
	– Male employees	3	6	
	– Female employees	1	1	

Aspect B2: Health and safety

Performance indicator	2025 Data	2024 Data	2023 Data	The Stock Exchange ESG Reporting Guide KPI
Number of work injuries	–	1	1	KPI B2.1
Rate of work injury in Hong Kong (per hundred employees)	–	3.1	2.7	KPI B2.1
Number of loss days due to work injuries	–	282	841[6]	KPI B2.1

Note 6: Some loss days due to work injuries is due to work injuries happened in previous years

Aspect B3: Development and training

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Percentage of employees trained	Percentage of employees receiving training	21%	28%	KPI B3.1
Average training hours completed per employee	Average training hours by gender	1.3	0.9	KPI B3.2

Aspect B5: Supply Chain Management

Performance indicator		2025 Data	2024 Data	The Stock Exchange ESG Reporting Guide KPI
Number of Supplier by geographical region	By region – Hong Kong	56	71	KPI B5.1

Directors' Report

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 30 September 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the provision of (i) foundation and site formation works; (ii) general building works and associated services; (iii) other construction works; and (iv) construction related consultancy services in Hong Kong. Details of the principal activities of its subsidiaries are set out in Note 13 to the consolidated financial statements of this annual report. There were no significant changes in the nature of the Group's principal activities during the year.

DIVIDEND POLICY

The Board adopted a dividend policy (the "**Dividend Policy**") on 21 December 2018. According to the Dividend Policy, in deciding whether to propose any dividend payout, the Board shall also take into account, inter alia:–

- the Group's actual and expected financial performance;
- shareholders' interests;
- retained earnings and distributable reserves of the Company and each member of the Group;
- the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group's creditworthiness;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the Group's expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- statutory and regulatory restrictions;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Directors' Report

RESULTS AND DIVIDENDS

The results of the Group for the year ended 30 September 2025 and the state of affairs of the Company and of the Group as at 30 September 2025 are set out in the consolidated statement of profit and loss and other comprehensive income, the consolidated financial statements, and the consolidated statement of financial position, respectively, on pages 73 to 139 of this annual report.

The Board does not recommend the payment of any final dividend for the year ended 30 September 2025 (2024: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on 12 March 2026 (the "**AGM**"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 9 March 2026 to 12 March 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 6 March 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the AGM is therefore 12 March 2026.

BUSINESS REVIEW

The review of the business of the Group during the year ended 30 September 2025 and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. The description of principal risks and uncertainties facing the Group and key financial performance indicators are set out in the section headed "Management Discussion and Analysis". The financial risk management objectives and policies of the Group are set out in Note 3 to the consolidated financial statements of this annual report. No important event affecting the Group has occurred since the end of the financial year ended 30 September 2025 and up to the date of this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for each of the five financial years ended 30 September is set out on page 140 of this annual report. Such summary does not form part of the audited consolidated financial statements of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 30 September 2025 are set out in Note 15 to the consolidated financial statements of this annual report.

DONATION

Charitable and other donations made by the Group during the year ended 30 September 2025 amounted to HK$7,600 (2024: approximately HK$2,000).

SHARE CAPITAL

Details of the Company's share capital is set out in Note 21 to the consolidated financial statements of this annual report.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to the written resolutions passed by the then sole shareholder of the Company on 17 September 2018. The terms of the Scheme are in accordance with Chapter 17 of the Listing Rules and other relevant rules and regulations. As at the date of this annual report, the total number of shares available for issue under the Scheme was 80,000,000, representing 10% of the issued shares of the Company as at such date. A summary of the particulars of the Scheme as required under Rule 17.09 of the Listing Rules are set out in Note 22 to the consolidated financial statements of this annual report.

RESERVES

Details of movements in the reserves of the Company and the Group are set out in Note 30 to the consolidated financial statements of this annual report and in the consolidated statement of changes in equity, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders of the Company.

CONNECTED AND RELATED PARTY TRANSACTIONS

Save as disclosed in this annual report, during the year ended 30 September 2025, the Company had no connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions and continuing connected transactions. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DISTRIBUTABLE RESERVES

Further details of the Company's distributable reserve as at 30 September 2025 are set out in Note 30 to the consolidated financial statements of this annual report.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

During the year ended 30 September 2025, the percentage of the Group's aggregate turnover attributable to the Group's largest customer was approximately 24.7% (2024: approximately 17.5%), while the percentage of the Group's total turnover attributable to the five largest customers in aggregate was approximately 61.7% (2024: approximately 49.1%).

During the year ended 30 September 2025, the percentage of the Group's largest supplier was approximately 1.6% (2024: approximately 0.9%) of the total cost of sales for the year, while the percentage of the Group's five largest suppliers accounted for approximately 1.9% (2024: approximately 1.3%) of the total cost of sales.

During the year ended 30 September 2025, the percentage of the Group's largest subcontractor was approximately 25.7% (2024: approximately 17.7%) of the total cost of sales for the year, while the percentage of the Group's five largest subcontractors accounted for approximately 68.6% (2024: approximately 52.7%) of the total cost of sales.

None of the Directors, or any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers or subcontractors.

Directors' Report

DIRECTORS

The Directors during the year ended 30 September 2025 and up to the date of this annual report were as follows:

Executive Directors

Dr. Lau Chi Wang *(Chairman)*
Mr. Lau Chi Ming
Dr. Lau Chi Keung *(Chief Executive Officer)*
Ms. Lau Yan Ki Patricia

Independent non-executive Directors

Mr. Leung Bing Kwong Edward
Mr. Pang Ka Hang
Mr. Wong Chun Nam

In accordance with the Company's memorandum and articles of association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders of the Company after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Pursuant to Article 108 and 112 of the Company's articles of association, Dr. CK Lau, Ms. Lau and Mr. Duffy Wong will retire at the forthcoming annual general meeting and, all being eligible, will offer themselves for re-election in the said meeting.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has an unexpired service contract with the Company and/or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

Directors' Report

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

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

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and senior management and the five highest paid individuals of the Group are set out in Note 9 to the consolidated financial statements of this annual report.

The remuneration of the senior management of the Group for the year ended 30 September 2025 falls within the following band:

Remuneration Band	Number of senior management
Up to HK$1,000,000	2
HK$1,000,001 to HK$1,500,000	1

EMOLUMENT POLICY

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes discretionary bonus and other merit payments), considering other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and general market conditions.

The Remuneration Committee will meet at least once for each year to discuss remuneration related matters (including the remuneration of Directors and the senior management) and review the remuneration policy of the Group. It has been decided that the Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and the senior management.

RETIREMENT BENEFITS PLANS

The Group operates a defined contribution scheme in Hong Kong which comply with the requirements under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance. All assets under the schemes are held separately from the Group under independently administrated funds. Contribution to the MPF scheme follow the MPF Schemes Ordinance. As at 30 September 2025 and 2024, except for voluntary contribution, no forfeited contribution under the abovementioned scheme is available to reduce the contribution payable in future years.

Details of retirement benefits plans of the Group as at 30 September 2025 are set out in Note 8 to the consolidated financial statements of this annual report.

Directors' Report

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders (the "**Controlling Shareholders**") or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or their subsidiaries, during the year ended 30 September 2025.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as the related party transactions disclosed in Note 26 to the consolidated financial statements of this annual report, no Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 30 September 2025.

MANAGEMENT CONTRACTS

During the year ended 30 September 2025, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company" below, at no time during the year ended 30 September 2025 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

As at 30 September 2025, the interests and short positions of each of the Directors and chief executives of the Company (the "**Chief Executive**") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Future Ordinance (the "**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held/interested	Percentage of shareholding
Dr. CW Lau *(Note)*	Interest of a controlled corporation	408,000,000	51%
Mr. CM Lau *(Note)*	Interest of a controlled corporation	408,000,000	51%
Dr. CK Lau *(Note)*	Interest of a controlled corporation	408,000,000	51%

Note: Elite Bright Developments Limited ("**Elite Bright**") is 100% owned by Dr. CW Lau, Mr. CM Lau and Dr. CK Lau in equal shares. Therefore, Dr. CW Lau, Mr. CM Lau and Dr. CK Lau are deemed to be, or taken to be, interested in all the shares of the Company held by Elite Bright for the purpose of the SFO.

Save as disclosed above, as at 30 September 2025, none of the Directors or Chief Executive had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he was taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as known to the Directors or Chief Executive, as at 30 September 2025, the following entity and persons (not being Directors or Chief Executive) had, or were deemed to have, interests or short positions in the shares and the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name	Capacity/Nature of interest	Number of shares held/interested	Percentage of shareholding
Elite Bright	Beneficial owner	408,000,000	51%
Ms. Ng Lai Mui Theresa *(Note 1)*	Interest of spouse	408,000,000	51%
Ms. Ng Kooi Har *(Note 2)*	Interest of spouse	408,000,000	51%
Ms. Kwong Shun Man Jessie *(Note 3)*	Interest of spouse	408,000,000	51%

Notes:

(1) Ms. Ng Lai Mui Theresa is the spouse of Dr. CW Lau. Therefore, Ms. Ng Lai Mui Theresa is deemed to be, or taken to be, interested in the same number of shares of the Company in which Dr. CW Lau is interested for the purpose of the SFO.

(2) Ms. Ng Kooi Har is the spouse of Mr. CM Lau. Therefore, Ms. Ng Kooi Har is deemed to be, or taken to be, interested in the same number of shares of the Company in which Mr. CM Lau is interested for the purpose of the SFO.

(3) Ms. Kwong Shun Man Jessie is the spouse of Dr. CK Lau. Therefore, Ms. Kwong Shun Man Jessie is deemed to be, or taken to be, interested in the same number of shares of the Company in which Dr. CK Lau is interested for the purpose of the SFO.

Save as disclosed above, as at 30 September 2025, none of the substantial or significant shareholders or other persons, other than the Directors and Chief Executive whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company" above, had or were deemed to have, interests or short positions in the shares and the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 30 September 2025. As at 30 September 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

COMPETING BUSINESS

During the year ended 30 September 2025, none of the Directors or the Controlling Shareholders and their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

Non-Competition Undertakings

In order to avoid any possible future competition arising between the Group and the Controlling Shareholders, Dr. CW Lau, Mr. CM Lau, Dr. CK Lau and Elite Bright (each a "**Covenantor**" and collectively the "**Covenantors**") have entered into the deed of non-competition with the Company (for itself and for and on behalf of its subsidiaries) on 17 September 2018 (the "**Deed of Non-competition**"). Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and for and on behalf of its subsidiaries) that, during the period that the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors further undertakes that if any of he/it or his/its close associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/it shall (and he/it shall procure his/its associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within 6 months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

The Group shall only exercise the right of first refusal upon the approval of all the independent non-executive Directors (who do not have any interest in such opportunity). The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the independent non-executive Directors for considering whether or not to exercise the right of first refusal.

Each of the Covenantors also gave certain non-competition undertakings under the Deed of Non-Competition as set out in the section headed "Relationship with our Controlling Shareholders – Non-Competition Undertakings" in the Prospectus.

During the year ended 30 September 2025, the Company had not received any information in writing from any of the Controlling Shareholders in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to be the knowledge of the Controlling Shareholders or their associates (other than any member of the Group), and the Company has received an annual written confirmation from each Controlling Shareholder in respect of him/it and his/its associates in compliance with the Deed of Non-competition. The independent non-executive Directors have also reviewed and were satisfied that each of the Controlling Shareholders had complied with the Deed of Non-competition.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

EQUITY-LINKED AGREEMENTS

Save as disclosed in Note 22 to the consolidated financial statements of this annual report, no equity-linked agreement was entered into by the Company at any time during the year ended 30 September 2025.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information publicly available to the Company, at least 25% of the Company's issued share capital as required under the Listing Rules is held by the public during the year ended 30 September 2025 and up to the latest practicable date prior to the issue of this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

INDEPENDENT AUDITORS

The consolidated financial statements of the Group for the year ended 30 September 2025 were audited by HLB Hodgson Impey Cheng Limited. HLB Hodgson Impey Cheng Limited will retire and a resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company. The Company has not changed its external auditors in any of the preceding three years.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware of, the Group has complied with the relevant laws and regulations that may cause a significant impact on the business and operation of the Group in the event of a material breach or non-compliance. During the year ended 30 September 2025, there was no material breach nor non-compliance with the applicable laws and regulations by the Group.

Directors' Report

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group's ESG strategy and reporting, and is responsible for the Group's ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met. The details of ESG performance of the Group are set out in the "Environmental, Social and Governance Report" section of this annual report.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

The Group maintains good relationships with its employees and certain policies have been implemented to ensure that its employees are provided with competitive remuneration, good welfare benefits and continuous professional training. The Group also maintains good relationships with its customers, suppliers and subcontractors, without whom the success in the Group's operation would be at risk. During the year ended 30 September 2025, save as disclosed in the section headed "Arbitration" in this annual report, there were no material disputes between the Group and its customers, suppliers, subcontractors and employees.

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this annual report, there is no other important event affecting the Group since 30 September 2025 and up to the date of this annual report.

ON BEHALF OF THE BOARD
Shing Chi Holdings Limited
Lau Chi Wang
Chairman and Executive Director

Hong Kong, 30 December 2025

Independent Auditors' Report

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

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

TO THE MEMBERS OF
Shing Chi Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Shing Chi Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 73 to 139, which comprise the consolidated statement of financial position as at 30 September 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, except for the possible effects on the corresponding figures of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRS Accounting Standards**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

During the year ended 30 September 2024, the Group disposed of its entire equity interests in Ri Ying Group Co., Limited ("**Ri Ying**") and its subsidiaries and associates (collectively, the "**Ri Ying Group**") to a purchaser, further details of which are set out in notes 11 and 28 to the consolidated financial statements.

For the reasons explained in the "Basis for Qualified Opinion" section of our auditors' report dated 30 December 2024, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the financial performance of Ri Ying Group for the period from 1 October 2023 to the disposal date included in the determination of the Group's loss for the year from discontinued operation, and the cash flows of Ri Ying Group for this same period; (ii) the carrying amounts of assets and liabilities of Ri Ying Group as at the disposal date, which entered into the determination of the Group's gain on disposal of Ri Ying Group; (iii) the gain on disposal of Ri Ying Group, which was included in the determination of the Group's loss for the year from discontinued operation; and (iv) the disclosures relating to Ri Ying Group included in the consolidated financial statements of the Group, were free from material misstatements. Consequently, we were unable to determine whether any adjustments to these amounts and disclosures were necessary. We expressed a qualified opinion on the consolidated financial statements of the Group for the year ended 30 September 2024 accordingly.

In respect of the consolidated financial statements of the Group for the current year ended 30 September 2025, the matters which were the subject matter of the scope limitations referred to above do not have possible effects on the figures presented in the consolidated financial position of the Group as at 30 September 2025 and 2024, and on its consolidated financial performance and cash flows for the year ended 30 September 2025. However, our opinion on the current year's consolidated financial statements is also modified because of the possible effects of these matters on the comparability of the related current year's figures and the corresponding figures.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter

Recognition of revenue and costs from construction contracts and contract assets

Refer to details in Notes 4 and 5 and the accounting policies in Note 2 to the consolidated financial statements

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

Our audit procedures in relation to recognition of revenue and costs from construction contracts and contract assets mainly included:

- Reviewing the contract sum and budgeted costs to respective signed contracts and budgets prepared by management;
- Understanding from management about how the budgets were prepared and the respective progress towards completion of construction works were determined;
- Evaluating the reasonableness of progress towards completion of construction works by obtaining the certificates issued by customers or payment application confirmed by internal surveyor or reviewing valuation report issued by external surveyor;
- Testing the actual costs incurred on construction works; and
- Assessing the appropriateness and accuracy of the disclosures made in the consolidated financial statements.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter

Expected credit loss of trade receivables and contract assets

Refer to details in Notes 3.1, 4, 18 and 19 and the accounting policies in Note 2 to the consolidated financial statements

The balances of trade receivables and contract assets as at 30 September 2025 were approximately HK$6,911,000 and approximately HK$17,197,000, respectively, which were material to the consolidated financial statements. The Group has applied the simplified approach in calculating the expected credit loss for trade receivables and contract assets.

The Group applied simplified approach on trade receivables and contract assets to provide for expected credit loss. To measure the expected credit loss of trade receivables and contract assets, other than significant balances which are assessed individually, the remaining balances have been grouped based on shared credit risk characteristics. The assessment of the expected credit loss allowance requires significant judgements and estimation by management.

Our audit procedures included, among others, discussing with management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade receivables and contract assets:

- We have discussed with management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade receivables and contract assets;

- We tested the working paper files prepared by management's expert to calculate the expected credit loss and checked the information included in the working paper files;

- We evaluated the competence, capabilities and objectivity of the valuation expert engaged by the management.

We also assessed the adequacy of the Group's disclosures about the expected credit loss allowance regarding trade receivables and contract assets in the consolidated financial statements.

OTHER INFORMATION

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

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

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

Responsibilities of Directors 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 determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditors’ Report

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

We communicate with 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 the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors’ report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lo Kin Kei
Practising Certificate Number: P06413

Hong Kong, 30 December 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2025

	Note	**2025** **HK$'000**	2024 HK$'000
Continuing operations			
Revenue	5	**152,394**	143,956
Cost of sales		**(140,650)**	(134,065)
Gross profit		**11,744**	9,891
Other income, gains and losses	5	**1,179**	355
Administrative and other operating expenses		**(26,377)**	(33,286)
Net reversal of impairment losses/(impairment losses) on financial assets and contract assets		**1,650**	(115)
Operating loss		**(11,804)**	(23,155)
Finance costs	6	**(168)**	(205)
Loss before tax	7	**(11,972)**	(23,360)
Income tax expense	10	**–**	–
Loss for the year from continuing operations		**(11,972)**	(23,360)
Discontinued operation			
Profit for the year from discontinued operation		**–**	13,307
Loss for the year		**(11,972)**	(10,053)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Release of translation reserve upon disposal of subsidiaries		**–**	(213)
Exchange difference arising on translation of foreign operations		**–**	(753)
		–	(966)
Total comprehensive expense for the year		**(11,972)**	(11,019)
(Loss)/profit for the year attributable to:			
Owners of the Company			
– from continuing operations		**(11,972)**	(23,360)
– from discontinued operation		**–**	13,290
		(11,972)	(10,070)
Non-controlling interests			
– from discontinued operation		**–**	17
		(11,972)	(10,053)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2025

	Note	**2025** **HK$'000**	2024 HK$'000
Total comprehensive (expense)/income attributable to:			
Owners of the Company			
– from continuing operations		**(11,972)**	(23,360)
– from discontinued operation		**–**	12,398
		(11,972)	(10,962)
Non-controlling interests			
– from discontinued operation		**–**	(57)
		(11,972)	(11,019)
Basic and diluted loss per share from continuing and discontinued operations (HK cents)	12	**(1.50)**	(1.26)
Basic and diluted loss per share from continuing operations (HK cents)	12	**(1.50)**	(2.92)

Details of dividends, if any, are disclosed in Note 14 to the consolidated financial statements.

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

Consolidated Statement of Financial Position

As at 30 September 2025

	Note	**2025 HK$'000**	2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**–**	–
Right-of-use assets	16	**538**	819
		538	819
Current assets			
Trade and other receivables	18	**9,138**	13,062
Contract assets	19	**17,197**	17,653
Bank deposits, balances and cash	20	**22,357**	32,558
		48,692	63,273
Total assets		**49,230**	64,092
EQUITY			
Capital and reserves			
Share capital	21	**8,000**	8,000
Share premium and reserves		**14,730**	26,702
Total equity		**22,730**	34,702

Consolidated Statement of Financial Position

As at 30 September 2025

	Note	**2025** **HK$'000**	2024 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	**1,170**	1,026
		1,170	1,026
Current liabilities			
Trade and other payables	24	**22,944**	26,446
Lease liabilities	16	**2,386**	1,918
		25,330	28,364
Total liabilities		**26,500**	29,390
Total equity and liabilities		**49,230**	64,092
Net current assets		**23,362**	34,909
Total assets less current liabilities		**23,900**	35,728

The consolidated financial statements were approved and authorised for issue by the board (the "**Board**") of directors of the Company (the "**Directors**") on 30 December 2025 and signed on its behalf by:

Lau Chi Wang
Director

Lau Chi Keung
Director

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

Consolidated Statement of Changes in Equity

For the year ended 30 September 2025

	Attributable to owners of the Company								
	Share capital HK$'000 *(Note 21)*	Share premium HK$'000	Other reserve HK$'000 *(Note (a))*	Statutory reserve HK$'000 *(Note (b))*	Exchange reserve HK$'000	Accumulated losses HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 October 2023	8,000	100,538	10,850	95	892	(74,711)	45,664	(2,493)	43,171
(Loss)/profit for the year	–	–	–	–	–	(10,070)	(10,070)	17	(10,053)
Other comprehensive income for the year:									
Release of translation reserve upon disposal of subsidiaries	–	–	–	–	(213)	–	(213)	–	(213)
Exchange difference arising on translation of foreign operations	–	–	–	–	(679)	–	(679)	(74)	(753)
	–	–	–	–	(892)	–	(892)	(74)	(966)
Total comprehensive expense for the year	–	–	–	–	(892)	(10,070)	(10,962)	(57)	(11,019)
Transfer from statutory reserve	–	–	–	(95)	–	95	–	–	–
Disposal of subsidiaries	–	–	–	–	–	–	–	2,550	2,550
At 30 September 2024	8,000	100,538	10,850	–	–	(84,686)	34,702	–	34,702
At 1 October 2024	**8,000**	**100,538**	**10,850**	**–**	**–**	**(84,686)**	**34,702**	**–**	**34,702**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(11,972)**	**(11,972)**	**–**	**(11,972)**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**(11,972)**	**(11,972)**	**–**	**(11,972)**
At 30 September 2025	**8,000**	**100,538**	**10,850**	**–**	**–**	**(96,658)**	**22,730**	**–**	**22,730**

Notes:

(a) The other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the aggregate amount of the nominal value of the share capital of its subsidiaries held by the controlling shareholders arising from the corporate reorganisation pursuant to which the Company became the holding company of the Group on 17 September 2018 (the "**Reorganisation**").

(b) According to the People's Republic of China (the "**PRC**") Company Law, the PRC subsidiaries of the Group are required to transfer 10% of their respective after-tax profit, calculated in accordance with the PRC accounting standards and regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The statutory reserve can be utilised, upon approval of the relevant authorities, to offset accumulated losses or to increase registered capital of the companies, provided that the fund is maintained at a minimum level of 25% of the registered capital.

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

Consolidated Statement of Cash Flows

For the year ended 30 September 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Net cash (used in)/generated from operations	25	**(7,559)**	41,094
Tax paid		**–**	(93)
Net cash (used in)/generated from operating activities		**(7,559)**	41,001
Cash flows from investing activities			
Purchases of property, plant and equipment		**(9)**	(884)
Proceeds from disposal of property, plant and equipment		**–**	10
Net cash outflow from disposal of subsidiaries		**–**	(1,378)
Interest received		**90**	218
Net cash generated from/(used in) investing activities		**81**	(2,034)
Cash flows from financing activities			
Repayment of lease liabilities		**(2,555)**	(6,771)
Interest paid on bank borrowings		**–**	(985)
Interest paid on lease liabilities		**(168)**	(515)
Repayment of bank borrowings		**–**	(39,569)
Net cash used in financing activities		**(2,723)**	(47,840)
Net decrease in cash and cash equivalents		**(10,201)**	(8,873)
Cash and cash equivalents at beginning of year		**32,558**	41,450
Effect of foreign exchange rate changes		**–**	(19)
Cash and cash equivalents at end of year		**22,357**	32,558
Analysis of cash and cash equivalents			
Cash at banks	20	**11,523**	11,297
Fixed deposits maturing within three months	20	**10,834**	21,261
		22,357	32,558

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

1 GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in provision of foundation and site formation works, general building works and associated services, other construction works and construction related consultancy services.

The Company was incorporated in the Cayman Islands on 3 January 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 October 2018.

The address of the Company's registered office in the Cayman Islands is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the Company's principal place of business in Hong Kong is 6/F, Kai Tak Commercial Building, Nos. 317-319 Des Voeux Road Central, Sheung Wan, Hong Kong.

Its parent and ultimate holding company is Elite Bright Developments Limited, a company incorporated in the British Virgin Islands ("**BVI**") and wholly-owned by Dr. Lau Chi Wang ("**Dr. CW Lau**"), Mr. Lau Chi Ming ("**Mr. CM Lau**") and Dr. Lau Chi Keung ("**Dr. CK Lau**") in equal shares, the controlling shareholders of the Company.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 30 December 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (the "**Group**") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS Accounting Standards**") issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for the financial instruments that are measured at fair values.

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policies

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

In the current year, the Group applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 October 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 application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's consolidated financial positions and consolidated financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[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 HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchase of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisitions that fail to meet the definition of business combination are treated as acquisitions of assets and liabilities instead of business combination.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.3 Associate

An associate is an entity in which the Group or Company has significant influence but not control or joint control, over its management, including participation in the financial and operating policy decisions. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in an associate is accounted for in the consolidated financial statements under the equity method of accounting (Note 2.2.4), after initially being recognised at cost.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded at the fair value on initial recognition of a financial asset.

2.2.4 Equity method

Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the other comprehensive income. Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long- term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss. Accounting policies of equity- accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.7.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (Continued)

2.2.5 Separate financial statements

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

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

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of that reporting period;

(ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency transaction differences arising are recognised in other comprehensive income.

2.5 Property, plant and equipment

The property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or lease term, where applicable, as follows:

– Furniture and fixtures	20%
– Office equipment	20%
– Leasehold improvements	Shorter of lease term or 20%
– Motor vehicles	20%
– Machinery	20%

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss.

2.6 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquirees and the acquisition date fair value of any previous equity interest in the acquirees over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The Group's goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.7 Impairment of non-financial assets

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

2.8 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

Classification

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

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

- those to be measured at amortised cost.

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

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

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

Recognition and derecognition

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

Measurement

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

Measurement (Continued)

Debt instruments

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

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

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

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

Equity instruments

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

Impairment

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

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

2.10 Trade and other receivables

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

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

2.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

2.12 Share capital

Ordinary shares are classified as equity.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowings

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

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

2.15 Borrowing costs

General and specific 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits obligations

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

(iv) Bonus plans

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

2.18 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.20 Revenue recognition

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

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

Except for granting of a licence that is distinct from other promised goods or services, control of a good or service is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or 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 good or service.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (Continued)

For granting of a licence that is distinct from other promised goods or services, the nature of the Group's promise in granting a licence is a promise to provide a right to access the Group's intellectual property if all of the following criteria are met:

(i) the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights;

(ii) the rights granted by the licence directly expose the customer to any positive or negative effects of the Group's activities identified in (i) above; and

(iii) those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If the criteria above are met, the Group accounts for the promise to grant a licence as a performance obligation satisfied over time. Otherwise, the Group considers the grant of licence as providing the customers the right to use the Group's intellectual property and the performance obligation is satisfied at a point in time at which the licence is granted to the customer.

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

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

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

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

Output method

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

Variable consideration

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (Continued)

Variable consideration (Continued)

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.

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Costs to fulfil a contract

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

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

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

2.21 Government grants

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's consolidated financial statements in the period in which the dividends are declared by the directors in case of interim dividends or approved by the Company's shareholders in case of final dividends.

2.23 Related Parties

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

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

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

or;

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

Market risk

(i) Foreign exchange risk

For the year ended 30 September 2024, the Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising mainly from transactions in Renminbi ("**RMB**"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in operations in the PRC. The appreciation or devaluation of the RMB against the HK$ may also have an impact on the operating results of the Group.

As the assets and liabilities of the Group are mainly denominated in the respective group entities' functional currency, the management does not expect significant foreign currency exposure in relation to the exchange rate fluctuation between the respective group entities' functional currency and other currencies and the Group's income and operating cash flows are substantially independent of changes in foreign currency exchange.

In addition, the Group's foreign exchange position is monitored on an ongoing basis in order to minimise the impact from the fluctuation of foreign currency rate. The Group currently does not maintain a foreign currency hedging policy. However, management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation fixed-rate short term bank deposits and lease liabilities as at 30 September 2025 and 2024. The Group has not used any interest rate swaps to mitigate its exposure associated with interest rate risk. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates 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 increase or decrease in variable-rate bank borrowings are used and represents assessment of the management of the Group of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management of the Group considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

(iii) Price risk

As the Group did not have any financial assets classified as financial assets at fair value through profit or loss as at 30 September 2025 and 2024, the Group is not exposed to significant price risk.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Credit risk and impairment assessment

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

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

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amounts of debts at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivable and contract assets. In this regard, the management of the Group considers that the credit risk on trade receivables and contract assets is significantly reduced. The Group considers available reasonable and supportive forward-looking information. The Group applies simplified approach on trade receivables and contract assets to provide for ECL. To measure the ECL of trade receivables and contract assets, other than significant balances which are assessed individually, the remaining balances have been grouped based on shared credit risk characteristics. As at 30 September 2025 and 2024, the impairment loss allowance for trade receivable and contract assets were determined as follows:

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

	Within 30 days	**Over 31 days and within 60 days**	**Over 61 days and within 90 days**	**Over 91 days and within 365 days**	**Over 365 days**	**Total**
Trade receivables						
As at 30 September 2025						
Average loss rate	**4.5%**	**3.0%**	**19.1%**	**33.2%**	**100%**	
Gross carrying amount (HK$'000)	**3,042**	**2,349**	**299**	**2,222**	**2,668**	**10,580**
Loss allowance provision (HK$'000)	**136**	**71**	**57**	**737**	**2,668**	**3,669**

	Total
Contract assets	
As at 30 September 2025	
Average loss rate	**28.0%**
Gross carrying amount (HK$'000)	**23,900**
Loss allowance provision (HK$'000)	**6,703**

	Within 30 days	Over 31 days and within 60 days	Over 61 days and within 90 days	Over 91 days and within 365 days	Over 365 days	Total
Trade receivables						
As at 30 September 2024						
Average loss rate	1.3%	0.3%	5.5%	14.5%	100%	
Gross carrying amount (HK$'000)	5,803	3,326	1,301	1,699	4,712	16,841
Loss allowance provision (HK$'000)	74	10	71	247	4,712	5,114

	Total
Contract assets	
As at 30 September 2024	
Average loss rate	27.0%
Gross carrying amount (HK$'000)	24,173
Loss allowance provision (HK$'000)	6,520

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

As at 30 September 2025, the Group has concentration of credit risk as approximately 61.2% (2024: approximately 58.7%) of the Group's trade receivables and contract assets were due from the Group's five largest trade debtors.

For deposits and other receivables, as at 30 September 2025 and 2024, the credit rating of deposits and other receivables was performing. The management considered that the credit risk of these financial assets have no significant increase since initial recognition. The Group has assessed under 12-month ECL method after taken into account the historical default experience, historical settlement records as well as the loss upon default in each case and are adjusted with forward-looking information.

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

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit impaired	12-month ECL
Doubtful	There have been significant increases 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 credit impaired when one or more events that have a detrimental impact on the estimated future cash flows	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	Amount is written off	Amount is written off

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

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

As at 30 September 2025	**Notes**	**External credit rating**	**Internal credit rating**	**12m or lifetime ECL**	**Gross carrying amount**
					HK$'000
Financial assets at amortised cost					
Trade receivables *(Note)*	18	N/A	Low risk	Lifetime ECL – not credit impaired	**5,391**
	18	N/A	Doubtful	Lifetime ECL – not credit impaired	**299**
	18	N/A	Loss	Lifetime ECL – credit impaired	**4,890**
					10,580
Other receivables and deposits	18	N/A	Low risk	12m ECL	**2,046**
			Loss	Lifetime ECL – credit impaired	**5**
					2,051
Bank deposits and balances	20	A1-Aa2	N/A	12m ECL	**22,357**
Other item					
Contract assets	19	N/A	Low risk	Lifetime ECL – not credit impaired	**17,545**
	19	N/A	Loss	Lifetime ECL – credit impaired	**6,355**
					23,900

As at 30 September 2024	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount
					HK$'000
Financial assets at amortised cost					
Trade receivables *(Note)*	18	N/A	Low risk	Lifetime ECL – not credit impaired	9,129
	18	N/A	Doubtful	Lifetime ECL – not credit impaired	1,301
	18	N/A	Loss	Lifetime ECL – credit impaired	6,411
					16,841
Other receivables and deposits	18	N/A	Low risk	12m ECL	1,186
			Loss	Lifetime ECL – credit impaired	393
					1,579
Bank deposits and balances	20	Baa2-Aal	N/A	12m ECL	32,558
Other item					
Contract assets	19	N/A	Low risk	Lifetime ECL – not credit impaired	17,791
	19	N/A	Loss	Lifetime ECL – credit impaired	6,382
					24,173

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

Note:

The expected credit losses on trade receivables and contract assets are estimated by reference to past due status of the individual debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, future economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

	Life time ECL (not credit impaired)	Life time ECL (credit impaired)	Total
	Trade receivables		
	HK$'000	HK$'000	HK$'000
As at 1 October 2023	355	4,045	4,400
– Transfer to credit-impaired	(1)	1	–
– Impairment recognised	155	1,928	2,083
– Impairment reversed	(345)	(912)	(1,257)
– Disposal of subsidiaries	(9)	(102)	(111)
– Exchange realignment	–*	(1)	(1)
As at 30 September 2024	155	4,959	5,114
As at 1 October 2024	**155**	**4,959**	**5,114**
– Transfer to credit-impaired	**(43)**	**43**	**–**
– Impairment recognised	**264**	**855**	**1,119**
– Impairment reversed	**(112)**	**(2,452)**	**(2,564)**
As at 30 September 2025	**264**	**3,405**	**3,669**

	Life time ECL (not credit impaired)	Life time ECL (credit impaired)	Total
	Contract assets		
	HK$'000	HK$'000	HK$'000
As at 1 October 2023	460	7,158	7,618
– Transfer to credit-impaired	(1)	1	–
– Impairment recognised	139	26	165
– Impairment reversed	(459)	(804)	(1,263)
As at 30 September 2024	139	6,381	6,520
As at 1 October 2024	**139**	**6,381**	**6,520**
– Impairment recognised	**349**	**–**	**349**
– Impairment reversed	**(139)**	**(27)**	**(166)**
As at 30 September 2025	**349**	**6,354**	**6,703**

* Less than HK$1,000

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

Note:

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

	12m ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	Other receivables and deposits		Total
	HK$'000	HK$'000	HK$'000
As at 1 October 2023	101	5	106
– Impairment recognised	1	388	389
– Impairment reversed	(2)	–	(2)
– Disposal of subsidiaries	(97)	–	(97)
– Exchange realignment	(2)	–	(2)
As at 30 September 2024	1	393	394
As at 1 October 2024	**1**	**393**	**394**
– Impairment recognised	**1**	**–**	**1**
– Impairment reversed	**(1)**	**(388)**	**(389)**
As at 30 September 2025	**1**	**5**	**6**

The Group writes off a trade receivable 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 debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient committed facilities to fund their operations.

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

	On demand or within one year HK$'000	**Between one and two years HK$'000**	**Between two and five years HK$'000**	**Total HK$'000**
At 30 September 2025				
Trade and other payables	**22,944**	**–**	**–**	**22,944**
Lease liabilities	**2,507**	**1,184**	**–**	**3,691**
	25,451	**1,184**	**–**	**26,635**

	On demand or within one year HK$'000	Between one and two years HK$'000	Between two and five years HK$'000	Total HK$'000
At 30 September 2024				
Trade and other payables	26,446	–	–	26,446
Lease liabilities	2,036	857	221	3,114
	28,482	857	221	29,560

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

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

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

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

The gearing ratios of the Group are as follows:

	2025	2024
	HK$'000	HK$'000
Total borrowings	**3,556**	2,944
Total equity	**22,730**	34,702
Gearing ratio	**15.64%**	8.48%

3.3 Fair value estimation

The below analyses the Group's financial instruments carried at fair value as at 30 September 2025 and 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group held no financial assets at fair value through profit or loss at 30 September 2025 and 2024.

There were no transfers between levels during the years.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Financial instruments by category

	2025 HK$'000	2024 HK$'000
Financial assets		
At amortised costs		
Trade and other receivables excluding non-financial assets	**8,956**	12,912
Bank deposits, balances and cash	**22,357**	32,558
Total	**31,313**	45,470
Financial liabilities		
At amortised cost		
Trade and other payables excluding non-financial liabilities	**22,944**	26,446
Lease liabilities	**3,556**	2,944
Total	**26,500**	29,390

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Construction contracts

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Provision of expected credit loss for trade receivables and contract assets

The Directors estimate the amount of loss allowance for ECL on trade receivables and contract assets based on the credit risk and past due status of trade receivables and contract assets. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss. The assessment of the credit risk involves high degree of estimation and uncertainty as the Directors estimate the loss rates for debtors by using past history, existing market conditions as well as forward-looking information. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly.

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

Revenue and other income, gains and losses recognised during the years are as follows:

	2025 **HK$'000**	2024 HK$'000
Revenue		
Foundation and site formation works	**38,477**	42,310
General building works and associated services	**45,493**	24,945
Other construction works	**60,790**	67,299
Construction related consultancy services	**7,634**	9,402
	152,394	143,956
Other income, gains and losses		
Bank interest income	**90**	218
Gain on disposal of property, plant and equipment	**–**	10
Gain on lease termination	**–**	43
Others *(Note)*	**1,089**	84
	1,179	355

Note: For the year ended 30 September 2025, other income was mainly due to the refund of costs incurred upon the termination of a research and development project.

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

Disaggregation of revenue from contracts with customers

	2025	2024
	HK$'000	HK$'000
Type of services or goods		
Foundation and site formation works	**38,477**	42,310
General building works and associated services	**45,493**	24,945
Other construction works	**60,790**	67,299
Construction related consultancy services	**7,634**	9,402
	152,394	143,956
Timing of revenue recognition		
Over time	**152,394**	143,956

Performance obligations for contracts with customers

The Group provides foundation and site formation works, general building works and associated services, other construction works and construction related consultancy services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls. Revenue for these works is therefore recognised over time. The Group measures progress using an output method. Specifically, progress for foundation and site formation works, general building works and associated services and other construction works is based on surveys of the relevant works and services completed by the Group to the end of the current reporting period with reference to certificates issued by customers or payment applications confirmed by internal surveyor. Construction related consultancy services transfer to customers over time and use the same method to measure progress. The directors of the Company consider that this method faithfully depicts the Group's performance towards complete satisfaction of these performance obligations in these contracts.

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

Transaction price allocated to the remaining performance obligations from contracts with customers

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

As at 30 September 2025

	Foundation and site formation works HK$'000	**General building works and associated services HK$'000**	**Other construction works HK$'000**
Within one year	**29,233**	**25,801**	**54,464**
More than one year but not more than two years	**–**	**–**	**64,933**
	29,233	**25,801**	**119,397**

As at 30 September 2024

	Foundation and site formation works HK$'000	General building works and associated services HK$'000	Other construction works HK$'000
Within one year	14,218	43,755	94,776
More than one year but not more than two years	–	–	3,734
	14,218	43,755	98,510

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its construction related consultancy services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for construction related consultancy services that had an original expected duration of one year or less.

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

Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "**CODM**"), being the executive directors of the Company, in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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

Continuing operations:

- Foundation and site formation works;
- General building works and associated services;
- Other construction works; and
- Construction related consultancy services.

Discontinued operation:

- Health management and consultancy business (including sales of health products, licencing and health management software development).

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

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

Segment revenue and results

	Continuing operations				
	Foundation and site formation works HK$'000	**General building works and associated services HK$'000**	**Other construction works HK$'000**	**Construction related consultancy services HK$'000**	**Total HK$'000**
Year ended 30 September 2025					
Segment revenue	**38,477**	**45,493**	**60,790**	**7,634**	**152,394**
Segment results	**7,489**	**1,317**	**1,920**	**1,018**	**11,744**
Other income, gains and losses					**1,179**
Administrative and other operating expenses					**(26,377)**
Net reversal of impairment losses on financial assets and contract assets					**1,650**
Finance costs					**(168)**
Loss before tax					**(11,972)**

	Continuing operations				Discontinued operation	
	Foundation and site formation works HK$'000	General building works and associated services HK$'000	Other construction works HK$'000	Construction related consultancy services HK$'000	Health management and consultancy business HK$'000	Total HK$'000
Year ended 30 September 2024						
Segment revenue	42,310	24,945	67,299	9,402	17,053	161,009
Segment results	1,858	2,029	4,603	1,401	12,105	21,996
Other income, gains and losses						3,404
Administrative and other operating expenses						(73,291)
Net impairment losses on financial assets and contract assets						(115)
Share of losses of associates						(208)
Finance costs						(1,500)
Gain on disposal of subsidiaries						39,698
Loss before tax						(10,016)

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

Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment results mainly represented gross profit earned or loss incurred by each segment, excluding other income, gains and losses, administrative and other operating expenses, net reversal of impairment losses/impairment losses on financial assets and contract assets, finance costs and income tax expenses.

Geographical information

Information about the Group's revenue from external customers presented based on location of operation is as follows:

	2025 **HK\$'000**	2024 HK\$'000
Continuing operations		
Hong Kong	**152,394**	143,956
Discontinued operation		
The PRC	**–**	17,053
	152,394	161,009

Information about the Group's non-current assets presented based on the geographical location of the assets is as follow:

	2025 **HK\$'000**	2024 HK\$'000
Continuing operations		
Hong Kong	**538**	819
	538	819

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

Information about major customers

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

	2025 HK$'000	2024 HK$'000
Customer A[3]	**32,662**	28,182
Customer B[1]	**N/A[4]**	17,941
Customer C[2]	**37,640**	N/A[4]

1 Revenue from foundation and site formation works.
2 Revenue from general building works and associated services.
3 Revenue from other construction works.
4 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6 FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on lease liabilities	**168**	205

7 LOSS BEFORE TAX

	2025 HK$'000	2024 HK$'000
Loss before tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	**–**	830
Depreciation of right-of-use assets	**281**	2,555
Short-term lease expenses	**72**	18
Auditors' remuneration	**800**	900
Employee benefit expenses, including Directors' emoluments *(Note 8)*	**18,843**	20,073
Net (reversal of impairment losses)/impairment losses on financial assets and contract assets	**(1,650)**	115
Impairment losses on property, plant and equipment	**9**	538
Impairment losses on right-of-use assets	**3,167**	2,184

8 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2025	2024
	HK$'000	HK$'000
Salaries and other benefits	**16,688**	17,772
Discretionary bonuses	**1,766**	1,878
Retirement benefit scheme contributions	**389**	423
	18,843	20,073

The Group operates a defined contribution scheme in Hong Kong which complies with the requirements under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance. All assets under the scheme are held separately from the Group under independently administered funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance. No forfeited contribution under the MPF scheme is available to reduce the contribution payable in future years.

9 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the years ended 30 September 2025 and 2024 is set out below:

	Fee	**Salaries and benefits in kind**	**Discretionary bonuses**	**Retirement benefit scheme contributions**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Year ended 30 September 2025					
Executive Directors					
Dr. CW Lau *(Note)*	–	1,916	234	–	2,150
Mr. CM Lau *(Note)*	–	1,916	234	–	2,150
Dr. CK Lau *(Note)*	–	1,916	234	–	2,150
Ms. Lau Yan Ki Patricia *(Note)*	–	160	20	9	189
Independent non-executive Directors					
Mr. Leung Bing Kwong Edward	–	160	–	–	160
Mr. Pang Ka Hang	–	160	–	–	160
Mr. Wong Chun Nam	–	160	–	–	160
	–	6,388	722	9	7,119

9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

	Fee HK$'000	Salaries and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Year ended 30 September 2024					
Executive Directors					
Dr. CW Lau *(Note)*	–	1,848	225	–	2,073
Mr. CM Lau *(Note)*	–	1,848	225	–	2,073
Dr. CK Lau *(Note)*	–	1,848	225	–	2,073
Mr. Sun Wei *(Note)*	–	75	–	4	79
Ms. Lau Yan Ki Patricia *(Note)*	–	154	8	9	171
Independent non-executive Directors					
Mr. Leung Bing Kwong Edward	–	154	–	–	154
Mr. Pang Ka Hang	–	154	–	–	154
Mr. Wong Chun Nam	–	154	–	–	154
	–	6,235	683	13	6,931

During the years ended 30 September 2025 and 2024, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. No Directors waived or agreed to waive any emoluments during the years ended 30 September 2025 and 2024.

Note: Dr. CW Lau, Mr. CM Lau, Dr. CK Lau and Ms. Lau Yan Ki Patricia were also directors of certain subsidiaries of the Company and/or employees of the Group during the year ended 30 September 2025. Dr. CW Lau, Mr. CM Lau, Dr. CK Lau, Mr. Sun Wei and Ms. Lau Yan Ki Patricia were also directors of certain subsidiaries of the Company and/or employees of the Group during the year ended 30 September 2024. The emoluments paid by the Group to them as disclosed above include emoluments in their capacity as the directors of these subsidiaries and/or employees of the Group.

9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, for the year ended 30 September 2025, three (2024: three) of them are directors of the Company, whose emoluments are disclosed above. The emoluments in respect of the remaining two (2024: two) individuals during the year are as follows:

	2025	2024
	HK$'000	HK$'000
Salaries and allowances	**1,702**	1,568
Discretionary bonuses	**202**	253
Retirement benefit scheme contributions	**36**	29
	1,940	1,850

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands (in HK$)		
Nil – HK$1,000,000	**1**	2
HK$1,000,001 – HK$1,500,000	**1**	–

During the years ended 30 September 2025 and 2024, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group.

10 INCOME TAX EXPENSE

	2025	2024
	HK$'000	HK$'000
Current tax		
– Hong Kong profits tax	**–**	–

10 INCOME TAX EXPENSE (CONTINUED)

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the year.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporations are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group companies has no assessable profits arising in or derived from Hong Kong or have sufficient tax losses brought forward to set off against the current year's estimated assessable profits for the years ended 30 September 2025 and 2024.

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

	2025	2024
	HK$'000	HK$'000
		(restated)
Loss before tax	**(11,972)**	(23,360)
Calculated at a tax rate of 16.5%	**(1,975)**	(3,854)
Expenses not deductible for tax purposes	**588**	514
Temporary differences not recognised	**(14)**	93
Income not subject to tax	**(15)**	(62)
Tax loss not recognised	**1,965**	3,330
Utilisation of tax losses previously not recognised	**(549)**	(21)
Income tax expense	**–**	–

11 DISCONTINUED OPERATION

As disclosed in note 28, the Group disposed of its entire equity interests in Ri Ying Group Co., Ltd ("**Ri Ying Group**") during the year ended 30 September 2024. The Ri Ying Group carried out health management and consultancy business and comprised the "health management and consultancy business" reportable segment of the Group. The disposal of Ri Ying Group was effected in order to reduce the Group's continual exposure to further loss and capital requirements of, and further financial commitments to the Group's health management and consultancy business.

The loss for the year ended 30 September 2024 from the discontinued health management and consultancy business is set out below.

Unaudited financial results of the Ri Ying Group for the period from 1 October 2023 to the disposal date of Ri Ying Group:

	Period from 1 October 2023 to the disposal date *HK$'000*
Loss of health management and consultancy business for the period	(26,391)
Gain on disposal of subsidiaries *(Note 28)*	39,698
	13,307

The results of the health management and consultancy business for the period from 1 October 2023 to the date of disposal of Ri Ying Group, which have been included in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 September 2024, were as follow:

	Period from 1 October 2023 to the disposal date *HK$'000*
Revenue	17,053
Cost of sales	(4,948)
Other income and gains	3,049
Administrative and other operating expenses	(40,005)
Share of losses of associates	(208)
Finance costs	(1,295)
Loss before tax	(26,354)
Income tax expense	(37)
Loss for the period	(26,391)

11 DISCONTINUED OPERATION (CONTINUED)

Cash flows from discontinued operation:

	Period from 1 October 2023 to the disposal date *HK$'000*
Net cash inflow from operating activities	47,370
Net cash outflow from investing activities	(611)
Net cash outflow from financing activities	(45,027)

The carrying amounts of the assets and liabilities of Ri Ying Group at the date of disposal are disclosed in note 28.

12 LOSS PER SHARE

	2025	2024
From continuing operations		
Loss attributable to owners of the Company (HK$'000)	**(11,972)**	(10,070)
Less: Profit for the year from discontinued operation (HK$'000)	**–**	(13,290)
Loss for the purpose of basic loss per share from continuing operations (HK$'000)	**(11,972)**	(23,360)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousand)	**800,000**	800,000
From continuing and discontinued operations		
Basic loss per share (HK cents)	**(1.50)**	(1.26)
From continuing operations		
Basic loss per share (HK cents)	**(1.50)**	(2.92)

For the years ended 30 September 2025 and 2024, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the loss for the year attributable to owners of the Company; and (ii) the weighted average number of ordinary shares in issue during the year.

The diluted loss per share is equal to the basic loss per share as there were no potential ordinary share in issue during the years ended 30 September 2025 and 2024.

12 LOSS PER SHARE (CONTINUED)

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK$1.66 cent per share for the year ended 30 September 2024, based on the profit for the period from the discontinued operation approximately HK$13,290,000 and the denominators detailed above for both basic and diluted loss per share.

Note: For the year ended 30 September 2025, the calculation of basic loss per share was based on the loss attributable to owners of the Company and on the basis of the weighted average number of 800,000,000 (2024: 800,000,000) ordinary shares in issue.

13 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 30 September 2025 and 2024:

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital/registered capital	Percentage of interest held 2025	2024
Fong On Construction Limited	Hong Kong	Provision of construction and consultancy services	Ordinary shares HK$24,300,000	**100% (indirect)**	100% (indirect)
Fong On Geotechnics Limited	Hong Kong	Provision of construction and consultancy services	Ordinary shares HK$100,020	**100% (indirect)**	100% (indirect)
Po Shing Construction Limited	Hong Kong	Provision of construction and consultancy services	Ordinary shares HK$27,700,002	**100% (indirect)**	100% (indirect)
James Lau & Associates Limited	Hong Kong	Provision of construction and consultancy services	Ordinary shares HK$18,500	**100% (indirect)**	100% (indirect)

14 DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 30 September 2025 and 2024.

15 PROPERTY, PLANT AND EQUIPMENT

	Construction in progress HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Machinery HK$'000	Total HK$'000
Cost							
At 1 October 2023	–	2,672	4,423	2,775	3,881	5,274	19,025
Additions	125	–	161	174	424	–	884
Disposals	–	–	–	–	(987)	–	(987)
Disposals of subsidiaries	(125)	(45)	(819)	(2,848)	(424)	(682)	(4,943)
Exchange adjustments	–	1	20	73	–	19	113
At 30 September 2024	–	2,628	3,785	174	2,894	4,611	14,092
Accumulated depreciation							
At 1 October 2023	–	2,390	3,087	1,348	3,781	4,477	15,083
Charge for the year	–	258	561	1,342	152	187	2,500
Impairment losses recognised in profit or loss	–	1	537	–	–	–	538
Eliminated on disposals	–	–	–	–	(987)	–	(987)
Eliminated on disposals of subsidiaries	–	(22)	(409)	(2,573)	(53)	(54)	(3,111)
Exchange adjustments	–	1	9	57	1	1	69
At 30 September 2024	–	2,628	3,785	174	2,894	4,611	14,092
Net book value							
At 30 September 2024	–	–	–	–	–	–	–
Cost							
At 1 October 2024	**–**	**2,628**	**3,785**	**174**	**2,894**	**4,611**	**14,092**
Additions	**–**	**9**	**–**	**–**	**–**	**–**	**9**
At 30 September 2025	**–**	**2,637**	**3,785**	**174**	**2,894**	**4,611**	**14,101**
Accumulated depreciation							
At 1 October 2024	**–**	**2,628**	**3,785**	**174**	**2,894**	**4,611**	**14,092**
Impairment losses recognised in profit or loss	**–**	**9**	**–**	**–**	**–**	**–**	**9**
At 30 September 2025	**–**	**2,637**	**3,785**	**174**	**2,894**	**4,611**	**14,101**
Net book value							
At 30 September 2025	**–**	**–**	**–**	**–**	**–**	**–**	**–**

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

During the year ended 30 September 2025, in view of the loss sustained by the Group, management considered indicators of impairment of property, plant and equipment and right-of-use assets existed at 30 September 2025 and performed an impairment assessment thereon with reference to valuation performed by an independent professional valuer.

For the purpose of impairment testing, the estimates of recoverable amount were determined based on the higher of the value-in-use and its fair value less costs of disposal. Management uses cash flow projections based on the most recent financial budget after taking into accounts the operation environment and market conditions at the point of time. The key assumptions for the value-in-use calculation are those regarding the discount rate, revenue and direct costs. Management estimates the discount rate of approximately 12% (2024: approximately 13%) using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the cash-generating unit. Changes in revenue and direct costs are based on past experience and expectations of changes in market.

Based on the impairment assessment conducted by management, impairment losses of approximately HK$9,000 and HK$3,167,000 were recognized on property, plant and equipment and right-of-use assets respectively in profit or loss during the year ended 30 September 2025 in order to write down the carrying amount of the property, plant and equipment and right-of-use assets to their recoverable amounts.

16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025	2024
	HK$'000	HK$'000
Right-of-use assets		
Premises	**–**	–
Motor vehicles	**538**	819
	538	819
Lease liabilities		
Non-current	**1,170**	1,026
Current	**2,386**	1,918
	3,556	2,944

During the year ended 30 September 2025, additions to the right-of-use assets were approximately HK$3,167,000 (2024: approximately HK$3,999,000).

The Group leases various motor vehicles and premises. Rental contracts are typically made for fixed periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2025	2024
	HK$'000	HK$'000
Depreciation of right-of-use assets		
– Premises	**–**	2,302
– Motor vehicles	**281**	253
Interest on lease liabilities	**168**	205
Impairment losses on right-of-use assets *(Note 15)*	**3,167**	2,184
Expenses relating to short-term leases and other leases with remaining lease terms ended on or before 30 September 2025 and 2024	**72**	18
Total amount recognised in profit or loss	**3,688**	4,962

During the year ended 30 September 2025, the total cash outflow for leases was approximately HK$2,723,000 (2024: approximately HK$7,304,000).

(c) Termination options

Termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The Group assesses at lease commencement date whether it is reasonably certain to be not exercised the termination options. Periods after termination options are only included in the lease term if the lease is reasonably certain not to be terminated.

17 GOODWILL

	HK$'000
1 October 2023	6,153
Disposal of subsidiaries	(6,325)
Exchange adjustments	172
At 30 September 2024	–

18 TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**10,580**	16,841
Less: provision for impairment losses	**(3,669)**	(5,114)
	6,911	11,727
Other receivables, deposits and prepayments	**2,233**	1,729
Less: provision for impairment losses	**(6)**	(394)
	2,227	1,335
	9,138	13,062

Notes:

(a) The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered as 30 days and stipulated in the contract, as appropriate.

(b) The ageing analysis of the trade receivables (net of impairment losses) based on payment certificate date or invoice date is as follows:

	2025 HK$'000	2024 HK$'000
0–30 days	**2,906**	5,729
31–60 days	**2,279**	3,316
61–90 days	**242**	1,230
Over 90 days	**1,484**	1,452
	6,911	11,727

As at 30 September 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$7,538,000 (2024: approximately HK$11,038,000) which are past due as at the reporting date. Out of the past due balances, HK$1,470,000 (2024: approximately HK$1,669,000) has been past due 90 days or more and is not considered as in default. The Group does not hold any collateral over these balances.

(c) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

19 CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Contract assets		
Provision for construction services	**23,900**	24,173
Less: provision for impairment losses	**(6,703)**	(6,520)
	17,197	17,653

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on factors other than passage of time. The contract assets are transferred to trade receivables when the rights become unconditional.

Included in contract assets are retention receivables of approximately HK$18,857,000 as at 30 September 2025 (2024: approximately HK$19,818,000), which after recognition of impairment loss of approximately HK$5,289,000 (2024: approximately HK$5,163,000), the carrying amount of retention receivables as at 30 September 2025 was approximately HK$13,568,000 (2024: approximately HK$14,655,000).

Retention receivables represent the monies withheld by customers of contract works which are fully recoverable within 1 to 2 years from the date of completion of construction contracts, in accordance with the terms specified in the relevant contracts. Generally, upon satisfactory completion of contract work as set out in the contract, partial of the retention money of such contract work will be released to the Group, while the remaining will be released to the Group upon the expiration of the defects liability period.

The retention receivables, before recognition of impairment loss, would be settled, based on the expiry of the defect liability period, at the end of the reporting period as follow:

	2025 HK$'000	2024 HK$'000
Within one year	**4,073**	5,741
After one year	**14,784**	14,077
	18,857	19,818

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

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
– Sales of health products (included in discontinued operation)	**–**	361

19 CONTRACT ASSETS (CONTINUED)

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

Sales of health products and health management software development

The Group receives deposits from customers when they sign the sale and purchase agreement, this will give rise to contract liabilities at the start of a contract.

20 BANK DEPOSITS, BALANCES AND CASH

	2025 HK$'000	2024 HK$'000
Cash at banks	**22,357**	32,558
Bank balances	**11,523**	11,297
Deposits at banks – fixed deposits (maturing within three months)	**10,834**	21,261
	22,357	32,558

Notes:

(a) The carrying amount of cash and bank balances were denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**22,316**	30,805
US$	**18**	1,730
RMB	**23**	23
Cash at banks	**22,357**	32,558

(b) As at 30 September 2025, the bank balances and deposits bore interest at a rate from 0.01% to 0.5% per annum (2024: rates of 0.01% 0.88% per annum).

(c) The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations, the Group is permitted to exchange RMB for the other currencies through banks authorised to conduct foreign exchange business.

21 SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1 October 2023, 30 September 2024, 1 October 2024 and 30 September 2025	2,000,000	20,000
Issued and fully paid:		
As at 1 October 2023, 30 September 2024, 1 October 2024 and 30 September 2025	800,000	8,000

22 SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 17 September 2018 as to attract and retain the best available personnel and to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Under the Scheme, the board of directors may, at their absolute discretion and subject to the terms of the Scheme, grant 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, customer, business partner or service provider of the Group, options to subscribe for shares of the Company. The basis of eligibility of any participant to the grant of any option shall be determined by the board of directors from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue as at the date of approval of the Scheme and any other Share Schemes of the Company (the "**Scheme Mandate Limit**"). The Scheme Mandate Limit may be refreshed once every three years by obtaining approval of the Company's shareholders in general meeting provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the Scheme Mandate Limit being exceeded.

22 SHARE OPTION SCHEME (CONTINUED)

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

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

An offer for the grant of options must be accepted in writing within 7 days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the board of directors of the Company may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

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

The Scheme will remain in force for a period of ten years commencing on 17 September 2018 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders at a general meeting of the Company. As at the date of this annual report, the Scheme had a remaining life of approximately three years.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 30 September 2025 and 2024. As at 1 October 2024 and 30 September 2025, the total number of share options available for grant under the Scheme was 80,000,000. For the year ended 30 September 2025, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding share option under the Scheme. As no shares were granted under the Scheme during the year ended 30 September 2025, no shares of the Company that may be issued in respect of options granted under the Scheme during the year ended 30 September 2025.

23 DEFERRED TAX ASSETS/(LIABILITIES)

The following is the deferred tax assets and liabilities recognised and movements thereon during the years ended 30 September 2025 and 2024:

	Depreciation allowance HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1 October 2023	(762)	762	–
Credited/(charged) to profit or loss *(Note 10)*	718	(718)	–
At 30 September 2024 and 1 October 2024	(44)	44	–
Credited/(charged) to profit or loss *(Note 10)*	44	(44)	–
At 30 September 2025	**–**	**–**	**–**

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

	2025 **HK$'000**	2024 HK$'000
Deferred tax assets	**–**	44
Deferred tax liabilities	**–**	(44)
	–	–

At the end of the reporting period, the Group has unused tax losses of approximately HK$160.7 million (2024: approximately HK$171.3 million) available for offset against future profits in respect of which no deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses can be carried forward indefinitely.

24 TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**6,715**	12,595
Retention payables	**11,897**	11,244
Accruals and other payables	**4,332**	2,607
	22,944	26,446

Notes:

(a) The ageing analysis of trade payables based on the invoice date is as follows:

	2025 HK$'000	2024 HK$'000
0 – 30 days	**5,304**	9,323
31 – 60 days	**1,411**	–
61 – 90 days	**–**	2,990
Over 90 days	**–**	282
	6,715	12,595

(b) Except for retention payables of approximately HK$11,695,000 as at 30 September 2025 (2024: approximately HK$6,577,000), which are expected to be settled after one year, all of the remaining retention payables are expected to be settled within one year.

25 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of loss before tax to net cash (used in)/generated from operations

	2025 HK$'000	2024 HK$'000
Loss before tax		
– From continuing operations	**(11,972)**	(23,360)
– From discontinuing operation	**–**	13,344
Adjustments for:		
Share of losses of associates	**–**	208
Depreciation of property, plant and equipment	**–**	2,498
Depreciation of right-of-use assets	**281**	6,688
Interest expense	**168**	1,500
Interest income	**(90)**	(218)
Net reversal of impairment losses on financial assets and contract assets	**(1,650)**	(104)
Impairment losses on property, plant and equipment	**9**	538
Impairment losses on right-of-use assets	**3,167**	2,184
Gain on disposal of property, plant and equipment	**–**	(10)
Gain on disposal of subsidiaries	**–**	(39,698)
Gain on lease termination	**–**	(43)
Operating loss before working capital changes	**(10,087)**	(36,473)
Decrease in inventory	**–**	31
Decrease in trade and other receivables	**5,757**	70,579
Decrease in contract assets	**273**	17,639
Decrease in amounts due from related parties	**–**	643
Decrease in trade and other payables	**(3,502)**	(12,465)
Decrease in contract liabilities	**–**	(584)
Increase in amount due to a non-controlling interest of a subsidiary	**–**	1,724
Net cash (used in)/generated from operations	**(7,559)**	41,094

25 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

	Bank borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 October 2023	38,142	12,393	50,535
Finance costs	985	515	1,500
Gain on lease termination	–	(43)	(43)
Financing cash flow	(40,554)	(7,286)	(47,840)
New lease entered	–	3,999	3,999
Disposals of subsidiaries	–	(6,659)	(6,659)
Exchange adjustments	1,427	25	1,452
As at 30 September 2024	–	2,944	2,944
As at 30 September 2024 and 1 October 2024	**–**	**2,944**	**2,944**
Finance costs	**–**	**168**	**168**
Financing cash flow	**–**	**(2,723)**	**(2,723)**
New lease entered	**–**	**3,167**	**3,167**
As at 30 September 2025	**–**	**3,556**	**3,556**

Note: The financing cash flows represented the net amount of proceeds from bank borrowings, lease liabilities, payment of finance costs and repayment of bank borrowings and repayments of capital element of lease payment.

26 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, the Group has not entered into any significant related party transactions during the years ended 30 September 2025 and 2024.

(a) Key management compensation

Key management comprises the directors of the Company. The compensation paid or payable to directors of the Company is disclosed in Note 9.

27 SURETY BONDS AND CONTINGENT LIABILITIES

As at 30 September 2025, certain customers of construction contracts undertaken by the Group require the Group to issue guarantee for the performance of contract works in the form of surety bonds of approximately HK$16,080,000 (2024: approximately HK$13,100,000). Dr. CW Lau, Mr. CM Lau and Dr. CK Lau have provided guarantee to the insurance companies to secure certain surety bonds. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

As at 30 September 2025 and 2024, no cash collateral were paid by the Group to the insurance companies for the issuance of surety bonds and are included in other receivables, deposits and prepayments.

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

28 DISPOSALS OF SUBSIDIARIES

In September 2024, the Group discontinued its health management and consultancy business at the time of disposal of Ri Ying Group. The net liabilities of Ri Ying Group at the date of disposal were as follows:

Consideration received:	**HK$'000**
Cash received	**50**

	HK$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	**1,832**
Right-of-use assets	**6,382**
Interest in associates	**626**
Goodwill	**6,325**
Inventory	**2,867**
Trade and other receivables	**15,069**
Bank balances and cash	**1,428**
Tax recoverable	**760**
Trade and other payables	**(67,216)**
Contract liabilities	**(1,603)**
Lease liabilities	**(6,659)**
Amount due to a non-controlling interest of a subsidiary	**(1,796)**
Net liabilities disposed of	**(41,985)**

	HK$'000
Gain on disposal of subsidiaries group:	
Consideration received	**50**
Net liabilities disposed of	**41,985**
Non-controlling interest	**(2,550)**
Reclassification of cumulative exchange reserve upon disposal of subsidiaries group	**213**
Gain on disposal	**39,698**

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Ri Ying Group	**HK$'000**
Net cash outflow arising on disposal	
Cash consideration	**50**
Less: bank balances and cash disposed of	**(1,428)**
Net cash outflow	**(1,378)**

29 ARBITRATION

As disclosed in the announcement dated 20 January 2023, Fong On Construction Limited ("**Fong On**"), an indirect wholly-owned subsidiary of the Company, is involved in certain disputes (the "**Disputes**") in connection to payments owed to Fong On as main contractor for carrying out certain design and construction works for a school in Hong Kong (the "**School**"). Fong On contends, among other things, that the School has failed and/or refused to pay Fong On in accordance with the payment terms agreed and has undervalued the works carried out (including variation works) by Fong On pursuant to the relevant contracts (the "**Contracts**"). The Group has recognised revenue from the Contracts in accordance with its revenue recognition accounting policies which amounted to approximately HK$357,061,000 up until 30 September 2021, including revenue of approximately HK$54,503,000 recognised in the financial year ended 30 September 2021. During the financial year ended 30 September 2022, the School failed to make payment for an interim payment certificate issued by the School during the year and subsequent to the end of the financial year, the School issued a further interim payment certificate with valuation date 9 December 2022 whereby the School significantly reduced the amount already certified by the School in previous interim payment certificates. Fong On by a letter dated 18 January 2023 requested the Disputes to be referred to mediation in accordance with the terms agreed pursuant to the Contracts. The conclusion of the mediation conference held on 9 May 2023, the parties were unable to reach a settlement agreement in relation to the Disputes.

Fong On has initiated arbitration proceedings against the School with respect to the Disputes (the "**Arbitration**") on 18 April 2023. As part of the arbitration proceedings, the parties may exchange any documents by themselves for matters in issue but not previously appended to any of the pleadings and may submit to the Arbitrator and to the other party a Request to Produce documents by 27 December 2024. After such Request(s) to Produce, if any, the other party will respond to the request(s) before the Tribunal's ruling on the request(s) and the exchange of witness statements. As of 5 December 2025, the parties shall be preparing witness statements, which are expected to be exchanged on the date(s) agreed by the parties in the first quarter of 2026.

Up to the date of approval for issuance of the consolidated financial statements, the directors of the Company have fully considered all the relevant facts and circumstances, including the nature of the claims, costs of arbitration and potential impact on the consolidated financial statements and engaged an external lawyer to consider and assess the strategies and defenses. The eventual outcome of the Disputes for the Group cannot be fully assessed at this stage.

30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position

	Note	2025 HK$'000	2024 HK$'000
ASSETS			
Current assets			
Trade and other receivables		**63**	61
Amounts due from subsidiaries		**51,630**	54,280
Bank deposits, balances and cash		**135**	182
		51,828	54,523
Total assets		**51,828**	54,523
EQUITY			
Capital and reserves			
Share capital		**8,000**	8,000
Reserves	30(b)	**63**	10,491
Total equity		**8,063**	18,491
LIABILITIES			
Current liabilities			
Trade and other payables		**1,028**	1,295
Amounts due to subsidiaries		**42,737**	34,737
		43,765	36,032
Total equity and liabilities		**51,828**	54,523
Net current assets		**8,063**	18,491
Total assets less current liabilities		**8,063**	18,491

The Company's statement of financial position was approved and authorised for issue by the board of directors of the Company on 30 December 2025 and signed on its behalf by:

Lau Chi Wang
Director

Lau Chi Keung
Director

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

(b) Reserve movement

	Share premium HK$'000	Special reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 2023	100,538	95,536	(175,774)	20,300
Loss and total comprehensive expense for the year	–	–	(9,809)	(9,809)
At 30 September 2024	100,538	95,536	(185,583)	10,491
At 1 October 2024	**100,538**	**95,536**	**(185,583)**	**10,491**
Loss and total comprehensive expense for the year	**–**	**–**	**(10,428)**	**(10,428)**
At 30 September 2025	**100,538**	**95,536**	**(196,011)**	**63**

Special reserve

Special reserve represents the difference between the total equity of its subsidiaries acquired pursuant to the Reorganisation over the nominal value of the Company's shares issued in exchange therefore.

Financial Summary

RESULTS

	For the year ended 30 September				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**152,394**	161,009	225,905	110,309	223,076
Cost of sales	**(140,650)**	(139,013)	(163,205)	(197,326)	(202,198)
Gross profit/(loss)	**11,744**	21,996	62,700	(87,017)	20,878
Loss before tax	**(11,972)**	(10,016)	(2,533)	(139,092)	(24,853)
Income tax (expense)/credit	**–**	(37)	(76)	138	1,000
Loss for the year	**(11,972)**	(10,053)	(2,609)	(138,954)	(23,853)
Other comprehensive (expense)/income	**–**	(966)	322	1,219	(104)
Total comprehensive expense	**(11,972)**	(11,019)	(2,287)	(137,735)	(23,957)

ASSETS AND LIABILITIES

	As at 30 September				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**49,230**	64,092	201,822	149,131	350,575
Total liabilities	**(26,500)**	(29,390)	(158,651)	(107,398)	(171,107)
	22,730	34,702	43,171	41,733	179,468
Total equity	**22,730**	34,702	43,171	41,733	179,468