



豐展控股有限公司
FDB HOLDINGS LIMITED

FDB Holdings Limited
豐展控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1826

2025
ANNUAL REPORT
年報

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Ng Kin Siu (*Chairman and chief executive officer*)

Mr. Yu Hongxiang (appointed on 5 January 2026)

Independent non-executive Directors:

Mr. Wong Chun Wah Kelvin

Mr. Siu Wilson Wai Lum (resigned on 5 January 2026)

Ms. Ng Chung Chi

Ms. Ren Yu (appointed on 5 January 2026)

COMPANY SECRETARY

Mr. Yu Tsz Ngo

AUTHORISED REPRESENTATIVES

Mr. Ng Kin Siu

Mr. Yu Tsz Ngo

AUDIT COMMITTEE

Ms. Ng Chung Chi (*Chairman*)

Mr. Wong Chun Wah Kelvin

Mr. Siu Wilson Wai Lum (resigned on 5 January 2026)

Ms. Ren Yu (appointed on 5 January 2026)

REMUNERATION COMMITTEE

Mr. Ng Kin Siu (*Chairman*)

Mr. Wong Chun Wah Kelvin

Mr. Siu Wilson Wai Lum (resigned on 5 January 2026)

Ms. Ren Yu (appointed on 5 January 2026)

NOMINATION COMMITTEE

Mr. Ng Kin Siu (*Chairman*)

Mr. Wong Chun Wah Kelvin

Mr. Siu Wilson Wai Lum (resigned on 5 January 2026)

Ms. Ng Chung Chi

Ms. Ren Yu (appointed on 5 January 2026)

AUDITORS

OOP CPA & Co.

Certified Public Accountants

Registered Public Interest Entity Auditor

Unit A, 21/F, LL Tower

2-4 Shelley Street, Central

Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 602-603, 6th Floor

The Sun's Group Centre

200 Gloucester Road

Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

PRINCIPAL BANKERS

O-Bank Co., Ltd.

Bank of China (Hong Kong) Limited

The Bank of East Asia, Limited

Industrial and Commercial Bank of China (Asia) Limited

WEBSITE ADDRESS

www.fdbhk.com

STOCK CODE

01826

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of Directors (the "**Directors**") of FDB Holdings Limited (the "**Company**"), it is my pleasure to present the audited financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025.

RESULTS

For the year ended 31 December 2025, the Group has embarked on several new projects, the total revenue of the Group has decreased by 13.2% from approximately HK\$468.5 million for the corresponding period in 2024 to approximately HK\$406.7 million.

BUSINESS REVIEW AND PROSPECT

The Hong Kong construction industry are still facing severe challenges. The main risks are interest rate hike, cash crunch of Chinese real estate developers, supply chain disruptions and labor shortages. Despite the prevailing uncertainties, the Company is confident about the prospects of the business and will continue to explore different opportunities to maximize shareholders' interests.

A NOTE OF APPRECIATION

On behalf of the Board, I wish to take this opportunity to express our gratitude to our shareholders, clients, business partners, financing banks and suppliers who trust and remain faithful to the Group. I would also like to express our sincere gratitude and appreciation to the management and staff for their commitment and contribution to the continued success of the business throughout the years.

Ng Kin Siu

Chairman of the Board and chief executive officer

Hong Kong, 27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

As at 31 December 2025, the principal business activity of the Group is engaged in the provision of contracting services for alteration and addition works, maintenance, specialist works and new development in Hong Kong. The Group provides a one-stop integrated solution from project planning, resources allocation, subcontractor management and material procurement to monitoring and quality assurance, and to offering value-adding services such as providing advice on designs to the Group's customers.

BUSINESS REVIEW AND OUTLOOK

During the Year, the Group continued to develop contracting services in Hong Kong.

During the Year, the Group has embarked on several new projects. With the backing of the total contract sum of approximately HK\$319.5 million from the backlog projects, it is anticipated that the Group will maintain the financial performance and further improve the financial position in the coming years.

Looking forward, the Group will conduct a detailed review of the existing principal business operations and financial position of the Group for the purpose of formulating a sustainable business plan or strategy for the Group's future development. In particular, the Group will look into business and investment opportunities in different business areas and geographical locations and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, and/or restructuring of the business will be appropriate in order to enhance the long-term growth potential of the Group. The Group also intends to leverage upon the expertise and business opportunities that the Group may have in its sectors of real estate development, property project management and financial services and expand the income stream of the Group.

In particular, the Group wishes to explore opportunities to integrate its traditional construction and engineering capabilities with the development of energy and digital-sovereignty infrastructure businesses. This strategic direction aims to enhance synergies with our existing operations and generate more attractive returns for shareholders. Given the increasingly mature and highly competitive construction market in Hong Kong, the Group intends to expand its strategic focus beyond the local market and pursue growth in emerging "blue-ocean" regions, including the development of energy infrastructure development and digital-computing infrastructure development in countries along the Belt and Road Initiative, such as those in Central Asia. These markets offer growth potential and scale far exceeding that of our traditional business, while reducing the Group's reliance on a single market and mitigating regional economic volatility. Further announcement(s) in this regard will be made as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Year, due to the slow down of the economy in Hong Kong, the revenue of the Group decreased by approximately HK\$61.7 million or 13.2% to approximately HK\$406.7 million (2024: HK\$468.4 million). The Group recorded a gross profit of approximately HK\$7.7 million (2024: gross profit of HK\$17.3 million). During the Year, the Group recognized impairment losses under ECL model, net of reversal of approximately HK\$13.3 million (2024: reversal of impairment of HK\$2.3 million). As a result, the Group recorded a net loss for the Year of approximately HK\$22.4 million (2024: net profit of HK\$9.9 million) attributable to the owners of the Company.

Other income

Other income amounted to approximately HK\$1.6 million for the Year (2024: HK\$3.8 million), representing a decrease of approximately 57.9%, which due to the Group has released approximately HK\$1.2 million (2024: HK\$3.5 million) of accruals balances for trade and retention payables as well as subcontracting charges that have been past due for over six years.

Share of results of joint ventures

During the Year, the Group recognized a share of profits of approximately HK\$48,000 (2024: HK\$1.3 million) from the interests in three joint venture entities in Hong Kong (2024: two).

Impairment losses recognised/reversed under expected credit loss model, net of reversal

During the Year, the Group recognized impairment losses of approximately HK\$13.3 million (2024: reversal of impairment of HK\$2.3 million) which is in relation to contracting segment services.

Details of impairment losses, net of reversal for the Year:

Impairment losses recognised on:	Non credit- impaired HK\$'000
Trade and retention receivables	10,674
Other receivables and deposits	72
Contract assets	2,582
	<hr/>
Total	13,328

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has applied the simplified approach in HKFRS to measure the loss allowance at lifetime ECL by using a provision matrix on a portfolio basis with reference to the Company's historical and the counterparties' industry default data, among others, historical aging schedules, settlement and default records, industry credit data and default records, and forward-looking information. The core inputs of the assessment models are consistent with last year. The Group has applied the general approach in HKFRS 9 to measure the 12-month or lifetime ECL with reference to the Company's historical and the counterparties' industry default data, among others, historical aging schedules, settlement and default records, industry credit data and default records, and forward-looking information. The Group has engaged an independent valuer to perform impairment assessment. The core inputs of the assessment models are consistent with last year.

Trade and retention receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of trade debt and contract assets, especially with the Chinese real estate developers, at the end of the reporting period to ensure that adequate impairment loss is recognised for irrecoverable amount.

The Group is exposed to concentration of credit risk as at 31 December 2025 on the trade and retention receivables from the Group's five major customers amounting to approximately HK\$89.9 million (2024: HK\$13.4 million) and accounted for approximately 81% (2024: 36%) of the Group's total trade and retention receivables. In the opinion of the directors of the Company, the major customers of the Group are reputable organisation in the market. The directors of the Company consider that the credit risk is limited in this regard. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Credit-impaired debtors as well as debtors with increased credit risk are assessed for impairment individually, the remaining trade and retention receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. During the Year, the Group recognized impairment losses of approximately HK\$10.7 million for trade and retention receivables (2024: reversal of impairment of HK\$3.0 million), as well as net impairment losses of approximately HK\$2.6 million for contract assets (2024: impairment losses HK\$0.6 million).

Administrative expenses

Administrative expenses of the Group increased by approximately HK\$3.3 million or 23.1% from approximately HK\$14.3 million for the year ended 31 December 2024 to approximately HK\$17.6 million for the Year. Such increase was primarily due to the legal and professional fee of approximately HK\$3.4 million for an arbitration during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs of the Group increased by approximately 60.0% from approximately HK\$0.5 million for the year ended 31 December 2024 to approximately HK\$0.8 million for the Year, as the interest on bank borrowing increased for the Year.

Income tax expense

The Group had no income tax expenses for the Year, as there is no assessable profit recorded.

Loss/Profit and total comprehensive loss/income for the Year attributable to the owners of the Company

Loss and total comprehensive loss for the year attributable to the owners of the Company was approximately HK\$22.4 million for the Year (2024: profit and total comprehensive income of HK\$9.9 million). It was primarily attributable to the combined effect of (i) the decrease in revenue of construction segment services, and (ii) the impairment losses recognised during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

Net cash position

The amounts due to a shareholder increased by approximately HK\$22.9 million to approximately HK\$32.9 million as at 31 December 2025 (31 December 2024: HK\$10.0 million). Cash and cash equivalent and pledged deposits as at 31 December 2025 decreased by approximately HK\$21.5 million to approximately HK\$11.1 million (31 December 2024: HK\$32.6 million). Therefore, the net cash position of the Group decrease to a negative position of approximately HK\$0.8 million (31 December 2024: a positive position of HK\$22.6 million).

Structure of bank overdrafts and bank borrowings and amounts due to a shareholder

As at 31 December 2025, the Group had amounts due to a shareholder amounted to approximately HK\$32.9 million (31 December 2024: HK\$10.0 million), and the Group had no bank overdraft in both years. As at 31 December 2025, the Group has bank borrowing of approximately HK\$8.1 million (31 December 2024: HK\$9.0 million) bearing interest at floating interest rates.

Liquidity ratios and gearing ratios

The current ratio of the Group as at 31 December 2025 was 0.90 times (31 December 2024: 1.03 times).

The gearing ratio, calculated based on the total borrowings including bank borrowings and amounts due to a shareholder divided by total equity at the end of the Relevant Period and multiplied by 100%. As at 31 December 2025, the gearing ratio was negative (31 December 2024: negative), due to the total deficit at the end of the Year.

CAPITAL STRUCTURE

Funding policy and treasury policy

The Group maintains a prudent funding and treasury policy of its overall business operations to minimise financial risks. Surplus funds are generally placed in short term deposits denominated primarily in Hong Kong Dollars. All future projects will be financed by cash flows from operations, banking facilities, or any forms of financing available in Hong Kong.

The Group regularly monitors its liquidity requirements and its relationship with bankers to ensure that it maintains sufficient reserves of cash and an adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

As at 31 December 2025, the Company's issued share capital was approximately HK\$13.3 million (31 December 2024: HK\$13.3 million) and the number of issued ordinary shares was 1,332,000,000 (31 December 2024: 1,332,000,000) of HK\$0.01 each. During the Year, the Company did not hold or sell any treasury shares.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Most of the transactions of the Group are denominated in Hong Kong dollars and the Group is not exposed to any significant foreign exchange exposure.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Whilst the Group will continue to solidify its business and clientele in the construction industry, the Group will look into business and investment opportunities for business expansion and capital injection in order to enhance the long-term growth potential of the Group, as at 31 December 2025, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no significant event that took place during the Year, subsequent to 31 December 2025 and up to the date of this report.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2025, the Group has pledged its bank deposit of approximately HK\$7.2 million (31 December 2024: HK\$7.2 million) to secure the guaranteed credit facilities for issuing surety bonds and general banking facilities amounting to approximately HK\$37.4 million (31 December 2024: HK\$37.4 million).

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entities to issue guarantees for performance of contract works in the form of surety bonds secured by pledged deposits. In addition, the Group provided a counter-indemnity to the financial institutions which have issued such surety bonds.

As at 31 December 2025, the outstanding amount of surety bonds of the Group was approximately HK\$37.4 million (2024: HK\$37.4 million).

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

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed a total of 57 employees (2024: 75 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$15.3 million for the Year (2024: HK\$20.7 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to staff with outstanding performance to attract and retain eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

LITIGATION

During the Relevant Period, the Company's operating subsidiary in Hong Kong was involved in various litigations and arbitrations as claimant/plaintiff and as respondent/defendant due to disputes in ordinary businesses with employers, suppliers and sub-contractors, including a winding up proceedings against the Company's operating subsidiary. The arbitrations and litigations, however, do not have material effect on the business and operations of the Group. The Group has instructed its legal advisers to uphold its rights in any outstanding litigations. There are no material developments to other litigations involving the Group reported in prior period.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

Except for the disclosure below, the Board has complied with all applicable code provisions of the CG Code during the year ended 31 December 2025, except for the deviation from code provision C.5.1 of the CG Code, which is explained in the section headed “Board Meeting, General Meeting and Procedures” below.

The Board establishes the Company’s purpose, values and strategy, and considers that these are aligned with the culture of the Group. The Board seeks to promote a culture of integrity, accountability and lawful, ethical and responsible conduct across the Group, and will continue to monitor such alignment through its oversight of strategy execution, governance practices, risk management and stakeholder engagement.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Appendix C3 to the Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the year ended 31 December 2025.

BOARD OF DIRECTORS

As at the date of this report, the Board comprised four Directors, including two executive Directors, namely Mr. Ng Kin Siu (“**Mr. Ng**”) and Mr. Yu Hongxiang, and three independent non-executive Directors, namely Mr. Wong Chun Wah Kelvin, Ms. Ren Yu and Ms. Ng Chung Chi.

The length of tenure and current period of appointment of the Directors as at the date of this annual report are set out below:

Name of Director	Position	Date of first appointment as Director	Length of tenure as at the date of this annual report	Current period of appointment
Mr. Ng Kin Siu	Chairman and Chief Executive Officer	19 March 2015	About 11 years	Three-year term automatically renewable unless terminated in accordance with the service contract
Mr. Yu Hongxiang	Executive Director	5 January 2026	About 3 months	
Mr. Wong Chun Wah Kelvin	Independent Non-executive Director	1 October 2022	About 3 years and 6 months	
Ms. Ng Chung Chi	Independent Non-executive Director	11 December 2024	About 1 years and 3 months	
Ms. Ren Yu	Independent Non-executive Director	5 January 2026	About 3 months	

CORPORATE GOVERNANCE REPORT

RELATIONSHIP BETWEEN THE BOARD MEMBERS

To the best knowledge of the Board, there is no financial, business, family relationship among the Directors. All of them are free to exercise their independent judgments.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1. of the CG Code, the roles of the chairman (the “**Chairman**”) of the Board and the chief executive officer of the Company (the “**Chief Executive Officer**”) should be separated and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer should be separated to ensure a clear division between the Chairman’s responsibility to manage the Board and the Chief Executive Officer’s responsibility to manage the Company’s business. The separation ensures a balance of power and authority so that power is not concentrated.

As at 31 December 2025, Mr. Ng was both the Chairman and Chief Executive Officer. The Chairman’s main role is to lead the Board in discharging its powers and duties, while the Chief Executive Officer’s main role is to lead the management of the Company for undertaking all the responsibilities delegated by the Board and managing the overall operation of the Group. The Board considered that this structure could enhance efficiency in formulation and implementation of the Company’s strategies.

There is no financial, business, family or other material or relevant relationship between the Chairman and the Chief Executive Officer.

Save as disclosed above, the Board is pleased to report compliance with all applicable code provisions of the CG Code during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES OF THE BOARD

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company and its shareholders as a whole. The Board has full support from the executive Directors and the senior management of the Company to discharge its responsibilities.

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

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

The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors arising out of corporate activities.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") for the year ended 31 December 2025 and up to the date of this corporate governance report. A summary of this Board Diversity Policy, together with the measurable objectives set for implementing this Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

The Company recognised and embraced the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aimed to set out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity has been considered from a number of measurable aspects including gender, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

CORPORATE GOVERNANCE REPORT

Measurable Objectives

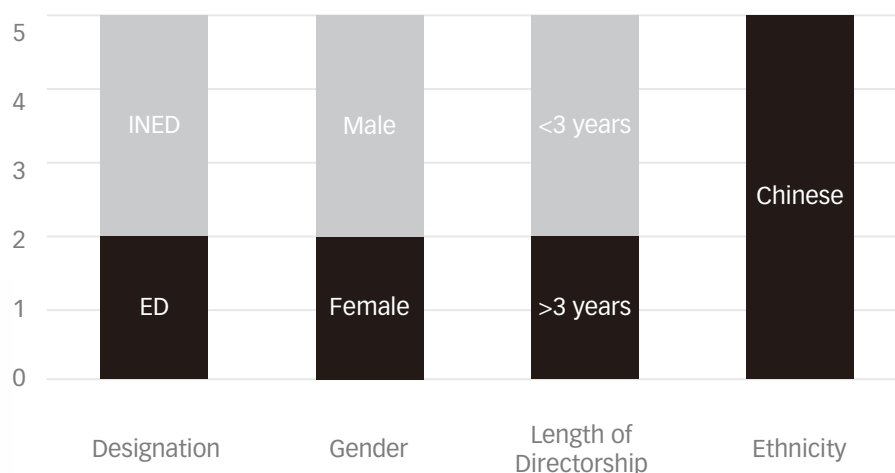
Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board believes that such merit-based appointments will best enable the Company to serve its shareholders and other stakeholders going forward. The Board will give adequate consideration to the Board Diversity Policy when it identifies suitably qualified candidates to become members of the Board.

Implementation and Monitoring

The Nomination Committee reviews the Board's composition from diversified perspectives, and monitors the implementation of the Board Diversity Policy at least annually. The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the Board Diversity Policy during the year ended 31 December 2025.

In considering Board composition, the Company takes into account a number of factors including skills, knowledge, experience, gender, age, cultural and educational background and professional experience, with a view to maintaining an appropriate balance of diversity of perspectives on the Board.

Up to the date of this report, the composition of the Board is disclosed as below:



WORKFORCE DIVERSITY

As at 31 December 2025, the Group had a total of 57 employees (including senior management but excluding Directors), of whom 5 were members of senior management and 52 were other employees. The gender ratio of the Group's senior management was approximately 80% male and 20% female. The gender ratio of the Group's workforce excluding senior management and Directors was approximately 83% male and 17% female.

The Group strictly adheres to fair and appropriate employment practices and labour standards. The Group provides job applicants and employees with equal opportunities of employment and promotion, and prohibits all forms of discrimination on gender, religion, race, disability or age. The Board considered that gender diversity of the workforce of the Group has been well maintained during the year ended 31 December 2025. As such, the plan for the Group in terms of gender diversity in workforce is to maintain the balance of gender diversity in the foreseeable future.

CORPORATE GOVERNANCE REPORT

BOARD MEETING, GENERAL MEETING AND PROCEDURES

During the year ended 31 December 2025, two Board meetings were held. The attendance record of each Director at the Board meetings is set out in the table below:

Name of Directors	Number of Board meetings attended/number of Board meetings which required attendance
Executive Directors:	
Mr. Ng Kin Siu	2/2
Mr. Yu Hongxiang	– (Note 1)
Independent non-executive Directors:	
Mr. Wong Chun Wah Kelvin	2/2
Mr. Siu Wilson Wai Lum	2/2 (Note 2)
Ms. Ng Chung Chi	2/2
Ms. Ren Yu	– (Note 3)

Code provision C.5.1 of the CG Code provides that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2025, the Company held two Board meetings and therefore did not fully comply with code provision C.5.1. However, the Directors were kept informed of the Group's business operations and development by the management from time to time, and written resolutions were passed by the Board where appropriate. The Board considers that sufficient measures have been taken to ensure that the Directors were able to discharge their duties effectively during the year.

Note 1: Mr. Yu Hongxiang was appointed as an executive Director on 5 January 2026.

Note 2: Mr. Siu Wilson Wai Lum resigned as an independent non-executive Director on 5 January 2026.

Note 3: Ms. Ren Yu was appointed as an independent non-executive Director on 5 January 2026.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, one General meeting of the Company held. The attendance record of each Director at the general meetings is set out in the table below:

Name of Directors	Number of general meetings attended/number of general meetings which required attendance
Executive Directors:	
Mr. Ng Kin Siu	1/1
Mr. Yu Hongxiang	– (Note 1)
Independent non-executive Directors:	
Mr. Wong Chun Wah Kelvin	1/1
Mr. Siu Wilson Wai Lum	1/1 (Note 2)
Ms. Ng Chung Chi	1/1
Ms. Ren Yu	– (Note 3)

Note 1: Mr. Yu Hongxiang was appointed as an executive Director on 5 January 2026.

Note 2: Mr. Siu Wilson Wai Lum resigned as an independent non-executive Director on 5 January 2026.

Note 3: Ms. Ren Yu was appointed as an independent non-executive Director on 5 January 2026.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, and the Company's policies and practices on compliance with legal and regulatory requirements. The Board is also responsible for developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors and reviewing the Company's compliance with the code of conduct and disclosure in the corporate governance report. The Board holds meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all the Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

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

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up for that purpose.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

During the year ended 31 December 2025, in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules, the Board consists of three independent non-executive Directors, and one of them, namely Ms. Ng Chung Chi, possesses appropriate professional qualifications or accounting or related financial management expertise. For the year ended 31 December 2025, the number of independent non-executive Directors represents at least one-third of the Board which is in compliance with Rule 3.10A. As such, the Company believes that there is sufficient independence element in the Board to safeguard the interests of the shareholders of the Company.

Independent non-executive Directors are appointed for a term of three years subject to retirement by rotation and re-election in accordance with the Articles. Each Independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers these independent non-executive Directors to be independent.

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

Pursuant to Article 84 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years. Mr. Ng Kin Siu, Mr. Yu Hongxiang and Ms. Ren Yu will retire as Directors. Mr. Ng Kin Siu, Mr. Yu Hongxiang and Ms. Ren Yu being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting.

BOARD PERFORMANCE REVIEW

The Board recognises the importance of periodic evaluation of its performance and effectiveness. During the year, the Board conducted a formal evaluation of its performance, covering, among other matters, Board composition, Board processes, effectiveness of information flow, oversight of strategy, risk management and internal controls, and the performance of Board committees. The review was conducted internally by way of questionnaire and discussion among Directors. Based on the evaluation conducted, the Board considered that it continued to operate effectively during the year.

BOARD SKILLS MATRIX

The Board has considered the mix of skills, experience and diversity of perspectives represented on the Board and considers that the current Board possesses skills and experience appropriate to the Group’s business and strategic development, including manufacturing and operations, industry and business management, finance and accounting, legal and regulatory compliance, corporate governance and capital markets experience. The Board will continue to review its composition from time to time having regard to the Company’s business needs, succession planning and strategic direction.

CORPORATE GOVERNANCE REPORT

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Newly appointed Directors will be arranged a comprehensive, formal and tailored induction which includes the provision of key guidelines, documents and publications relevant to their roles, responsibilities and ongoing obligations; a briefing on the Company's structure, businesses, risk management and other governance practices and meetings with other fellow Directors so as to help the newly appointed Directors familiarize themselves with the management, business and governance policies and practices of the Company, and ensure that they have a proper understanding of the operations and businesses of the Company.

To assist the Directors' continuing professional development, the Company recommends the Directors attend relevant seminars to develop and refresh their knowledge and skills. The Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

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

Name of Directors	Type of training
Executive Directors:	
Mr. Ng Kin Siu	(i, ii)
Mr. Yu Hongxiang	– (Note 1)
Independent non-executive Directors:	
Mr. Wong Chun Wah Kelvin	(i, ii)
Mr. Siu Wilson Wai Lum	(i, ii) (Note 2)
Ms. Ng Chung Chi	(i, ii)
Ms. Ren Yu	– (Note 3)

i. reading journals and newspaper updates on corporate governance and directors' duties and responsibility.

ii. attending training/seminars/conferences arranged by the professional firms/organisations.

Note 1: Mr. Yu Hongxiang was appointed as an independent non-executive Director on 5 January 2026.

Note 2: Mr. Siu Wilson Wai Lum resigned as an independent non-executive Director on 5 January 2026.

Note 3: Ms. Ren Yu was appointed as an independent non-executive Director on 5 January 2026.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, with written terms of reference which are available on the websites of the Stock Exchange and the Company.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules, in accordance with provisions set out in the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists of three independent non-executive Directors, namely Ms. Ng Chung Chi, Mr. Wong Chun Wah Kelvin and Ms. Ren Yu. The chairman of the Audit Committee is Ms. Ng Chung Chi, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee is mainly responsible for the following:

- (a) to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions regarding its resignation or dismissal;
- (b) to review and to monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences and ensure coordination where more than one audit firm is involved;
- (c) to monitor the integrity of the Company's annual report, interim financial reports and quarterly reports, if any, before submission to the Board, and to focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) going concern assumptions and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting.

CORPORATE GOVERNANCE REPORT

- (d) to oversee the Company's financial reporting system, risk management and internal control systems, including:
 - (i) reviewing the Company's financial controls, accounting policies and the risk management and internal control systems;
 - (ii) discussing the risk management and internal control systems with management to ensure that management has performed its duty to maintain effective systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
 - (iii) where an internal audit function exists, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
 - (iv) reviewing the external auditors' management letter and management's response; and
 - (v) ensuring that the Board will provide a timely response to the issues raised in the external auditors' management letter.

During the year ended 31 December 2025, the Audit Committee held two meetings to, among others, consider and approve the following:

- (a) to review the Group's consolidated financial results for the year ended 31 December 2024 and the six months ended 30 June 2025 before submission to the Board, with a focus on compliance with accounting standards, the Listing Rules and other requirements in relation to financial reporting of the Audit Committee;
- (b) to discuss the effectiveness of the internal control system throughout the Group, including financial, operational and compliance controls, and risk management;
- (c) to review the accounting principles and practices adopted by the Group and other financial reporting matters; and
- (d) to review and recommend the appointment of the auditors and approve the remuneration and terms of engagement.

CORPORATE GOVERNANCE REPORT

The individual attendance record of each member of the Audit Committee is as follows:

Name of Directors	Number of meetings attended/number of meetings which required attendance
Ms. Ng Chung Chi (<i>Chairman</i>)	2/2
Mr. Wong Chun Wah Kelvin	2/2
Mr. Siu Wilson Wai Lum	2/2 (Note 1)
Ms. Ren Yu	– (Note 2)

Note 1: Mr. Siu Wilson Wai Lum resigned as an independent non-executive Director on 5 January 2026.

Note 2: Ms. Ren Yu was appointed as an independent non-executive Director on 5 January 2026.

The Group's audited annual results in respect of the year ended 31 December 2025 have been reviewed by existing members of the Audit Committee.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors during the year ended 31 December 2025.

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of one executive Director, namely, Mr. Ng Kin Siu, and two independent non-executive Directors, namely, Mr. Wong Chun Wah Kelvin and Ms. Ren Yu, with Mr. Ng Kin Siu as the chairman. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The main roles and functions of the Remuneration Committee include the following:

- (a) to establish a formal and transparent procedure for developing remuneration policy;
- (b) to recommend to the Board the policy and structure for the remuneration of Directors and senior management whilst ensuring no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (c) to determine the remuneration of Directors and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc.). The chairman and/or the managing Director shall be consulted respectively about their proposals relating to the remuneration of the managing Director and/or senior management, as the case may be;
- (d) to review and to approve the compensation arrangements in connection with any loss or termination of office or appointment, or dismissal or removal for misconduct to executive Directors and senior management which shall be consistent with contractual terms and fair and not excessive;
- (e) to determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets; and

CORPORATE GOVERNANCE REPORT

- (f) to consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to the achievements against the performance criteria by reference to corporate goals and objectives resolved by the Board, and make recommendations to the Board.

During the year ended 31 December 2025, the Remuneration Committee held one meeting to, among others, consider and approve the following:

- (a) to review the remuneration of Directors and senior management; and
- (b) to make recommendations to the Board on the remuneration of individual Executive Directors and senior management.

The individual attendance record of each member of the Remuneration Committee is as follows:

Name of Directors	Number of meetings attended/number of meetings which required attendance
Mr. Ng Kin Siu (<i>Chairman</i>)	1/1
Mr. Wong Chun Wah Kelvin	1/1
Mr. Siu Wilson Wai Lum	1/1 (Note 1)
Ms. Ren Yu	– (Note 2)

Note 1: Mr. Siu Wilson Wai Lum resigned as an independent non-executive Director on 5 January 2026.

Note 2: Ms. Ren Yu was appointed as an independent non-executive Director on 5 January 2026.

The Remuneration Committee has adopted the model described in Code Provision E.1.2(c)(ii) of the CG Code, namely to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee recommended that the remuneration for Board members remain unchanged and no emoluments were paid by the Group to the directors.

The emolument payable to Directors depends on their respective contractual terms under the service contracts and the appointment letters, and the recommendations of the Remuneration Committee.

Details of the Directors' emolument are set out in note 10 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

Details of the annual remuneration of members of the senior management by band for the year ended 31 December 2025 are as follows:

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

NOMINATION COMMITTEE

The Company has established the Nomination Committee with written terms of reference which are in compliance with the code provision B.3 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually; identify individuals suitably qualified to become Board members; assess the independence of the independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.

The Nomination Committee is also responsible for assessing the time commitment and contribution of each Director, considering whether each Director is able to devote sufficient time to discharge his/her responsibilities effectively having regard to his/her qualifications, work experience, listed company directorships and other significant external commitments, and supporting the Board's regular evaluation of its performance and effectiveness.

The Nomination Committee consists of one executive Director, namely, Mr. Ng Kin Siu, and three independent non-executive Directors, namely, Mr. Wong Chun Wah Kelvin, Ms. Ren Yu and Ms. Ng Chung Chi.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation to the following and assessing their suitability:

- Reputation for integrity;
- Board diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Merits and contribution that the proposed candidate will bring to the Board;
- In the case of the appointment of independent non-executive Directors, compliance with the independence requirement as prescribed under the Listing Rules; and
- Ability to devote sufficient time and attention to the Company's business.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, the Nomination Committee held one meeting to, among others, consider and approve the following:

- (a) to review the Board Diversity Policy;
- (b) to review the independence of the independent non-executive Directors;
- (c) to make recommendations to the Board on the appointment or re-appointment of Directors;
- (d) reviewed the structure, size, composition and diversity of the Board;
- (e) assessed the time commitment and contribution of each Director and considered that each Director had devoted sufficient time to discharge his/her responsibilities effectively; and
- (f) reviewed succession planning for the Board.

The individual attendance record of each member of the Nomination Committee is as follows:

Name of Directors	Number of meetings attended/number of meetings which required attendance
Mr. Ng Kin Siu (<i>Chairman</i>)	1/1
Mr. Wong Chun Wah Kelvin	1/1
Mr. Siu Wilson Wai Lum	1/1 (Note 1)
Ms. Ng Chung Chi	1/1
Ms. Ren Yu	– (Note 2)

Note 1: Mr. Siu Wilson Wai Lum resigned as an independent non-executive Director on 5 January 2026.

Note 2: Ms. Ren Yu was appointed as an independent non-executive Director on 5 January 2026.

There was no disagreement between the Board and the Nomination Committee on the appointment of a different gender Director of the Board Diversity Policy during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the financial statements of the Group. As at 31 December 2025, as disclosed in note 3 to the consolidated financial statements, the Board has assessed the validity of the going concern assumption.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders of the Company. The statements by the external auditor, OOP CPA & Co., about their reporting responsibility on the financial statements of the Group are set out in the independent auditor's report on page 66 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' investments and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Board has through the Audit Committee conducted a review of the implemented system and procedures, covering financial, operational and legal compliance controls and risk management system for the year ended 31 December 2025. The Board keeps monitoring the risk management system on an ongoing basis, ensuring a review of the effectiveness of the Group's risk management system is conducted at least annually. The Directors consider that the Group has implemented appropriate procedures safeguarding the Group's assets against unauthorised use or misappropriation, the maintenance of proper accounting records, execution with appropriate authority and compliance of the relevant laws and regulations.

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

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for the internal control of the Group and for reviewing its effectiveness.

During the Year, the Board, through the Audit Committee, conducted a review of the effectiveness of the risk management and internal control systems of our Group covering all material controls, including financial, operational and compliance as well as risk management. The Board considers that our Group's risk management and internal control systems are adequate and effective.

CORPORATE GOVERNANCE REPORT

OBJECTIVES OF RISK MANAGEMENT AND INTERNAL CONTROL

The objectives of the risk management and internal control framework of the Group are to identify and manage the risk of the Group in accordance with acceptable safety levels and to achieve the Group's strategic objectives. The Group has adopted a three line risk management approach to identify, analyse, evaluate, mitigate and handle risks. At the first line of defence, department staff/frontline employees who must understand their roles and responsibilities are responsible for identifying, assessing and monitoring risks associated with transactions. The second line of defence is the Group's management that provides independent oversight of the risk management activities of the first line of defence. It ensures that risks are within the Group's risk capacity and that the control of the first line of defence is effective. As the final line of defence, the Audit Committee with the advice and opinions from an external professional party (such as the external auditor) and the internal audit function, would conduct a review of the Company's risk management and internal control systems on an annual basis and ensure that the first and second lines of defence are performed effectively. The Board has reviewed the need for an internal audit function during the year and, having considered the size, nature and complexity of the Group's business and the existing internal control review arrangements, considered that the absence of an internal audit function remained appropriate for the time being. The Board has conducted a review, and is satisfied with the effectiveness and adequacy, of the risk management and internal control systems for the year ended 31 December 2025.

The Company has established whistleblowing arrangements for employees and those who deal with the Group to raise concerns, in confidence and anonymity where appropriate, about possible improprieties in financial reporting, internal control or other matters.

The Company has also adopted anti-corruption and anti-bribery policies and procedures to promote and support compliance with applicable anti-corruption laws and regulations. Relevant guidance and/or training is provided to employees from time to time to reinforce ethical business conduct and compliance awareness.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

For the purposes of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Company has in place a policy on handling and dissemination of inside information (the "**Policy**") which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information. This Policy also provides guidelines to staff of the Company 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.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

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

For the year ended 31 December 2025, the remuneration paid or payable to the external auditor of the Company in respect of the statutory audit services and non-audit services for the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Audit services	700	700
Others	–	–
	700	700

COMPANY SECRETARY

Mr. Yu Tsz Ngo (“**Mr. Yu**”) is the company secretary of the Company. Mr. Yu has taken no less than 15 hours of relevant professional training for the year ended 31 December 2025. The biographical details of Mr. Yu are set out under the section headed “Biographical Details of Directors and Senior Management” of this annual report.

SHAREHOLDERS' RIGHTS

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

PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETING

The following procedures for shareholders to convene an extraordinary general meeting (“**EGM**”) are subject to the Articles (as amended from time to time), and the applicable legislations and regulation, in particular the Listing Rules (as amended from time to time):

- (a) any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the “**Eligible Shareholder(s)**”) carrying the right to vote at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the “**Company Secretary**”), to require an EGM to be called by the Board for the transaction of any business specified in such requisition;
- (b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at Rooms 602–603, 6/F, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong or the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for the attention of the Board and/or the Company Secretary;

CORPORATE GOVERNANCE REPORT

- (c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding(s), the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted at the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statements submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders;
- (d) the Requisition will be verified with the Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM;
- (e) if within 21 days of the deposit of the verified Requisition and sufficient money to meet the Company's expenses for the said purposes, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board to convene such EGM shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Act (2021 Revision) of the of Cayman Islands. However, pursuant to the Articles, shareholders who wish to move a resolution may by means of Requisition request to convene an EGM following the procedures set out above.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong share registrar (details of which are set out in the section headed "Corporate Information" of this annual report).

Should there be any enquiries and concerns from shareholders, they may send in written enquiries addressed to the head office and principal place of business of the Company in Hong Kong at Rooms 602–603, 6th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong by post for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

CORPORATE GOVERNANCE REPORT

INVESTORS RELATIONS

The Company has established a range of communication channels between itself and its shareholders and investors. These include answering questions through the annual general meeting, the publication of corporate communications and announcements on the websites of the Stock Exchange and the Company. The Board and management will continue to review these channels and consider shareholders' feedback with a view to enhancing investor communication.

News updates of the Group's business development and operation are also available on the Company's website at www.fdbhk.com. During the year ended 31 December 2025, there had been no significant change in the Company's constitutional documents.

DIVIDEND POLICY

The Company has adopted a dividend policy which sets out the principles and guidelines that the Company follows in relation to the declaration and payment of dividends. A summary of the dividend policy is set out in the section headed "Results and Appropriations" in the Report of the Directors of this annual report. The Board has resolved not to recommend the declaration of a final dividend for the year ended 31 December 2025. Such decision was made by the Board in accordance with the dividend policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING PERIOD

This is the Environmental, Social and Governance (“**ESG**”) report prepared by FDB Holdings Limited (the “**Company**”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Listing Rules for the year ended 31 December 2025 (the “**Reporting Period**”).

The Company and its subsidiaries (collectively the “**Group**”) adhere to environmental, social and governance values and are committed to creating sustainable values while conducting the business. This ESG report aims to provide an annual update on our sustainability performance in compliance with regulations, policies and guidelines over the past year on various sustainable development issues.

This ESG report covers the Group’s overall environmental and social performances in its principal business operations of the construction services.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group values input and feedback from its stakeholders as the Group aims to create long-term value for them. To begin the value creation process, the Group identifies different stakeholders, such as employees, customers, investors, suppliers and contractors, and the community. They have been involved in various communication channels, including the Company’s website, annual general meetings, annual reports and interim reports, staff meetings, customers and suppliers meetings to share their views regarding the Group’s operations and behavior.

As a result, these communication channels not only can help the Group search for opportunities for its future business direction, but also fulfill its responsibilities and commitment to the community. By gauging the mutual opinion of the stakeholders, the Group can receive important feedback and input for the materiality assessment.

MATERIALITY ASSESSMENT

A materiality assessment was conducted by evaluating ESG related topics internally and we have selected our material ESG topics in view of our stakeholders’ opinions, industry report, market condition and ESG related risks. To perform the internal materiality assessment, our management and the board of the Group assessed the relationship between the degree of impact and degree of control for ESG related topics. The Group then further selected material ESG related topics based on continuous discussions with the stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has considered the importance of ESG related topics in arriving at our material ESG related topics. The result of the materiality assessment is listed below:

Environmental	Social
Air and greenhouse gas emission	Employment and Training
Resources consumption	Employee welfare
Waste Management	Occupational health and safety
	Anti-corruption
	Labor laws and standard
	Supply chain management

STAKEHOLDERS' FEEDBACK

The Company welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us via telephone (+852 3188 5595) or by email info@fdbhk.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

The Board of the Group understands that it has a responsibility to manage ESG-related risks through the Group's ESG policies and guidelines. The Board continues to develop, formulate, monitor and assess the Group's ESG policies, leading relevant staff to participate in ESG initiatives in order to ensure ESG objectives can be achieved. With a clear direction and culture for the continuous development of ESG, the Group strives to implement the ESG policies into different aspects of the business practices, integrate initiatives into strategic plans, deliver ESG sustainability initiatives, contribute to community events and connect the stakeholders.

At FDB Holdings Limited, ESG is viewed as an essential principle that creates sustainable value for all our stakeholders. By embracing opportunities and managing risks derived from environmental, social, and economic developments, the Group's ESG policies can be enhanced and developed for the long-term value for all stakeholders. To further enhance value for the stakeholders, ESG data will be analyzed annually with key performance indicators. The Board and top management may revise and update certain ESG related policies based on the ESG result. With the improvement of the ESG related policies, the Group can better align with its goals, objectives and stakeholders' expectations in the long-run.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

A. Environmental

As a construction specialist, we are aware of how our business activities would affect the environment. On the other hand, we understand how to minimise our impact on the environment with our construction knowledge and skills. We believe that environmental protection would bring significant impact to the environment. As such the Group is committed to continually improving its environmental performance by implementing the following initiatives on environmental protection for the well-being of communities:

- To use ultra-low sulphur diesel for plants and generators;
- To adopt non-road mobile machinery approved with Environmental Protection Department's labels;
- To use air compressors and hand-held percussive breakers with noise emission labels;
- To utilize trip-ticket systems to record disposal of construction waste to disposal facilities; and
- To prohibit open burning in all sites.

Our construction works are subject to certain environmental requirements pursuant to the laws in Hong Kong. Certain laws and regulations that have a significant impact on the Group are as follows:

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong);
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong);
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong);
- Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong);
- Dumping at Sea Ordinance (Cap. 466 of the Laws of Hong Kong); and
- Environmental Impact Assessment Ordinance (Cap. 499 of the Laws of Hong Kong).

During the year ended 31 December 2025, the Group exercised stringent controls to ensure the construction sites and engaged parties have fully complied with the relevant environmental laws and regulations. As a result, the Group did not identify any material non-compliance related to emission that resulted in prosecution, conviction or penalty being brought against us in environment aspects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1 Emissions

Environmental protection has always been one of the fundamental values of the Group. In the course of achieving the Group's business objectives and creating sustainable value for its stakeholders, the Group wants to achieve a balance between its operation needs and the protection of the environment by using efficient resources and minimizing pollutants in business operation.

Air Emission

The Group recognizes its responsibility to contribute towards environmentally sustainable development through complying with the Air Pollution Control Ordinance. Air Pollution Control Ordinance gives the Group a principal guideline in Hong Kong in terms of air quality, required license control area, responsible entity and consequence. Air Pollution Control Ordinance states that the owner of any premises used for construction shall use the best practicable means for preventing the emission of noxious or offensive emission from the premises, whether directly or indirectly. Following the Air Pollution Control Ordinance, the Group is able to identify, evaluate and minimize the environment impact of construction activities. The Group also assigns employees to carry out inspection on the construction sites as air pollutants may be difficult to observe and require stringent monitoring.

Furthermore, the Group promotes environmentally friendly practices with employees by implementing the following initiatives:

- Complying with environmental legislation and other applicable regulations;
- Using environmentally clean energy efficiently; and
- Reducing waste by reusing the materials.

The KPIs for air emission and air pollutants emission for the year ended 31 December 2025 are set out below.

Air Emission Data

Air Pollutants	Unit	2025	2024
Nitrogen Oxides (NO _x)	Kg	–	–
Sulphur Oxides (SO _x)	Kg	–	–
Particular Matter (PM)	Kg	–	–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Greenhouse Gas Emissions

The Group reduces its greenhouse gas emission by lowering its energy consumption. During the Reporting Period, our greenhouse gas emission mainly came from purchased electricity, consumption and disposal of paper. The details of our greenhouse gas emission during the Reporting Period are as follows:

Air Pollutants	Unit	Construction and Consultancy	
		2025	2024
Scope 1			
Direct Emission ¹	tCO ₂ e	–	18
Scope 2			
Indirect Emission ²	tCO ₂ e	192	403
Scope 3			
Other Indirect Emission ³	tCO ₂ e	18	31
Total GHG Emission	tCO ₂ e	210	451

Note: Scope 1 – Direct emissions from operations that are owned or controlled by the Group;
 Scope 2 – “Energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group; and
 Scope 3 – All other indirect emissions that occur outside the Group, including both upstream and downstream emissions.

Fuel consumption is directly related to carbon emissions and we continuously monitor the use of vehicles.

There were 210 tonnes of carbon dioxide equivalent (“tCO₂e”) greenhouse gases (mainly comprising of carbon dioxide, methane and nitrous oxide) emitted from the Group’s business operation in the Reporting Period. The annual emission has decreased around 53% when compared to the last Reporting Period.

Waste Management

The Group has complied with the Waste Disposal Ordinance, which is a principal legislation controlling the production, storage, collection, treatment, reprocessing, recycling and disposal of wastes in Hong Kong. The Waste Disposal Ordinance provides a clear message on illegal behavior of the depositing of waste, responsible entity, restriction of waste disposal, license requirement and penalties. The Group is aware of the impact of inadequate waste handling which could cause inconvenience, hygiene problems and danger to the community. As such, the Group is committed to dispose waste from construction sites legally and properly.

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In order to reduce the negative impact of waste, the Group has formulated several waste management measures and recognized the importance of waste reduction. For non-hazardous waste, the Group has implemented its waste management plans to ensure that all waste generated during the construction phase is managed on site, transported and disposed of in environment-friendly ways. Besides, the Group has adopted a trip-ticket system for the disposal of construction waste to disposal facilities. It facilitates the recording of waste as it arrives at the landfill or public filling area in order to minimize the potential of cross-contamination with other waste. To facilitate proper disposal management, waste sorting is carried out on site to separate re-usable and recyclable materials, hazardous waste and non-hazardous waste.

In the offices, the Group encourages the staff to consider environmentally friendly practices in paper waste management:

- Adopt double-sided printing;
- Recycling bins placed next to the copiers to facilitate collection and reuse of paper; and
- Using electronics documents and files for storage.

During the Reporting Period, the Group did not generate any hazardous waste.

Waste Disposal	Unit	2025	2024
Hazardous Wastes Produced			
N/A	tonnes	–	–
Non-hazardous Wastes Produced			
Construction Sites:			
Inert Material			
Construction and Demolition (C&D) Waste			
C&D Waste (Fill Bank)	tonnes	384	285
C&D Waste (Sorting Facility)	tonnes	1,073	858
C&D Waste (Landfill)	tonnes	1,654	720
Office:			
Paper	tonnes	3	4
Total	tonnes	3,114	1,866

The Group believes that building a more sustainable environment is a main business direction. To remind staff to “save paper, energy and other resources”, the Group sent out this message through notices and email. Having implemented the initiatives and actions, the Group continues to strive the best environment for the communities. As a result, during the Reporting Period, only the non-hazardous waste of C&D Waste (Landfill) has slightly increased while the non-hazardous waste of C&D Waste (Fill Bank) and C&D Waste (Sorting Facility) have decreased.

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A2 Use of Resources

With the challenges of environmental protection, the Group strives to minimize the energy consumed in its operations by identifying and imposing measures to increase energy and resource efficiency.

The resources used by the Group are principally attributed to electricity and water consumed in its daily operation. With the aim to better manage its use of resources, the Group makes great effort to improve and develop the way to build in a resource efficient manner. Before the start of each project, the use of resources is projected within a specified range. During each project, regular assessments of the use of resources are performed so the use of resources is controlled within the limit.

The Group motivates the following resources saving initiatives to offset the negative impact on climate change and environment:

- Encouraging employees to switch off the lights and electronic appliances before they leave the office;
- Encouraging employees to set the temperature of the offices' air conditioners to 25.5 Degree Celsius;
- Encouraging employees to reuse envelopes and files;
- Encouraging employees to use double-sided printing and reuse paper whenever possible;
- Place water saving signs next to faucets; and
- Encouraging and arranging the surplus materials on the construction sites to be re-used in other construction sites instead of dumping.

For the year ended 31 December 2025, there was no water fetching problem in our daily business.

Use of packaging materials is not relevant to the Group's businesses. Below sets out the KPIs for electricity and water consumption.

Types of Resources	Unit	2025	2024
Electricity			
Total Electricity Consumption	(kWh)	191,566	402,695
Electricity Intensity	(kWh/Staff/Day)	11.66	18.62
Water			
Total Water Consumption	(m ³)	4,143	7,388
Water Consumption Intensity	(m ³ /Staff/Day)	0.12	0.27

The consumption of electricity and water decreased significantly in the Reporting Period since the peak operation period of three construction sites has passed.

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We must identify and record site environmental aspects in operation, storage, waste management, distribution and disposal, etc. in the Group's register of environmental aspects for monitoring and mitigating our environmental impact.

A3 *The Environment and Natural Resources*

The business activities of the Group have no significant impact on environment and natural resources. Being one of the stakeholders of the environment, the Group still takes environmental issues into due consideration when marking business decisions and actively minimizing the impact of our business operations on the environment. The Group has developed the Environmental Management System which has been certified to comply with ISO 14001. All employees are reminded to adhere to the use of natural resources in environmentally friendly ways.

A4 *Climate Change*

During the Reporting Period, the Group has not been significantly impacted by climate-related issues while the Group understands climate-related issues are harmful to the environment and have been rigorously regulated by the United Nations' Framework Convention. As a result, the Group minimized its greenhouse gases to mitigate climate change. Greenhouse gas emissions from the Group were primarily due to the consumption of electricity and water in its business operations. The Group continues to reduce its greenhouse gas emission by lowering its energy consumption and regularly reviews the possible threats from climate-related impact on the Group's business.

Governance

The Board assumes ultimate responsibility for the Group's ESG strategy and the oversight of climate-related risks and opportunities. The Board is responsible for evaluating the potential impacts of climate change on the Group's long-term value and ensuring that robust risk management and internal control systems are maintained. Oversight of these processes is delegated to the Audit Committee, which reviews the effectiveness of the Group's risk management framework, including climate-related physical and transition risks, on a bi-annual basis.

At the management level, the Chief Executive Officer and senior project managers are responsible for the day-to-day assessment and monitoring of climate issues. This includes the implementation of site-specific emergency protocols and the reporting of significant weather-related disruptions or regulatory changes to the Audit Committee.

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Strategy

The Group has integrated climate considerations into the strategic planning of its core business of integrated contracting services. The Group defines its climate-related time horizons as short-term (0–1 year), medium-term (1–5 years), and long-term (over 5 years). The Group considers its current business model to be resilient under various climate scenarios, including a 2°C or lower scenario, due to the high adaptability of its project management systems and the proactive transition toward green building materials.

Risk Category	Climate-related Issue	Description and Potential Impact	Response Actions
Physical Risks (Acute)	Extreme Weather Events	Increased frequency of typhoons and rainstorms leads to mandatory site suspensions, potential damage to works-in-progress, and delays in project timelines.	The Group has established robust site-specific emergency response protocols, including the reinforcement of temporary structures and secure storage of materials.
Physical Risks (Chronic)	Rising Temperatures	Sustained periods of high heat increase the risk of heat stress for site personnel and subcontractors, necessitating enhanced health and safety measures.	The Group has implemented "Heat Stress at Work" guidelines, providing adequate hydration, ventilated rest areas, and adjusted working hours during peak heat.
Transition Risks (Regulatory)	Enhanced Disclosure & Building Standards	Tighter environmental regulations regarding carbon emissions may require the Group to adopt more advanced, low-carbon construction methods and materials.	The Group ensures regular monitoring of regulatory changes by management and the Audit Committee to ensure construction methodologies remain ahead of mandates.
Transition Risks (Market)	Preference for Green Building	As clients and investors prioritize environmental performance, a failure to demonstrate expertise in green building practices may impact competitiveness.	The Group has initiated green procurement reviews and actively advises clients on sustainable design options to strengthen its positioning in tenders.

Risk Management

The Group utilizes a comprehensive risk management and internal control system to identify, evaluate, and manage significant risks. Climate-related risks are integrated into this enterprise-wide framework, allowing the Group to monitor the likelihood and severity of physical and transition impacts on its operations. Management conducts climate risk assessments at least bi-annually, prioritizing risks based on their potential impact on project safety, financial stability, and regulatory compliance. The results of these assessments are reviewed by the Audit Committee and reported to the Board, ensuring that the Group's risk appetite and adaptation strategies are refreshed in alignment with the evolving meteorological and regulatory environment.

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Metrics and Targets

The Group monitors its Scope 1 and Scope 2 greenhouse gas emissions and energy consumption as key performance indicators to track its environmental footprint in accordance with HKFRS S2. While the Group currently evaluates its exposure to climate-related risks as manageable under existing controls, the Board re-evaluates the necessity of establishing specific quantitative targets on an annual basis to ensure alignment with industry benchmarks and stakeholder expectations.

In accordance with evolving reporting requirements, the Group has initiated a process to evaluate material Scope 3 (Value Chain) emissions, specifically focusing on purchased goods and services and subcontracted operations. The Group is currently refining its data collection frameworks to provide more comprehensive value-chain disclosures in future reporting periods. At present, the Group does not apply an internal carbon price in its investment decisions, nor are climate-related considerations factored into the executive remuneration policy. The Group remains committed to high standards of transparency as it transitions toward full HKFRS-aligned climate reporting.

B. Social

We consider our staff as valuable wealth of the Group and the foundation for the development of the Group. We also believe in giving back to the communities in which we operate. The following is our policy on social aspects:

- To provide a supportive and peaceful working environment by upholding employment practices that treat our staff fairly and equally;
- To maintain the rights and interests of our staff through strict compliance with the applicable laws and regulations;
- To offer our staff opportunities for training and development;
- To ensure a healthy and safe workplace and promote efficient interaction within the Group;
- To safeguard a high standard of integrity, transparency and accountability in our operations; and
- To support local initiatives that create sustainable and lasting benefits to the community through corporate philanthropy and mobilizing our staff to participate in volunteer work.

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B1 *Employment and Labor Practices*

The Group puts significant emphasis on people who are regarded as the Group's most valuable assets and the key element of its business development. Hence, the Group has established clear policies to attract and retain talents through treating the staff fairly and equally, aiming at reinforcing satisfaction, commitment and motivation of human capital. The Group recognizes the role of human resources policies in enhancing the quality and stability of our workforce. Human resources policies and procedures established in the Group are applicable to all staff.

To ensure a fair reward system, the Group offers competitive remuneration and welfare packages for the right talents and their salary and opportunities are adjusted on the basis of performance, qualification, relevant working experience, attitude, job knowledge, job responsibilities, punctuality, position and the Group's operation. In the recruitment process, the Group holds the beliefs in equality and anti-discrimination to deliver equal opportunity for the candidates.

The Group firmly upholds the principle of treating each employee fairly and consistently in all matters and enforces its employment policies in accordance with the regulations of the Employment Ordinance in Hong Kong. The Group has complied with all relevant laws and regulation for the year ended 31 December 2025.

Employee Benefits and Welfare

Throughout the Group's operation, the Group strives to provide a fair and safe working environment in which the staff can build up their career and foster their personal development. In accordance with a reward and performance approach, high performers are rewarded with a higher bonus and salary increment. Meanwhile, their performance reviews are conducted regularly by department heads. Further discussion with the top management and human resources department regarding the performance may be required.

The Group sets appropriate and regular working hours and rest breaks for all staff members in their respective employment environment. The standard working hours are around 8 to 10 hours per day and 40 to 50 hours per week. The Group also provides paid annual leave and public holidays in addition to statutory holidays set by the government. With regard to the legal requirements for retirement funds, the Mandatory Provident Fund ("**MPF**") scheme is adopted for all the employees in Hong Kong. The Group is obligated to contribute 5% of all salary levels as the retirement fund of the employees in the MPF scheme.

Promotion and Dismissal

In accordance with the Group's policies and procedures, setting internal promotions can boost the motivation of the employees. Whenever possible, talented employees will first be considered before posting job vacancies in public. Employees are also welcome to discuss their career development with their respective department head or the Human Resources Department.

An employee who wishes to resign should tender notice in writing to the Group as stipulated in his or her letter of appointment. Under the resignation process, the Group will carefully settle the remaining salary and holidays to make sure a fair treatment is enacted. The Group will always respect an employee's resignation decision.

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Total Employees and Turnover

As of 31 December 2025, the Group employed 57 staff in total. As an illustration, the workforce statistic by employment category, gender, are illustrated in pie graphs while the workforce statistic by age group and geographical region are disclosed as follows:

Employment

Total Employees		Unit	2025	2024
Gender	Male	%	82	88
	Female	%	18	12
Employment Category	Management	%	21	24
	Technical/Supervisor	%	12	13
	General Staff	%	67	63
Age Distribution	18 or below	%	–	–
	19 to 40	%	35	32
	41 to 60	%	44	49
	Over 60	%	21	19
Geographical Distribution	Hong Kong	%	100	100

More than half of the Group's workforce are male and over 67% of its staff is general staff. Over 46% of the Group's staff is aged between 41 to 60. All employees are remunerated fairly, regardless of gender, age or nationality.

The overall turnover rate is 37%. The annual turnover rates categorized by different gender, age group and geographical region in the Reporting Period are as follows:

Employees Turnover Rate		Unit	2025	2024
Gender	Male	%	20	23
	Female	%	40	44
Age Distribution	18 or below	%	–	–
	19 to 40	%	10	8
	41 to 60	%	64	38
	Over 60	%	25	21
Geographical Distribution	Hong Kong	%	37	25

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B2 Health and Safety

Due to the business nature of the Group, the Group places the highest priority on securing occupational safety and health of all the employees by maintaining a healthy, safe and quality workplace. To achieve a healthy and safe workplace, the Group strives to promote employees' awareness of occupational threats. By understanding the potential hazards in workplace, employees can take preventive measures to ensure a healthy and safe environment.

The Group have taken the following precautionary measures at our offices to minimize the risk of approaching and spreading the coronavirus:

- Installing air purifiers to improve air quality and ventilation;
- Encouraging employees to take the vaccine;
- Wearing a surgical mask in the office;
- Social distancing is encouraged;
- More frequent cleaning and disinfecting;
- Measuring body temperature for employees; and
- Minimizing face to face meetings.

Safety Audit

Safety audits were conducted periodically in the office (corporate level) and on site (project) according to the statutory requirements of the Factories and Industrial Undertakings (Safety Management) Regulation (Cap. 59AF of the Laws of Hong Kong), to check the efficiency, effectiveness and reliability of the safety management and to set up a plan for further improvement actions.

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ISO 45001

The Occupational Safety Management System was developed. The system not only complies with the statutory requirements, it has also been certified to comply with an international standard of ISO 45001. This standard is implemented to all projects and is continuously undergoing improvement with latest international trends.

Summary of Health and Safety Performance Indicators

	2025	2024	2023
Work-related fatalities (Case)	–	–	–
Lost days due to work injury (Day)	17	162	505

During the year ended 31 December 2025, the Group did not identify any material non-compliance cases relating to health and safety.

The Group has complied with relevant occupational safety and health legislation, and regulations including the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong).

B3 Development and Training

Talent Management

The Group believes that people development plays the most pivotal role in laying a solid ground for business growth. Meanwhile, employees can gain long-term growth and career development in the Group. By allocating sufficient resources to people development, employees are given different types of opportunities based on their position, required skills and working levels. Besides on-the-job training, employees are encouraged to participate in internal and external training to strengthen their capacity, work skills, knowledge and professionalism with newly updated guidelines and latest information on market and industry development. To assess the effectiveness of the training program, the Group regularly reviews it and applies necessary modifications to the program to meet the Group's development goal.

Job Orientation

To assimilate into our culture and get familiar with the new working environment, all new staff undergo an orientation which relates to the Group's background, professional ethics, knowledge and skills for the appointed position, duties and operational procedures and safety etc.

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Summary of Development and Training Performance Indicators

During the year ended 31 December 2025, the total and average training hours completed per employee by gender and employee category are as follows:

By Employee Category and Gender	Total Training Hours		Average Training Hours	
	Female	Male	Female	Male
Management	–	28	–	28
Technical/Supervisor	–	56	–	28
General Staff	64	222	32	44

By Employee Category and Gender	Trained employees as a percentage of total number of employees	
	Female %	Male %
Management	–	10
Technical/Supervisor	–	29
General Staff	20	17

B4 Labor Standards

The Group strictly complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and fully understands that employing child labor and forced labor is prohibited. The Group reviews the job applicant's identity information during the recruitment process and the applicant is also required to provide document proof of academic qualifications and working experience for verification. The employment policies of the Group also protect the right of free choice of employment by any person and ensure that all employment relationships are established on a voluntary basis. Moreover, the human resources department ensures that sufficient rest days are available to employees. When child labor or forced labor is discovered, the Group would launch investigations and suspend all the job duties of the respective employees. Once the case of child labor or forced labor is verified, the employment contract would be terminated.

During the year ended 31 December 2025, the Group did not identify any non-compliance cases involving child labor and forced labor and complied with all relevant laws and regulations relating to employment and labor practices.

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B5 Supply Chain Management

To ensure the Group's service quality, the Group's policy in relation to subcontractors and suppliers is to select only those subcontractors and suppliers who have passed the Group's quality control tests and have a satisfactory record of quality and on-time delivery. Our subcontractors and suppliers are required to follow Hong Kong and their local applicable laws and regulations in relation to occupational health and safety and environmental protection.

The Group aims to maintain partnerships with suppliers and work together in order to promote sustainable development of the industry. The Group performs the evaluation of subcontractors and suppliers on an annual basis to make sure the performance of the subcontractors and suppliers are up to standard. The assessment mainly includes but is not limited to professional qualification, services/products quality, financial status, operation in good integrity, social responsibility, etc.

Summary of Suppliers

As at 31 December 2025, the following table sets out breakdowns of the Group's suppliers/subcontractors by geographic region.

	2025	2024
Number of Key Suppliers/Subcontractors	109	117
By Region		
Hong Kong	87	93
Mexico	–	–
People's Republic of China	12	14
European Union	9	4
United States	1	2

B6 Product Responsibility

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

The Group communicates and confirms the work plan with customers before the commencement of projects and actively monitors, processes and coordinates with the customers. For the year ended 31 December 2025, the Group did not receive any material complaints or requests to terminate projects due to poor quality and safety. If a complaint should arise, the Company will immediately assess the complaint and conduct an internal investigation into the matter to identify the source of the issues. If the complaint is valid, the Group will immediately provide the relevant solution to solve the issues as soon as practicable.

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The Group also recognizes the importance of intellectual property rights and exercises reasonable effort in protecting intellectual property. The management and relevant departments review the contracts entered into with customers and suppliers to ensure the intellectual property rights are properly accounted for. The Group also complies with the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong). All confidential data of customers can only be assessed by the staff who are responsible for the projects for relevant clients.

For the year ended 31 December 2025, the Group did not identify any non-compliance cases relating to product responsibility.

The Group will keep a close eye on the updates of relevant regulations and codes and revise its policies and operations accordingly, so as to prevent any malpractice.

B7 Anti-corruption

The Group realizes the importance of the integrity of our employees and has established the Code of Conduct (“**CoC**”) for all employees. With reference to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), advice from the Independent Commission Against Corruption (ICAC), industry practice and internal consideration, CoC is made for the purpose of providing employees with the guidance for allowable acceptance of gifts or entertainment, conflict of interest, handling of confidential information, and whistle-blowing procedure. In line with the CoC, the Group has also partnered with ICAC to organize talks on fighting corruption in the construction industry in particular, as refresher training for its staff.

Employees are also required to comply strictly with applicable laws relating to the above acts. The Group emphatically affirms its zero-tolerance attitude regarding corruption, fraud, and all other behaviors that seriously violate professionalism and work ethics. Upholding a high standard of integrity, transparency and accountability in its operations, the Group has adopted and circulated clear internal guidelines for employees. During the year ended 31 December 2025, the Group did not receive any complaint or notification from governmental authorities regarding non-compliance of the Group or its employees with anti-corruption laws referred to above.

B8 Community Investment

The Group encourages staff to take part in community welfare and giving back to the society. Community welfare offers a great opportunity for the Group to interact with various stakeholders, leading to a better understanding of their needs and expectations. During the Reporting Period, the Group participated in the Public Estate Basketball Programme to support the youths to develop positive attitudes and engagement in community development. During the Reporting Period, the Company also take part on contributing to the workplace equality, we have devoted sufficient time resources by our senior management to promote the gender and race equality in the workplace environment.

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INDEX FOR ESG REPORTING GUIDE

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Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Air Emission Greenhouse Gas Emissions Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emission Data
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions in total (in tonnes) and intensity.	Emissions – Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management (Not applicable)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – Air Emission Emissions – Greenhouse Gas Emissions Emissions – Waste Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

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Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
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KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources
KPI A2.2	Water consumption in total and intensity.	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

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Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practise
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Total Employees and Turnover
KPI B1.2	Employee turnover by gender, age group and geographical region.	Total Employees and Turnover

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Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Summary of Health and Safety Performance Indicators
KPI B2.2	Lost days due to work injury.	Summary of Health and Safety Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Summary of Health and Safety Performance Indicators
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Summary of Development and Training Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Summary of Development and Training Performance Indicators

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Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Summary of Suppliers
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

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Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

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Subject Areas, Aspect, General Disclosure and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. NG Kin Siu, (吳建韶), aged 59, is an executive Director and the chief executive officer of the Company and is responsible for the overall business development and strategic planning of the Group. He was appointed as an executive Director on 19 March 2015 and appointed as the Chairman of the Board on 14 December 2021. He is also a director of Win Lee Building Engineering Limited ("**Win Lee**"), FDB Development Limited, Harvest Building Consultancy Limited and Marvo Architecture Limited, all being subsidiaries of the Company. Mr. Ng is the sole shareholder of Masterveyor Holdings Limited, who became the controlling shareholder of the Company since April 2021.

He graduated from The Robert Gordon University in the United Kingdom in June 1993 with a degree of Bachelor of Science in building surveying. He has been a member of The Hong Kong Institute of Surveyors since March 1997, a member of The Royal Institution of Chartered Surveyors since December 1996 and was registered as a registered professional surveyor with the Surveyors Registration Board in July 1999. He has been an Authorized Person since December 2007 and a Registered Inspector in Hong Kong since 3 October 2012. He has also been the technical director for Win Lee's registration of registered general building contractor and registered specialist contractor (demolition) since June 2009 and May 2009, respectively.

He has extensive experience in building surveying and is familiar with the Buildings Ordinance in Hong Kong. Prior to founding the Group, he worked in the Buildings Department from April 1997 to March 2008, with last position held being that of building surveyor.

Other than the experience in the building and construction industry, Mr. Ng is also experienced in real estate development, property project management and financial services sectors.

Mr. Ng was not a director in any listed companies for the last three preceding years.

Mr. YU Hongxiang, (余宏翔), aged 47, graduated from Macquarie University, Sydney, Australia with Master of Business Administration in 2010. Prior to this appointment, Mr. Yu has served as a supervisor and a controlling shareholder holding approximately 70% of the equity of Hangzhou Wogeli Energy Technology Co., Ltd ("**杭州沃格立能源科技有限公司**"), a Mainland China-based enterprise with a diverse business portfolio encompassing new energy equipment manufacturing, industrial goods trading, and technology services.

Mr. Yu was not a director in any listed companies for the last three preceding years.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Chun Wah Kelvin (黃鎮華) (“Mr. Wong”), aged 52, is a practising solicitor in Hong Kong and is also an experience practitioner in housing management with over 20 years of experience. Mr. Wong is currently a consultant with Messrs. Au-Yeung, Cheng, Ho & Tin. Prior to his joining of the legal field, Mr. Wong was employed by various property management companies since 1993 and was also a Registered Professional Housing Manager under the Housing Managers Registration Ordinance (Cap. 550, Laws of Hong Kong), a Member of The Hong Kong Institute of Housing and a Full Member of Institute of Shopping Centre Management.

Mr. Wong is currently a Professional Member of The Royal Institution of Chartered Surveyors, a Chartered Member of the Chartered Institute of Housing, an Ordinary Member of the Hong Kong Institute of Real Estate Administrators and a Member of The Hong Kong Institute of Facility Management. He was admitted as a solicitor of the High Court of the Hong Kong Special Administrative Region in 2018.

Mr. Wong obtained a Bachelor of Housing Management and a Master of Laws from The University of Hong Kong and a Juris Doctor and Postgraduate Certificate in Laws from the City University of Hong Kong.

Save as disclosed above, Mr. Wong was not a director in any other listed companies for the last three preceding years.

Ms. REN Yu, (任瑜), aged 42, holds a Bachelor of Laws degree from East China University of Political Science and Law and a Master of Laws degree from The Chinese University of Hong Kong. She is qualified as a practicing lawyer in the People’s Republic of China and is a current member of the Hong Kong Chartered Governance Institute holding qualifications of Chartered Secretary and Chartered Governance Professional. Ms. Ren has extensive experience in corporate compliance, corporate governance, and cross-border investment and financing in Mainland China and Hong Kong.

Save as disclosed above, Ms. REN was not a director in any other listed companies for the last three preceding years.

Ms. NG Chung Chi, (伍頌慈) (“Ms. Ng”), aged 44, has over 20 years of experience in accounting, auditing and financial reporting, specialising in U.S. listed companies that are based in or have substantial operations in Asia Pacific.

From May 2021 to August 2022, Ms. Ng served as the Chief Financial Officer of Guardforce AI Co., Ltd., a Nasdaq-listed global security solutions provider (Nasdaq: GFAL). She previously held the same role from February 2018 to June 2019, while the company was traded on the U.S. OTC markets. Between March 2019 and May 2020, Ms. Ng was the audit committee chair of Addentax Group Corp. prior to its Nasdaq listing (Nasdaq: ATXG). Ms. Ng served as the audit committee chair of LZ Technology Holdings Limited since February 2025, a Nasdaq-listed information technology and advertising company (Nasdaq: LZMH).

Earlier in her career, Ms. Ng served as the Asian services leader in the audit business unit of Crowe Horwath LLP in Denver, Colorado. From January 2013 to December 2016, she was the Audit Senior Manager of GHP Horwath P.C. also in Denver.

Ms. Ng is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, Ms. Ng was not a director in any other listed companies for the last three preceding years.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Disclosure required under Rule 13.51 of the Listing Rules

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there is no information in relation to the Directors that is required to be disclosed pursuant to Rules 13.51 of the Listing Rules as at the date of this annual report.

COMPANY SECRETARY

Mr. YU Tsz Ngo (余子敖) (“Mr. Yu”), aged 40, was the company secretary during the period between 15 May 2015 and 18 May 2020 and was re-appointed as a company secretary and authorised representative of the Company on 14 December 2021. Mr. Yu has over 15 years of experience in the related fields of finance, auditing, accounting, corporate governance practices, and company secretarial matters and possesses the requisition qualification and experience as required under the Listing Rules. Mr. Yu obtained a bachelor’s degree of commerce (accounting and finance) and a master’s degree of applied finance from Monash University of Australia in December 2005 and December 2006, respectively. He is a member of the Certified Public Accountants Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Yu was not a director in any listed companies in the last three preceding years.

REPORT OF DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 December 2025.

CORPORATE INFORMATION

The Company was incorporated with limited liability in the Cayman Islands on 19 March 2015.

The shares of the Company were listed on GEM of the Stock Exchange with effect from 30 September 2015 and have been transferred to the Main Board of the Stock Exchange since 10 July 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 34 to the consolidated financial statements.

BUSINESS REVIEW

Detailed business review is set out in the section of “Management Discussion and Analysis” (“**MD&A**”) in this annual report from pages 4 to 10. Future development of the company’s business is set out in the section of “Chairman’s Statement” and “MD&A” in this annual report on page 3 and page 4 respectively. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

Key Risks and Uncertainties

The Group believes that the risk management practices are important and uses its best effort to ensure they are sufficient to mitigate the risks present in its operations and financial position as efficiently and effectively as possible.

An analysis of the Group’s financial risk management (including market risk, credit risk, and liquidity risk) objectives and policies are provided in note 31 to the consolidated financial statements.

Environmental Protection

The Group is committed to contributing to the sustainability of the environment through its business activities. The Group established measures and created an environmental framework to minimise and monitor the environmental impact attributable to its operations. The Group implemented green office practices such as redeploying office furniture as far as practicable, encouraging use of recycled paper for printing and copying and reducing energy consumption by switching off idling lightings and electrical appliances. Moreover, the Group also established air pollution, noise and waste disposal control such as watering when necessary for any dusty materials before loading and unloading on site; carrying out work that creates loud noise during day-time or non noise sensitive hours only; and providing labelled bins to allow segregation of recyclable materials from other waste for transportation to landfills or public fill whenever possible.

REPORT OF DIRECTORS

Workplace Quality

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 71 of this annual report.

The Company has adopted a policy on payment of dividends in compliance with code provision F.1.1 of the CG Code, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company. The Company will declare and/or recommend a payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its actual and expected financial results, cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to the Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends. The Company shall review and reassess the dividend policy and its effectiveness on a regular basis or as required.

The Board does not recommend any payment of a final dividend for the year ended 31 December 2025 (2024: nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting is scheduled for Friday, 29 May 2026. In order to determine entitlements to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2026. The record date for determining the eligibility of the shareholders to attend and vote at the annual general meeting will be Friday, 29 May 2026.

FINANCIAL SUMMARY

The summary of the results and of the assets and liabilities of the Group is set out on page 144 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements of this annual report.

REPORT OF DIRECTORS

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 26 to the consolidated financial statements.

SHARE OPTION SCHEME

The share option scheme (the “**Scheme**”) is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contribution of the Directors and other employees who have made valuable contributions to the Group. The Scheme of the Company was adopted on 16 September 2015 (the “**Adoption**”). There was no share option granted or agreed to be granted under the Scheme from the date of the Adoption to 31 December 2025.

The following is a summary of the principal terms of the Scheme but it does not form part of, nor was it intended to be part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

(a) Purpose

The Scheme is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to our Group. The Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with a view to achieving the following objectives: (i) to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) to attract and to retain or otherwise to maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) The participants of the Scheme

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

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

(c) Maximum number of shares

A maximum of 159,840,000 Shares, being 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange, may be issued upon exercise of all options to be granted under the Scheme. The Company may, subject to the issue of a circular, the shareholders’ approval in general meeting and/or such other requirements prescribed under the Listing Rules, refresh this limit at any time to 10% of the Shares in issue as at the date of the shareholders’ approval.

REPORT OF DIRECTORS

As at 31 December 2025 and the date of this report, no share option has been granted by the Company. As at the date of this report, the outstanding number of share options available for grant under the Scheme is 159,840,000 share options to subscribe for the Shares, representing approximately 10% of the issued share capital of the Company. As at the date of this report, the number of options available for grant under the Scheme was 159,840,000 Shares, respectively. There was no service provider sublimit set under the Scheme during the year ended 31 December 2025.

(d) Maximum number of shares to any one individual

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the issued shares of the Company as at the date of grant.

(e) Price of shares

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

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share.

(f) Time of exercise of options and duration of the Scheme

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company during the year ended 31 December 2025.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2025, the Company did not have any distributable reserve available for distribution to its shareholders, calculated in accordance with the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.

MAJOR CLIENTS AND SUPPLIERS

For the year ended 31 December 2025, the percentage of revenue attributable to the Group's major customers is set out below:

REPORT OF DIRECTORS

Revenue

- The largest customer 63.2%
- The total of the five largest customers 94.6%

For the year ended 31 December 2025, the percentage of cost of services attributable to the Group's major suppliers is set out below:

Cost of services

- The largest supplier 10.2%
- The total of the five largest suppliers 39.7%

None of the Directors, their close associates (as defined in the Listing Rules) or shareholders (who to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major customers and major suppliers noted above.

DIRECTORS

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

Executive Directors:

Mr. Ng Kin Siu (*Chairman and chief executive officer*)

Mr. Yu Hongxiang (appointed on 5 January 2026)

Independent non-executive Directors:

Mr. Wong Chun Wah Kelvin

Mr. Siu Wilson Wai Lum (resigned on 5 January 2026)

Ms. Ng Chung Chi

Ms. Ren Yu (appointed on 5 January 2026)

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on pages from 54 to 56 of this annual report.

REPORT OF DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of the executive Director and independent non-executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the month of Listing or the date of appointment and will continue thereafter until terminated in accordance with the terms of the service contract. Independent non-executive Directors are appointed for a term of three years initially and will continue thereafter unless terminated by either party giving at least three months' notice in writing.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment compensation other than the statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance, to which the Company, its holding company or subsidiaries was a party and in which a Director or a connected entity of a Director of the Company had a material interest, whether directly or indirectly, subsisted at any time during or at the end of the year ended 31 December 2025.

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provide that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 10 to the consolidated financial statements in this annual report.

EMOLUMENT POLICY

The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, time devoted to the Group and the performance of the Group. The Directors and other employees who have made valuable contributions to the Group may also receive options to be granted under the Share Option Scheme.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder of the Company or any of their respective associates (as defined in the Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2025.

REPORT OF DIRECTORS

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2025, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the ordinary shares of the Company

Name of Director	Capacity/Nature	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng Kin Siu (Note)	Interest in controlled corporation	827,000,000	62.09%

Note:

Mr. Ng Kin Siu beneficially owns the entire issued share capital of Masterveyor Holdings Limited ("Masterveyor") and is deemed, or taken to be, interested in all the shares of the Company held by Masterveyor for the purposes of the SFO. Mr. Ng Kin Siu is the Chairman of the Board and chief executive officer of the Company.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng Kin Siu	Masterveyor	Beneficial owner	2	100%

Save as disclosed above, as at 31 December 2025, none of the Directors nor chief executive of the Company has registered an interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) 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 and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

REPORT OF DIRECTORS

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2025, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/ Nature of interest	Number of shares held/ Interested in	Long/ short position	Percentage of total issued share capital of the Company
Masterveyor	Beneficial owner	827,000,000	Long	62.09%
Ms. Wong Chai Lin	Interest of spouse (Note 1)	827,000,000	Long	62.09%
Gentle Soar Limited	Beneficial owner (Note 2)	209,720,000	Long	15.74%
Mr. Gao Yunhong	Interest in a controlled corporation (Note 2)	209,720,000	Long	15.74%

Notes:

1. Ms. Wong Chai Lin is the spouse of Mr. Ng, an executive Director, the chief executive officer of the Company and the beneficial owner of Masterveyor, and is deemed, or taken to be, interested in all the shares in which Mr. Ng is interested for the purposes of the SFO.
2. Mr. Gao Yunhong is beneficially interested in the entire issued shares of Gentle Soar Limited and is therefore deemed to be interested in the shares of the Company held by Gentle Soar Limited by virtue of the SFO.

Save as disclosed above, as at 31 December 2025 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register and kept by the Company pursuant to Section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business of the Group are provided under note 29 to the consolidated financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum public float of 25% of the Company's total number of issued shares in that class under Rule 13.32B of the Listing Rules.

AUDITOR

CWK CPA Limited had been appointed as the auditor of the Company on 28 November 2022. CWK CPA Limited resigned as auditor of the Company on 23 September 2024 and OOP CPA & Co. has been appointed as the auditor of the Company on 23 September 2024. Except as disclosed above, there have been no other changes in auditor during the preceding three years. OOP CPA & Co. will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting. The consolidated financial statements for the year ended 31 December 2025 have been audited by OOP CPA & Co..

REPORT OF DIRECTORS

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Company's listed securities.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report relating to the Share Option Scheme, no equity-linked agreements were entered into during the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

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

EVENTS AFTER THE REPORTING PERIOD

On 12 January 2026 (after trading hours of the Stock Exchange), the Gransing Securities Co., Limited (the "**Placing Agent**") and the Company entered into the placing agreement (the "**Placing Agreement**"), pursuant to which the Placing Agent has agreed, as agent of the Company, to procure, on a best effort basis, not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 266,400,000 placing shares ("**Placing Shares**") at the placing price of HK\$0.152 per Placing Share ("**Placing Price**") upon the terms and subject to the conditions set out in the Placing Agreement (the "**Placing**"). On 13 January 2026, the Company and the Placing Agent entered into a supplemental agreement (the "**Supplemental Agreement**") to the Placing Agreement, pursuant to which the parties mutually agreed to amend the Placing Price from HK\$0.152 to HK\$0.153. On 23 January 2026, the Company and the Placing Agent entered into a second supplemental agreement (the "**Second Supplemental Agreement**") to the Placing Agreement, pursuant to which the parties mutually agreed to extend the long stop date from 28 January 2026 to 11 February 2026.

On 11 February 2026, all of the conditions set out in the Placing Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement to the Placing Agreement) have been fulfilled and completion of the Placing took place on 11 February 2026. An aggregate of 266,400,000 Placing Shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.153 per Placing Share pursuant to the terms and conditions of the Placing Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement).

The gross proceeds from the Placing amounted to approximately HK\$40.8 million and the net proceeds, after the deduction of the placing commission and other related expenses, amounted to approximately HK\$39.9 million, representing a net price of approximately HK\$0.150 per Placing Share. Please refer to the announcements of the Company dated 12 January 2026, 13 January 2026, 23 January 2026 and 11 February 2026 for further details on the Placing and the proposed use of proceeds from the Placing.

Saved as disclosed, the directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to date of this report.

By Order of the Board

Ng Kin Siu

Chairman of the Board and chief executive officer

Hong Kong, 27 March 2026

INDEPENDENT AUDITORS' REPORT



奧柏國際

TO THE SHAREHOLDERS OF FDB HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We were engaged to audit the consolidated financial statements of FDB Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 71 to 143, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

Material Uncertainty Related To Going Concern

We draw attention to note 3 to the consolidated financial statements which mentions that the Group incurred a loss for the year of approximately HK\$22,411,000 for the year ended 31 December 2025, and the Group had net current liabilities of approximately HK\$27,170,000 and net liabilities of approximately HK\$22,948,000. These conditions, along with other matters as set forth in note 3 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Management’s measures to address the going concern issue are also described in note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTER

Key audit matter is the matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 the matter.

Key audit matter

Revenue recognition of contracting service

We identified the recognition of contracting service revenue for construction contracts as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and there are significant judgements exercised by the management of the Group in determining the progress towards complete satisfaction of the performance obligation and the amount of contracting service revenue recognised.

As disclosed in note 5 to the consolidated financial statements, the contracting service revenue amounted to approximately HK\$406,743,000 for the year ended 31 December 2025. The Group recognised contracting service revenue by reference to the progress of satisfying the performance obligation at the reporting date.

How our audit addressed the key audit matter

Our procedures in relation to the revenue recognition of contracting service included:

Understanding the design and testing implementation relating to recognition of construction contract revenue and contract costs, and budget estimation including budget control and approval, record of construction costs, measurement of percentage of completion and reconciliation with the revenue recognised;

Evaluating the estimation of revenue and profit recognised on contracting service contracts, on a sample basis, by:

- Discussing with the project managers and the management of the Group to understand the status of the projects, identifying any variations and obtaining explanations for fluctuations in margins as to their reasonableness;
- Checking the total contract value and terms to agree to the underlying construction contracts entered into with the customers and other relevant correspondences and supporting documents in respect of variation orders;
- Performing retrospective review over the estimated budget costs of projects, by comparing the estimations of costs to complete contracts and the costs incurred for contracts completed in the current year to assess the reliability of management's budgeting process;

INDEPENDENT AUDITORS' REPORT

Key audit matter

Revenue recognition of contracting service

How our audit addressed the key audit matter

- Testing over the cost incurred during the year ended 31 December 2025 by inspecting relevant supporting documents; and
- Recalculating the percentage of completion to ensure the accuracy of amount of revenue recognition.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as 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.

INDEPENDENT AUDITORS' REPORT

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 auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT

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

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

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

The engagement partner on the audit resulting in the independent auditors' report is Kwan Kai Chun.

OOP CPA & Co.

Certified Public Accountants

Kwan Kai Chun

Practising Certificate Number: P06957

Hong Kong

27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	406,743	468,457
Cost of services		(399,034)	(451,156)
Gross profit		7,709	17,301
Other income	6	1,564	3,838
Other losses	6	(24)	–
Share of results of joint ventures	16	48	1,256
Impairment losses (recognised)/reversed under expected credit loss (“ECL”) model, net of reversal	7	(13,328)	2,262
Administrative expenses		(17,575)	(14,259)
Finance costs	8	(805)	(530)
(Loss)/profit before tax	9	(22,411)	9,868
Income tax expense	12	–	–
(Loss)/profit for the year		(22,411)	9,868
(Loss)/profit for the year attributable to:			
Owners of the Company		(22,406)	9,868
Non-controlling interest		(5)	–
(Loss)/earnings per share, basic and diluted (HK cents)	13	(1.7)	0.7
(Loss)/profit for the year		(22,411)	9,868
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		11	–
Other comprehensive income for the year		11	–
Total comprehensive (expense)/income for the year		(22,400)	9,868
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(22,395)	9,868
Non-controlling interest		(5)	–
		(22,400)	9,868

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	14	253	442
Right-of-use assets	15	3,487	992
Interests in joint ventures	16	1,304	1,256
		5,044	2,690
Current assets			
Contract assets	17	87,039	88,304
Trade and other receivables	18	136,153	45,804
Amount due from non-controlling interest shareholder		—*	—
Pledged deposits	19	7,165	7,165
Cash and cash equivalents	19	3,923	25,434
		234,280	166,707
Current liabilities			
Trade and other payables	20	199,842	125,850
Contract liabilities	21	—	2,256
Amounts due to a shareholder	22	32,900	10,000
Amounts due to joint ventures	22	17,641	21,813
Lease liabilities	23	2,952	1,006
Bank borrowings	25	8,115	884
		261,450	161,809
Net current (liabilities)/assets		(27,170)	4,898
Total assets less current liabilities		(22,126)	7,588
Non-current liabilities			
Bank borrowings	25	—	8,116
Deferred tax liabilities	24	20	20
Lease liabilities	23	802	—
		822	8,136
Net liabilities		(22,948)	(548)

* Amount less than HK\$1,000.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	26	13,320	13,320
Reserves		(36,263)	(13,868)
Non-controlling interest		(5)	–
Total deficit		(22,948)	(548)

The consolidated financial statements on pages 71 to 143 were approved and authorised for issued by the board of directors on 27 March 2026 and are signed on its behalf by:

MR. NG KIN SIU
Chairman and Executive Director

MR. WONG CHUN WAH KELVIN
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company						Non-controlling interest HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note a)	Translation reserve HK\$'000 (Note b)	Accumulated losses HK\$'000	Subtotal HK\$'000		
As at 1 January 2024	13,320	145,939	1,000	2,824	(173,499)	(10,416)	-	(10,416)
Profit and total comprehensive income for the year	-	-	-	-	9,868	9,868	-	9,868
As at 31 December 2024 and 1 January 2025	13,320	145,939	1,000	2,824	(163,631)	(548)	-	(548)
Loss for the year	-	-	-	-	(22,406)	(22,406)	(5)	(22,411)
Other compressive income for the year	-	-	-	11	-	11	-	11
Total comprehensive income/ (expense) for the year	-	-	-	11	(22,406)	(22,395)	(5)	(22,400)
Issuance of share	-	-	-	-	-	-	-*	-*
As at 31 December 2025	13,320	145,939	1,000	2,835	(186,037)	(22,943)	(5)	(22,948)

* Amount less than HK\$1,000.

Notes:

a. OTHER RESERVE

As part of the group reorganisation for the listing of the shares of FDB Holdings Limited (the "Company") on GEM of The Stock Exchange of Hong Kong Limited ("Stock Exchange"), there are series of restructuring within the Company and its subsidiaries (collectively referred to as the "Group") mainly involved interspersing investment holding entities between the operating subsidiaries and Mr. Ng Kin Siu. The difference between the Company's share capital and the combined share capital of Win Lee Building Engineering Limited ("Win Lee"), FDB Project Management Limited (formerly known as Marvo Architecture Limited), FDB Innovations Limited, and FDB New Energy Technology Co., Limited (formerly known as FDB Oversea Engineering Limited) was credited to other reserve,

b. TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations and presentation currency.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
(Loss)/profit before tax		(22,411)	9,868
Adjustments for:			
Depreciation of property, plant and equipment	14	184	177
Depreciation of right-of-use assets	15	2,820	2,897
Finance costs	8	805	530
Impairment losses under ECL model, net of reversal	7	13,328	(2,262)
Bank interest income	6	(1)	(99)
Loss on early termination of right-of-use assets	6	2	–
Loss on disposal of property, plant and equipment	6	22	–
Release of long due accruals	6	(1,199)	(3,465)
Share of results of joint ventures	16	(48)	(1,256)
Operating cash flows before movements in working capital		(6,498)	6,390
(Increase)/decrease in trade and other receivables		(101,095)	41,451
Increase in contract assets		(1,317)	(39,839)
Increase in amount due from non-controlling interest shareholder		–*	–
Increase/(decrease) in trade and other payables		75,191	(15,320)
Decrease in contract liabilities		(2,256)	(19,619)
Cash used in operations		(35,975)	(26,937)
Income tax paid		–	–
NET CASH USED IN OPERATING ACTIVITIES		(35,975)	(26,937)

* Amount less than HK\$100

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(17)	(45)
Payment for right-of-use asset		(16)	–
Placement of pledged bank deposits		–	(34,003)
Withdrawal of pledged bank deposits		–	50,241
Interest received		1	99
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(32)	16,292
FINANCING ACTIVITIES			
Interest paid		(645)	(413)
Drawdown of bank loans		8,000	5,000
Repayment of bank loans		(8,885)	(5,000)
Repayment of lease liabilities		(2,713)	(3,034)
Advance from a shareholder		60,326	16,500
Repayments to a shareholder		(37,426)	(22,000)
Advance from joint ventures		127,816	103,257
Repayments to joint ventures		(131,988)	(93,439)
NET CASH FROM FINANCING ACTIVITIES		14,485	871
NET DECREASE IN CASH AND CASH EQUIVALENTS		(21,522)	(9,774)
Effect of foreign exchange rate changes, net		11	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		25,434	35,208
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,923	25,434

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

FDB Holdings Limited was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 March 2015. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Its immediate holding company is Masterveyor Holdings Limited (“**Masterveyor**”), a company incorporated in the British Virgin Islands. Its ultimate controlling shareholder is Mr. Ng Kin Siu (“**Mr. Ng**”), who is an executive director, chief executive officer of the Company and chairman of the Board.

The address of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of contracting business and project management.

The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”) to suit the needs of the shareholders and investors, which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

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

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

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 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company 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.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 Financial Instruments: Disclosures in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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

3.1 Basis of preparation of consolidated financial statements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.1 Basis of preparation of consolidated financial statements (Continued)

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern assessment

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The validity of which depends upon the successful implementation and outcome of the following measures to be undertaken by the Group. The directors of the Company are of the opinion that, taking into account the following measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2025.

Management continues to closely monitor the liquidity position of the Group, which includes the sensitivity analysis of forecasted bank and cash balances for various factors to ensure adequate liquidity is maintained.

The Group incurred a loss for the year of approximately HK\$22,411,000 for the year ended 31 December 2025, and the Group had net current liabilities of approximately HK\$27,170,000 and net liabilities of approximately HK\$22,948,000. The Group's pledged bank deposits and cash and cash equivalents amounted to approximately HK\$7,165,000 and HK\$3,923,000, respectively as at 31 December 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the directors of the Company has reviewed the Group's cash flow forecast which cover a period of not less than twelve months from 31 December 2025.

Cash flow forecasts, which assume the continuity of normal business activity, indicate that the Group will have sufficient liquidity to meet its operational, existing contractual debt obligation and capital expenditure requirements for at least twelve month period from the date of the end of the reporting period.

In the event forecasted cash flow is not achieved, the directors of the Company have also evaluated other plans that could be undertaken to improve their liquidity position as follow:

- 1) The Group is actively and regularly reviewing its capital structure and sourcing additional capital by raising new debt financing or, issuing new shares, where appropriate. On 11 February 2026, the Group successfully completed a placing of 266,400,000 new shares at the price of HK\$0.153 per share. The total gross proceeds from the placing amounted to approximately HK\$40,800,000, and the net proceeds (after deduction of the placing commission and other related expenses) arising from the placing amounted to approximately HK\$39,900,000 and the Group is closely monitoring the utilization of the net proceeds arising from the completion of placing of new shares; and
- 2) The Group is closely monitoring its operations and implementing cost control on operating costs and administrative expenses with an aim to attain positive and sustainable cash flow from operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern assessment (Continued)

Taking into account all assumptions and plans as described above, the directors of Company are of the opinion that the Group will have sufficient working capital to maintain its operations and to meet its financial obligations as and when they fall due for at least twelve months from the end of the reporting period. The directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, uncertainty exists as to whether the revision of loan covenant clause or whether the bank facilities can be renewed and all other alternative operating and financing plans as the Group is still negotiating with its external financiers on the financing to the Group depending on the market condition. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, if applicable. The effects of these adjustments have not been reflected in the consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts and variable considerations.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

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

Input method

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

Variable consideration

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Performance obligation for contracts with customers

Contracting service

The Group provides contracting services for alteration and addition works, maintenance, specialist works and new development 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 is recognised for these contracting services based on the stage of completion of the contract using the input method.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranging from 10% to 30% of the total contract sum. When the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the contracting services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables within 12 months from the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Performance obligation for contracts with customers (Continued)

Contracting service (Continued)

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

The Group bills and collects payments from its customers based on the payment schedules stipulated in the consultancy service contracts.

Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

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

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes:

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

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

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

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

Refundable rental deposits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

Foreign currencies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

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

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

Share-based payments

Equity-settled share-based payment transactions

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

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

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Taxation

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the supply of services or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments

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

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

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

Interest income and dividend income are recognised in profit or loss and are included in the “other income” line item.

Financial assets

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

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets

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

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

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

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

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

A financial asset is held for trading if:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

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

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

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

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

The Group always recognised lifetime ECL for trade receivables, retention receivables and contract assets.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

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

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

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

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

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

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

Lifetime ECL for certain trade and retention receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration on the following characteristic when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit rating where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and retention receivables, deposits to a credit services provider and a financial institution, other receivables from a credit service provider and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Non-substantial modifications of financial assets

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Financial liabilities (including trade and other payables, amounts due to a shareholder, amounts due to joint ventures, bank borrowings and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Related parties

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

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

3.2 Material accounting policy information (Continued)

Related parties (Continued)

(ii) An entity is related to the Group if any of the following conditions apply:

- (a) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);
- (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member);
- (c) both entities are joint ventures of the same third party;
- (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (f) the entity is controlled or jointly controlled by a person identified in (i);
- (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (h) 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 family members of an individual are those family members who may be expected to influence, or be influence by, that person in their dealings with the entity and include:

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- dependants of the person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the Group and a related party, regardless of whether a price is charged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination of joint ventures

Note 16 describes that HKOID-Win Lee Joint Venture, HKOID-Win Lee ALC Joint Venture and HKOID-Win Lee Austin Joint Venture (collectively the "Joint Ventures") are the joint venture of the Group. The Group has 20% ownership interest and voting right in the Joint Ventures. The Joint Ventures are separated legal entities. The Group has 20% ownership in HKOID-Win Lee Joint Venture since August 2023, HKOID-Win Lee ALC Joint Ventur since April 2024 and HKOID-Win Lee Austin Joint Venture since June 2025; another 80% of shareholdings are owned by a private company that is unrelated to the Group. The joint arrangements are governed by contractual agreements that requires unanimous consent of the Group and the other party for decisions about the relevant activities. Details of the Joint Ventures are set out in Note 16.

The directors of the Company assessed whether the joint arrangements are joint venture, or joint operations. In making judgement, the directors of the Group considered the fact that the capital contribution and profit-sharing arrangement reflects an ownership interest in the net assets of the joint arrangements. After assessment, the directors of the Group determined that these joint arrangements are joint ventures based on the Group has the right to net assets. The ownership interest is accounted for using the equity method in the financial statements. The directors concluded that the joint arrangements are joint ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

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

Revenue and profit recognition of contracting service and contract assets

The Group provides contracting service for alteration and addition works, maintenance, specialist works and new development.

The Group recognises contract revenue and profit of contracting service and contract assets according to the Group's management's estimation of the total outcome of the contracting service contracts as well as the stage of completion of contracting service which is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. Estimated construction revenue is determined with reference to the terms of the relevant contract.

Construction cost which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major contractors/suppliers/vendors involved and the experience of the management.

The management is also required to exercise significant judgement in their assessment of the completeness and accuracy of forecasted costs to complete and the ability to deliver contracts within forecasted timescales.

Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will have significant impact on the revenue and profit recognised and the contract assets.

As at 31 December 2025, the carrying amount of contract assets in relation to contracting service was approximately HK\$87,039,000 (2024: HK\$88,304,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Provision of ECL for trade and retention receivables and contract assets

The Group estimates the amount of lifetime ECL of trade and retention receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade and retention receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade and retention receivables and contract assets that are credit-impaired and certain debtors with significant outstanding balances are assessed for ECL individually. The loss allowance amount of the credit impaired trade and retention receivables and contract assets is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

The provision of ECL is sensitive to changes in estimates. Due to the financial uncertainty triggered by international conflicts and tensions and increased credit risk from certain debtors, the Group has increased the expected loss rates in the current year as there is a higher risk that could led to increased credit default rates. The information about the ECL and the Group's trade and retention receivables and contract assets are disclosed in Notes 31b, 18 and 17 respectively.

5. REVENUE AND SEGMENT INFORMATION

The Group recognises revenue from contracting business and project management (the "contracting service").

(i) Disaggregation of revenue from contracts with customers

	2025 HK\$'000	2024 HK\$'000
Types of service		
Contracting service	406,743	468,457
Geographical markets		
Hong Kong	406,743	468,457
Timing of revenue recognition		
Over time	406,743	468,457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

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

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

	2025 HK\$'000	2024 HK\$'000
Within one year	319,478	435,575

Segment information

The chief operating decision maker (“**CODM**”) has been identified as the executive directors who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Information reported to CODM for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group’s activities are carried out in Hong Kong, the Group monitors its total assets and liabilities centrally in one single operating segment. All the non-current assets are located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A	257,164	143,456
Customer B	41,907	145,060
Customer C	N/A ¹	127,435

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group in the respective year.

No other revenue from transaction with a single external customer amounted to 10% or more of the total revenue of the Group for both years.

6. OTHER INCOME AND OTHER LOSSES

	2025 HK\$'000	2024 HK\$'000
Other income		
Bank interest income	1	99
Release of long due accruals (Note a)	1,199	3,465
Management fee income	304	226
Insurance claim recoverable	–	48
Government subsidy (Note b)	60	–
	1,564	3,838
Other losses		
Loss on early termination of right-of-use assets	(2)	–
Loss on disposal of property, plant and equipment	(22)	–
	(24)	–

Note:

- (a) During the year ended 31 December 2025, the Group has released approximately HK\$1,199,000 (2024: HK\$3,465,000) of accruals balances that have been past due for over 6 years (2024: over 6 years) but no invoices received after the contract is completed.
- (b) During the year ended 31 December 2025, the Group has received government subsidy of approximately HK\$60,000 from the Construction Industry Council for Professional Degree Graduate On-the-Job Training Subsidy Scheme ("PDGOTSS").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. IMPAIRMENT LOSSES RECOGNISED/(REVERSED) UNDER ECL MODEL, NET OF REVERSAL

	2025 HK\$'000	2024 HK\$'000
Impairment losses recognised/(reversed) on:		
– Trade receivables	10,816	(2,679)
– Retention receivables	(142)	(357)
– Other receivables and deposits	72	196
– Contract assets	2,582	578
	13,328	(2,262)

Details of impairment assessment are set out in Note 31b.

8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on:		
– Lease liabilities	160	117
– Bank borrowings	645	413
	805	530

9. (LOSS)/PROFIT BEFORE TAX

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before tax has been arrived at after charging:		
Directors' emoluments	2,329	2,332
Salaries and other allowances	12,376	17,168
Retirement benefit scheme contributions, excluding those of directors	570	1,222
Total staff costs	15,275	20,722
Auditor's remuneration	700	700
Sub-contracting cost recognised in cost of services	382,129	417,121
Depreciation of property, plant and equipment	184	177
Depreciation of right-of-use assets	2,820	2,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

Directors

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2025

	Directors' fees HK\$'000	Salaries and other allowances HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors:				
Ng Kin Siu (chief executive officer)	–	1,802	18	1,820
Independent non-executive directors:				
Lau Kwok Fai Patrick (Note a)	5	–	–	5
Wong Chun Wah Kelvin	168	–	–	168
Siu Wilson Wai Lum (Note b)	168	–	–	168
Ng Chung Chi (Note c)	168	–	–	168
	509	1,802	18	2,329

For the year ended 31 December 2024

	Directors' fees HK\$'000	Salaries and other allowances HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors:				
Ng Kin Siu (chief executive officer)	–	1,800	18	1,818
Independent non-executive directors:				
Chan Yuk Sang (Note d)	114	–	–	114
Lau Kwok Fai Patrick (Note a)	168	–	–	168
Wong Chun Wah Kelvin	168	–	–	168
Siu Wilson Wai Lum (Note b)	54	–	–	54
Ng Chung Chi (Note c)	10	–	–	10
	514	1,800	18	2,332

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

Directors (Continued)

Notes:

- (a) Mr. Lau Kwok Fai Patrick was resigned on 10 January 2025.
- (b) Mr. Siu Wilson Wai Lum was appointed on 4 September 2024 and resigned on 5 January 2026.
- (c) Ms. Ng Chung Chi was appointed on 11 December 2024.
- (d) Mr. Chan Yuk Sang was resigned on 4 September 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 during the current and prior years. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the current and prior years.

Employees

The five highest paid employees of the Group for the year ended 31 December 2025 included one director (2024: one director), details of whose remuneration are set out in Note 10 above.

For the year ended 31 December 2025, the remuneration of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other allowances	3,571	4,406
Retirement benefit scheme contributions	72	69
	3,643	4,475

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

Employees (Continued)

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

	2025 No. of employees	2024 No. of employees
Nil to HK\$1,000,000	3	1
HK\$1,000,001 to HK\$1,500,000	1	3
	4	4

No emoluments were paid by the Group to the top five highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office during the current and prior years.

11. DIVIDENDS

No dividends were paid, declared or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

12. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax: Hong Kong	–	–
	–	–
Deferred tax (Note 24)	–	–
	–	–
Income tax expense	–	–

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INCOME TAX EXPENSE (Continued)

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before tax	(22,411)	9,868
Tax at the applicable income tax rate of 16.5% (2024: 16.5%)	(3,698)	1,628
Tax effect of income not taxable for tax purpose	–*	(390)
Tax effect of expenses not deductible for tax purpose	1,181	2
Tax effect of tax losses not recognised	1,547	–
Utilisation of tax losses previously not recognised	–	(1,245)
Tax effect of temporary differences not recognised	970	5
Income tax expense for the year	–	–

* Amount less than HK\$1,000

13. (LOSS)/EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	(22,406)	9,868

	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	1,332,000	1,332,000

For the years ended 31 December 2025 and 2024, the computation of diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the year.

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For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Total HK\$'000
Cost				
As at 1 January 2024	613	98	1,275	1,986
Additions	-	-	45	45
As at 31 December 2024 and 1 January 2025	613	98	1,320	2,031
Additions	-	-	17	17
Disposals	(73)	(29)	(649)	(751)
As at 31 December 2025	540	69	688	1,297
Accumulated depreciation and impairment				
As at 1 January 2024	275	51	1,086	1,412
Charged for the year	105	13	59	177
As at 31 December 2024 and 1 January 2025	380	64	1,145	1,589
Charged for the year	105	13	66	184
Eliminated on disposals	(73)	(29)	(627)	(729)
As at 31 December 2025	412	48	584	1,044
Carrying amount				
As at 31 December 2025	128	21	104	253
As at 31 December 2024	233	34	175	442

The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their residual value, as follows:

Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture and fixtures	20%
Office equipment	20%

The management has assessed that there is no impairment loss for the year ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000
As at 31 December 2025	
Carrying amount	3,487
As at 31 December 2024	
Carrying amount	992
For the year ended 31 December 2025	
Depreciation charge for the year	2,820
For the year ended 31 December 2024	
Depreciation charge for the year	2,897

The management has assessed that there is no impairment loss for the year ended 31 December 2025 and 2024.

	Year ended 31 December 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Expense relating to short-term leases	539	556
Total cash outflow for leases	3,252	3,590
Additions to right-of-use assets (Note)	5,332	–
Termination to right-of-use assets	(17)	–

Note: Amount includes right-of-use assets resulting from new leases entered and lease modification during the year.

For both years, the Group leases various offices and car parks for its operations. Lease contracts are entered into for fixed term of 1 to 2 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for car parks and office. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense as disclosed above.

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For the year ended 31 December 2025

16. INTERESTS IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Interests in joint ventures under equity method	1,304	1,256

Details of joint ventures as at 31 December 2025 and 31 December 2024 are as follows:

Name of entities	Place of establishment and operation	Principal activity	Proportion of ownership interest held by the Group	
			2025	2024
HKOID-Win Lee Joint Venture	Hong Kong	Construction work	20%	20%
HKOID-Win Lee ALC Joint Venture	Hong Kong	Construction work	20%	20%
HKOID-Win Lee Austin Joint Venture	Hong Kong	Construction work	20%	–

The following table illustrates the financial information of the Group's joint ventures:

	Interests in joint ventures	
	2025 HK\$'000	2024 HK\$'000
Share of profit/(loss) for the year:		
HKOID-Win Lee Joint Venture	593	672
HKOID-Win Lee ALC Joint Venture	(556)	584
HKOID-Win Lee Austin Joint Venture	11	–
	48	1,256

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For the year ended 31 December 2025

17. CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Contracting service (Note)	87,039	88,304

Note: As at 31 December 2025, included in contract assets was retention held by customers for contract works amounting to approximately HK\$73,523,000 (2024: HK\$47,642,000). The retention money was expected to be recovered or settled in within twelve months from the end of the reporting period.

As at 1 January 2024, contract assets amounted to HK\$49,043,000.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Typical payment terms which impact on the amount of contract assets recognised are set out in Note 3.

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

Details of the impairment assessment are set out in Note 31b.

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For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	114,929	22,615
Less: allowance for ECL	(12,147)	(2,929)
	102,782	19,686
Retention receivables (Note a)	9,419	21,348
Less: allowance for ECL	(996)	(4,214)
	8,423	17,134
Other receivables	882	882
Less: allowance for ECL	(291)	(234)
	591	648
Prepayment	23,096	6,763
Sundry deposits	1,261	1,573
	24,357	8,336
	136,153	45,804

As at 1 January 2024, trade receivables from contracts with customers amounted to HK\$71,131,000.

Note:

- (a) Retention money net of allowance for ECL in relation to completed projects of approximately HK\$4,191,000 (2024: HK\$12,541,000) was unbilled as at 31 December 2025. The Group has an unconditional right to the payment of the unbilled retention receivables which is expected to be billed within 12 months from the end of the reporting period.

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For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES (Continued)

The Group allows a credit period ranging from 0 to 30 days (2024: 0 to 30 days) to its customers. The following is an aged analysis of the Group's trade receivables net of allowance for ECL presented based on certificate/invoice dates:

	2025 HK\$'000	2024 HK\$'000
Trade receivables:		
1-30 days	71,945	1,832
31-60 days	1,398	405
61-90 days	11,473	1,146
91-180 days	5,221	326
Over 180 days	12,745	15,977
	102,782	19,686

	2025 HK\$'000	2024 HK\$'000
Receivables in relation to billed retention money:		
1-30 days	-	-
31-60 days	-	-
61-90 days	-	-
91-180 days	-	-
Over 180 days	4,232	4,593
	4,232	4,593

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$30,837,000 (2024: HK\$17,854,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$17,966,000 (2024: HK\$16,303,000) has been past due 90 days or more and is not considered as in default due to the long-term/on-going relationship with and past repayment record of these customers. The Group does not hold any collateral over these balances.

Details of the impairment assessment are set out in Note 31b.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. PLEDGED DEPOSITS/CASH AND CASH EQUIVALENTS

As at 31 December 2025, deposits amounting to approximately HK\$7,165,000 (2024: HK\$7,165,000) have been pledged to banks or insurance company to secure banking facilities granted to the Group and guarantee line for issuing surety bonds (see Note 28). Cash and cash equivalents comprise cash held by the Group, bank balances and short-term bank deposits with an original maturity of three months or less. The pledged deposits/bank balances carry interest at market rates which are as follows:

	2025	2024
Range of interest rates per annum:		
Pledged deposits	Nil to 2.000%	Nil to 2.000%
Bank balances	0.001% to 0.010%	0.001% to 0.010%

Details of impairment assessment of pledged deposits and bank balances are set out in Note 31b.

20. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	108,987	49,362
Retention payables (Note)	37,768	40,294
Accrued subcontracting charges	51,115	34,182
Accrued operating expenses	1,972	2,012
	199,842	125,850

Note: In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the work of subcontractors has been completed.

The credit period on trade payables is 0 to 30 days.

An aged analysis of the Group's trade payables based on invoice dates at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Trade payables:		
1–30 days	75,355	42,361
31–60 days	15,003	34
61–90 days	–	–
Over 90 days	18,629	6,967
	108,987	49,362

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For the year ended 31 December 2025

21. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Deposits from customers	–	2,256

As at 1 January 2024, contract liabilities amounted to HK\$21,875,000.

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

	2025 HK\$'000	2024 HK\$'000
Revenue recognised in contracting service that was included in the contract liabilities balance at the beginning of the respective years	2,256	21,875

Typical payment terms which impact the amount of contract liabilities recognised are as set out in Note 3.

22. AMOUNTS DUE TO A SHAREHOLDER/JOINT VENTURES

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

23. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	2,952	1,006
Within a period of more than one year but not more than two years	802	–
	3,754	1,006
Less: Amount due for settlement within 12 months shown under current liabilities	(2,952)	(1,006)
Amount due for settlement after 12 months shown under non-current liabilities	802	–

The weighted average incremental borrowing rate applied is 4.5% per annum (2024: 4.5% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. DEFERRED TAX LIABILITIES

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

	2025 HK\$'000	2024 HK\$'000
Deferred tax liabilities	20	20
	20	20

The following is the major deferred tax liabilities and assets recognised by the Group and movements thereon:

	Accelerated tax depreciation HK\$'000	Total HK\$'000
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	(20)	(20)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$96,188,000 (2024: HK\$84,902,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	8,115	9,000
Secured	8,115	9,000

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	2025 HK\$'000	2024 HK\$'000
The carrying amounts of above borrowings are repayable:		
Within one year or contain a repayment on demand clause (Note)	8,115	884
Within a period of more than one year but not exceeding two years	–	911
Within a period of more than two years but not exceeding five years	–	2,904
Within a period of more than five years	–	4,301
	8,115	9,000
Less: Amounts due within one year shown under current liabilities	8,115	884
Amounts shown under non-current liabilities	–	8,116

Note: The loan repayment for the next twelve months only consist of interest payments, with no principal amount due as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. SHARE CAPITAL

	Number of Shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each Authorised: At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	4,000,000,000	40,000
Issued and fully paid: At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,332,000,000	13,320

On 11 February 2026, a placing agreement have been fulfilled and completion were made.

An aggregate of 266,400,000 Placing Shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, have been placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.153 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The gross proceeds from the Placing amounted to approximately HK\$40,800,000 and the net proceeds, after the deduction of the placing commission and other related expenses, amounted to approximately HK\$39,900,000, representing a net price of approximately HK\$0.150 per Placing Share. These new shares were issued under the general mandate granted.

27. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The total expense recognised in profit or loss of HK\$588,000 (2024: HK\$1,240,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

As at 31 December 2025 and 2024, the Group had no forfeited contributions available to reduce the existing level of contributions.

Obligation to pay Long Service Payment ("LSP") under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

$$\text{Last monthly wages (before termination of employment)} \times 2/3 \times \text{Years of service}$$

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. RETIREMENT BENEFIT PLANS (Continued)

Obligation to pay Long Service Payment (“LSP”) under Hong Kong Employment Ordinance (Chapter 57) (Continued)

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group’s mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the “**Offsetting Arrangement**”).

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group’s mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group’s LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the LSP obligation, taking into account the Abolition.

28. SURETY BONDS

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for performance of contract works in the form of surety bonds and secured by pledged deposits (see Note 19). In addition, the Group provided a counter-indemnity to the financial institutions that issue such surety bonds.

As at 31 December 2025, the outstanding amount of surety bonds of the Group was approximately HK\$37,449,000 (2024: HK\$37,449,000).

29. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with related parties:

Relationships	Nature of balances/ transactions	For the year ended	For the year ended
		31/12/2025 HK\$’000	31/12/2024 HK\$’000
Joint ventures	Management fee income	304	226
Joint ventures	Subcontractor charges	74,435	128,462

Compensation of key management personnel

The directors are identified as key management members of the Company, and their compensation during the years ended 31 December 2025 and 2024 were set out in Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders and maintaining an adequate capital structure. The Group's overall strategy remained unchanged from prior years.

The capital structure of the Group consists of net debts, which includes bank borrowings, amounts due to a shareholder and amounts due to joint ventures disclosed in Notes 25 and 22, net of cash and cash equivalents and equity of the Group, comprising paid in capital, other reserves and non-controlling interests.

Gearing ratio

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

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

	2025 HK\$'000	2024 HK\$'000
Debts (note a)	58,656	40,813
Equity (note b)	(22,948)	(548)
Debt to equity ratio	-255.6%	-7,445.8%

Notes:

- (a) Debts includes bank borrowings, amounts due to a shareholder and amounts due to joint ventures.
- (b) Equity includes all capital, reserves and non-controlling interests of the Group.

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For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS

31a. Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at amortised cost	124,145	71,640
Financial liabilities		
Financial liabilities at amortised cost	209,165	131,475

31b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged deposits, bank balances, trade and other payables, amounts due to a shareholder, amounts due to joint ventures and lease liabilities and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate lease liabilities (see Note 23 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances, pledged deposits and bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and pledged deposits.

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

The directors of the Company consider that the overall interest rate risk is not significant as the fluctuation of the interest rates on bank balances, pledged deposits and bank borrowings is minimal. Accordingly, no sensitivity analysis is prepared and presented.

Foreign exchange risk

The functional currency of the Company and its subsidiaries is HKD for the year ended 31 December 2025 and 2024 in which most of their transactions are denominated. The Group currently does not hedge transactions undertaken in foreign currencies but manages its exposure through constant monitoring to limited as much as possible the amount of its foreign currency exposures. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. 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.

The management considers the foreign exchange exposure does not have a significant risk to the Group, no sensitivity analysis is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

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

Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade and retention receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount trade debt at the end of the reporting period to ensure that adequate impairment loss is recognised for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group is exposed to concentration of credit risk as at 31 December 2025 on the trade and retention receivables from the Group's five major customers amounting to approximately HK\$89,863,000 (2024: HK\$13,362,000) and accounted for 81% (2024: 36%) of the Group's total trade and retention receivables. In the opinion of the directors of the Company, the major customers of the Group are reputable organisation in the market. The directors of the Company consider that the credit risk is limited in this regard.

The Group is exposed to concentration of credit risk as at 31 December 2025 on the contract assets from the Group's five major customers amounting to approximately HK\$83,280,000 (2024: HK\$53,259,000) and accounted for 96% (2024: 60%) of the Group's contract assets. In the opinion of the directors of the Company, the major customers of the Group are reputable organisation in the market. The directors of the Company consider that the credit risk is limited in this regard.

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Credit-impaired debtors and certain debtors with significant outstanding balances are assessed for impairment individually, the remaining trade and retention receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. During the year ended 31 December 2025, the Group recognised impairment losses of approximately HK\$10,674,000 and recognised impairment losses HK\$2,582,000 (2024 reversed impairment losses: HK\$3,036,000 and recognised impairment loss HK\$578,000) for trade and retention receivables and contract assets, respectively. Details of the quantitative disclosures are set out below in this note.

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For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits

The directors of the Company estimate the loss rates of deposits to a credit service provider and a financial institution and other receivables from a credit service provider based on historical credit loss experience of these counterparties as well as other factors, including the operation scale and business performance of these counterparties. For the remaining other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of these receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group provided impairment based on 12m ECL for these other receivable and deposits that the directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and based on lifetime ECL for these other receivable and deposits which had significant increase in credit risk or credit-impaired during the year.

For the year ended 31 December 2025, recognised impairment losses of approximately HK\$72,000 for the remaining other receivables and deposits (2024: recognised impairment losses of approximately HK\$196,000).

Pledged deposits and bank balances

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

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31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

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

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m 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 evidence indicating the asset is credit-impaired	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

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31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

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

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost					
Trade and retention receivables	N/A	Note 1	Lifetime ECL (not credit-impaired) (provision matrix)	39,656	38,864
	N/A	Doubtful	Lifetime ECL (not credit-impaired) (individual assessment)	84,692	–
	N/A	Loss	Credit-impaired	–	5,099
				124,348	43,963
Other receivables and deposits	N/A	Low risk	12m ECL	2,175	2,472
Bank balances	Baa2 to A1	N/A	12m ECL	3,923	25,434
Pledged deposit	Baa2 to A1	N/A	12m ECL	7,165	7,165
Other item					
Contract assets	N/A	Note 1	Lifetime ECL (not credit-impaired) (provision matrix)	40,670	90,828
	N/A	Doubtful	Lifetime ECL (not credit-impaired) (individual assessment)	51,475	–
	N/A	Loss	Credit-impaired	38,007	38,007
				130,152	128,835

Note 1:

For trade and retention receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired and certain debtors with significant outstanding balances, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit rating.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix – internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade and retention receivables and contract assets which are assessed based on provision matrix within lifetime ECL (not credit-impaired). Credit-impaired debtors and certain debtors with significant outstanding balances with gross carrying amount of nil and HK\$84,692,000 (2024: HK\$5,099,000 and nil) were assessed individually based on the recoverability with reference to time overdue and repeated attempts made by the Group including but not limited to issuance of demand letters and legal actions taken by the Group.

Gross carrying amount

Internal credit rating	2025			2024		
	Average loss rate	Trade and retention receivables HK\$'000	Contract assets HK\$'000	Average loss rate	Trade and retention receivables HK\$'000	Contract assets HK\$'000
Low risk	4.78%	31,966	23,370	2.78%	14,716	90,797
Watch list	9.95%	7,690	17,300	6.66%	24,148	31
		39,656	40,670		38,864	90,828

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade and retention receivables are a reasonable approximation of the loss rates for contract assets.

During the year ended 31 December 2025, the Group recognised impairment allowance of approximately HK\$12,351,000 and HK\$3,964,000 (2024: HK\$508,000 and HK\$40,532,000), reversed impairment allowance of approximately HK\$1,677,000 and HK\$1,382,000 (2024: HK\$3,543,000 and HK\$39,953,000) and wrote off HK\$4,674,000 (2024: Nil) for trade and retention receivables and contract assets respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

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

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	4,940	5,238	10,178
Impairment loss recognised	508	–	508
Reversal of Impairment loss recognised	(3,404)	(139)	(3,543)
As at 31 December 2024 and 1 January 2025	2,044	5,099	7,143
Impairment loss recognised	12,351	–	12,351
Reversal of impairment loss recognised	(1,252)	(425)	(1,677)
Written-off	–	(4,674)	(4,674)
As at 31 December 2025	13,143	–	13,143

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

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	1,946	38,007	39,953
Impairment loss recognised	2,525	–	2,525
Reversal of Impairment loss recognised	(1,947)	–	(1,947)
As at 31 December 2024 and 1 January 2025	2,524	38,007	40,531
Impairment loss recognised	3,964	–	3,964
Reversal of impairment loss recognised	(1,382)	–	(1,382)
As at 31 December 2025	5,106	38,007	43,113

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following tables show reconciliation of ECL that has been recognised for other receivables and deposits:

	12m ECL HK\$'000
As at 1 January 2024	55
Impairment loss recognised	196
As at 31 December 2024 and 1 January 2025	251
Impairment loss recognised	239
Reversal of impairment loss recognised	(167)
As at 31 December 2025	323

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

	Weighted average effective interest rate %	Repayable on demand or less than 1 year HK\$'000	Repayable in 1 to 5 years HK\$'000	Repayable in over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying value HK\$'000
As at 31 December 2025						
Trade and retention payables	-	146,755	-	-	146,755	146,755
Amounts due to a shareholder	-	32,900	-	-	32,900	32,900
Amounts due to joint ventures	-	17,641	-	-	17,641	17,641
Bank Borrowings	2.75	9,049	-	-	9,049	8,115
Lease Liabilities	4.50	3,060	815	-	3,875	3,754
		209,405	815	-	210,220	209,165
Financial guarantee contract (Note)	-	37,449	-	-	37,449	37,449
As at 31 December 2024						
Trade and retention payables	-	89,656	-	-	89,656	89,656
Amounts due to a shareholder	-	10,000	-	-	10,000	10,000
Amounts due to a joint venture	-	21,813	-	-	21,813	21,813
Bank Borrowings	3.56	1,143	4,569	4,569	10,281	9,000
Lease Liabilities	4.50	1,024	-	-	1,024	1,006
		123,636	4,569	4,569	132,774	131,475
Financial guarantee contract (Note)	-	37,449	-	-	37,449	37,449

Note: Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for performance of contract works in the form of surety bonds (see Note 28). The amount included above for financial guarantee contract represented the amount of counter-indemnity the Group provided to the financial institutions that issue such surety bonds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table (Continued)

The below summaries the maturity analysis of bank borrowings of the Group based on the agreed scheduled repayment set out in the loan agreement without considering the repayment on demand clause.

	Less than 1 year HK\$'000	From 1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
As at 31 December 2025	1,131	4,525	3,393	9,049
As at 31 December 2024	1,143	4,569	4,569	10,281

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Amounts due to a shareholder HK\$'000 (Note 22)	Amounts due to joint ventures HK\$'000 (Note 22)	Lease liabilities HK\$'000 (Note 23)	Bank borrowings HK\$'000 (Note 25)	Total HK\$'000
As at 1 January 2024	15,500	11,995	3,923	9,000	40,418
Financing cash flows	(5,500)	9,818	(3,034)	(413)	871
Interest expenses	–	–	117	413	530
As at 31 December 2024 and 1 January 2025	10,000	21,813	1,006	9,000	41,819
Financing cash flows	22,900	(4,172)	(2,713)	(1,530)	14,485
New lease entered/lease modification	–	–	5,301	–	5,301
Interest expenses	–	–	160	645	805
As at 31 December 2025	32,900	17,641	3,754	8,115	62,410

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the Company's share option scheme (the "**Scheme**") adopted for a period of 10 years on, and commenced from, 16 September 2015 for the primary purpose of providing incentives to directors, eligible employees, consultant or adviser of the Group, the directors, employees, consultant or adviser of the Group may, at the discretion of the directors, be granted options (the "**Options**") to subscribe for shares in the Company at a price determined by its directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares on the date of grant of the option.

Without prior approval from the Company's shareholders, the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, and the number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

The Scheme will remain in force for a period of ten years from the date of its adoption. Options granted must be taken up not later than 7 days after the date of grant. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option.

The exercisable period of an option, which shall not exceed 10 years from the date of grant, is determined by the Board of Directors of the Company at their discretion.

No options have been granted since its adoption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

General information of subsidiaries

Details of the Company's principal subsidiaries at the end of the reporting period are set out below:

Name of subsidiary	Place and date of incorporation/operation	Equity interest attributable to the Company		Issued and fully paid share capital/registered capital	Principal activities
		2025	2024		
FDB & Associates Limited*	BVI/Hong Kong 25 February 2015	100%	100%	Ordinary share USD1	Investment holding
Win Lee	Hong Kong 10 May 1999	100%	100%	Ordinary shares HK\$1,000,000	Contracting business and project management mainly for property refurbishment and renovation

* Directly held by the Company

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

35. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with current year's presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current asset		
Investments in subsidiaries	2	2
	2	2
Current assets		
Prepayments	322	301
Trade and other receivable	10	10
Amounts due from subsidiaries	265	223
Cash and cash equivalents	–	–
	597	534
Current liabilities		
Accrued charges	1,075	827
Amounts due to a subsidiary	13,965	9,944
	15,040	10,771
Net current liabilities	(14,443)	(10,237)
Net liabilities	(14,441)	(10,235)
Capital and reserves		
Share capital	13,320	13,320
Reserves	(27,761)	(23,555)
Total equity	(14,441)	(10,235)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (Continued)

Movement in the Company's reserve

	Share premium HK\$'000	Accumulated losses HK\$'000	Exchange reserve HK\$'000	Total HK\$'000
As at 1 January 2024	145,939	(168,002)	2,824	(19,239)
Loss and total comprehensive expenses for the year	–	(4,316)	–	(4,316)
As at 31 December 2024 and 1 January 2025	145,939	(172,318)	2,824	(23,555)
Loss and total comprehensive expenses for the year	–	(4,206)	–	(4,206)
At 31 December 2025	145,939	(176,524)	2,824	(27,761)

37. EVENTS AFTER REPORTING PERIOD

Placing of new shares

On 11 February 2026, the Group successfully completed a placing of 266,400,000 new shares at the price of HK\$0.153 per share. The total gross proceeds from the placing amounted to approximately HK\$40,800,000, and the net proceeds (after deduction of the placing commission and other related expenses) arising from the placing amounted to approximately HK\$39,900,000.

The directors of the Company are not aware of any other significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to date of this annual report.

FINANCIAL SUMMARY

For the five years ended 31 December 2021, 2022, 2023, 2024 and 2025

RESULTS

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	382,273	357,154	193,771	468,457	406,743
(Loss)/profit before tax	(64,830)	(1,588)	(59,284)	9,868	(22,411)
Income tax (expenses)/credit	–	36	–	–	–
(Loss)/profit and total comprehensive (expense)/income for the year	(64,831)	(916)	(59,284)	9,868	(22,400)
Attributable to:					
Owners of the Company	(66,160)	(916)	(59,284)	9,868	(22,395)
Non-controlling interests	1,329	–	–	–	(5)

ASSETS AND LIABILITIES

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	234,845	226,859	196,532	169,397	239,324
Total liabilities	(184,425)	(177,991)	(206,948)	(169,945)	(262,272)
Net (liabilities)/assets	50,420	48,868	(10,416)	(548)	(22,948)

